

**Tuesday
12 September 2017**

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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 12 September 2017

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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

Motion made,

That the promoters of the Middle Level Bill, which originated in this House in the previous Session on 24 January 2017, may have leave to proceed with the Bill in the current Session according to the provisions of Standing Order 188B (Revival of Bills).—(*The Chairman of Ways and Means.*)

Hon. Members: Object.

To be considered on Tuesday 10 October.

Oral Answers to Questions

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

The Secretary of State was asked—

Carbon Emissions

1. **Sir Desmond Swayne** (New Forest West) (Con): What steps he is taking to ensure the accuracy of carbon emission measurements. [900784]

The Minister of State, Department for Business, Energy and Industrial Strategy (Claire Perry): The UK's measurement of carbon emissions is considered among the best in the world, with a 97% accuracy rate. Indeed, our inventory of carbon emissions is among the world's most comprehensive, covering all sectors of the economy. However, we are always looking to improve our accuracy in this area, and that work is guided by the National Inventory Steering Committee, which meets twice a year.

Sir Desmond Swayne: Excellent! Are we on track to meet our fourth carbon budget from 2023 to 2027?

Claire Perry: I hope that my right hon. Friend will also consider excellent the fact that we overachieved against our first carbon budget to 2012 and that we are on track to over-achieve by 5% and 4% respectively against our second and third carbon budgets. However, I am afraid that he is being his usual mischievous self in asking about the fourth carbon budget, which is something that I shall be talking more about when we launch our clean growth strategy, so he will have to be patient just a little bit longer.

Mr Speaker: We await the hon. Lady's oration on that occasion with eager anticipation.

Albert Owen (Ynys Môn) (Lab): The Minister's response is simply not good enough. We have waited for report after report, and these carbon budgets have been delayed time and again. I know that we have had an unnecessary and uncoded election, but even the United Nations is saying that our air is not clean. It is time that the Government took this seriously, acted and told the House the exact figures.

Claire Perry: I think the hon. Gentleman is showing the effect of our late sitting hours with his grumpiness. He should be celebrating the fact that Britain has led the world in decarbonising our economy, while growing the economy at a greater rate than any other G7 country. If he wants more affirmation, he should read the PwC report on that. What we have to do now is set out a very difficult and long-term plan to meet the fourth and fifth carbon budgets and to go beyond. As always, that requires all of us to support this difficult progress right across the economy. I hope that the hon. Gentleman will have a cup of coffee and cheer up.

Barry Gardiner (Brent North) (Lab): The Minister is right to say that we have an excellent method of calculating our emissions, but she might have pointed out that other countries do not, and that the Intergovernmental Panel on Climate Change is currently preparing updated guidelines on how best to account for emissions. Will she confirm that, for that vital work to proceed, the UK Government will be one of those who increase their financial contribution to the IPCC to make good the shortfall left by President Trump's decision to pull out of the Paris agreement? Does she also agree, now that the cost of offshore wind energy has fallen by a half in just two years, that those are the easiest emissions to calculate, because they are zero?

Claire Perry: I hope that the hon. Gentleman will celebrate the fact that we entirely agree and have committed to increasing our contribution to the funding of that agency, directly as a result of the pull-out of the USA from the Paris agreement—although technically it cannot withdraw until 2020.

Taylor Review

2. **Jeff Smith** (Manchester, Withington) (Lab): To ask the Secretary of State what progress he has made on assessing the recommendations of the Taylor review of modern working practices. [900785]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): We welcome, accept and agree with Matthew Taylor's ambition that all work in the UK should be fair and decent, with realistic scope for development and fulfilment. The report is comprehensive and detailed. We will give it the careful consideration it deserves, and we will respond in full later this year.

Jeff Smith: Taylor agreed that we needed to ensure that the self-employed were genuinely self-employed and to strengthen their rights. A Labour Government would shift the burden of proof, so that the law would

assume that a worker was an employee unless the employer could prove otherwise. We would set up a dedicated commission to modernise the law on employment status. Why cannot this Government commit to real action like that?

Margot James: Much of what the hon. Gentleman refers to is covered by Matthew Taylor in his report, and one of his recommendations that we will be following up with interest is that all workers should be informed of their status in writing by their employer before they start their work.

Michael Fabricant (Lichfield) (Con): Has my hon. Friend looked at the working practices of the John Lewis Partnership—with which I no longer have any connection whatever—and seen the way in which it has people on its boards of management? Does she not believe that this is an important way to achieve worker involvement?

Margot James: I thank my hon. Friend for his commendation of the John Lewis Partnership, with which I concur. It is, indeed, a very good employer, but it is not alone: many other large companies engage with their employees in much the same way.

Rachel Reeves (Leeds West) (Lab): Will the Minister join me in welcoming the Supreme Court's ruling that employment tribunal fees for workers are illegal? Will she now accept that it is the Government's responsibility to end the use of bogus self-employment by companies that seek to avoid paying national insurance and giving workers the rights that they deserve? Will she commit to introducing the necessary legislative changes in this Parliament to give workers the rights that they need and to ensure that taxpayers get the tax revenue and national insurance that they deserve?

Margot James: Indeed, what the hon. Lady refers to as bogus self-employment is one of the reasons why the Prime Minister appointed Matthew Taylor to review employment protection in the context of the modern economy. She raises some good points, and I trust her Committee will be investigating them. My Department will co-operate fully.

David Simpson (Upper Bann) (DUP): As well as the whole issue around modern working practices, what more can the Government do to incorporate productivity within this?

Margot James: Productivity is a crucial part of our industrial strategy, as are good employee communications and practice. The union between Matthew Taylor's report and the industrial strategy will focus very much on improving productivity as the basis of improving people's earning power.

Weekly Earnings

3. **Jessica Morden (Newport East) (Lab):** To ask the Secretary of State what steps he is taking to increase average weekly earnings. [900786]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): We need an economy that works for everyone. We are developing the industrial strategy to improve living

standards and boost earning power, so that everyone in our country can share the benefits of our economic success.

Jessica Morden: With average weekly real earnings lower than they were in 2007 and with the Institute for Fiscal Studies saying that the flatlining of real wages is unprecedented since at least the end of the second world war, does the Minister accept that Britain needs a pay rise? What are Ministers doing to tackle this?

Margot James: That is one of the reasons why the Government have introduced the national living wage, as a means of boosting the earning power of people at the lower end of the pay scale. I acknowledge that average earnings have been static over the past year, but it is important to recognise that people on the national minimum wage were given a 4% pay rise in April this year, and 1.3 million of those people have been taken out of paying income tax altogether.

Rachel Maclean (Redditch) (Con): Does the Minister agree that this Government have done more than any other to raise the wages of the lower paid in our society, including an average £1,000 pay rise per worker?

Margot James: I have to agree with my hon. Friend, who makes a very good point. Indeed, the rise in national minimum wage to which I referred in my earlier answer is the best pay rise for low-paid people in this country for 20 years.

Alison McGovern (Wirral South) (Lab): It is almost comical; we would not even have a minimum wage if it were not for Labour Members. The Minister spoke about the Government's industrial strategy, which she thinks will help to give people a pay rise, but that strategy is absolutely at odds with the current Brexit strategy. Will the Department have a word with the rest of the Government and commit to keeping our country in the single market?

Margot James: I remind the hon. Lady that this Government's policy is to be outward-facing and achieve the best trade deal possible with the European Union, but we have to bear in mind the concerns of my constituents and hers about immigration. That has to be tackled, and it is no use the Opposition running away from that. They cannot assume that we will be able to remain in the single market indefinitely and address people's legitimate concerns about immigration.

Mr Philip Hollobone (Kettering) (Con): Average weekly earnings in Kettering are typically 5% below the national average, so anything the Government can do to cut basic levels of tax is particularly important. Does my hon. Friend agree that, because we raised the income tax threshold from £6,500 a year in 2010 to £11,500 a year, basic rate taxpayers typically pay £1,000 a year less in income tax?

Margot James: I very much agree with my hon. Friend's point. I am sorry to hear about the situation with regard to earnings in Kettering, but I am sure that the Government's commitment to improving skills and

our target of 3 million apprenticeship places by 2020 will help the people of Kettering, as they will help people all over the country.

Alison Thewliss (Glasgow Central) (SNP): The Government's pretendy living wage is not available to those under the age of 25. If a 25-year-old and 17-year-old start the same job on the same day, the 17-year-old will be paid £3.45 less than their older counterpart. When will the Government ensure that all workers receive a real living wage of £8.45 an hour?

Margot James: I remind the hon. Lady that the Government set the national living wage, but only after consultation with the independent Low Pay Commission. It is the commission's view that we need to have several levels of the national minimum wage because youth unemployment is persistently higher than unemployment among those above the age of 25. The policy is really to balance maximum earning power with maximum levels of employment.

Jack Dromey (Birmingham, Erdington) (Lab): According to the Governor of the Bank of England, Mark Carney, the last time wages were stagnant for so long was 150 years ago, when Gladstone was Prime Minister, Darwin was launching the theory of evolution and trade unions were illegal. Now we know from Library figures that, year on year, wages went up under the previous Labour Government and, year on year, wages have gone down under this Conservative Government. Is it not simply the truth that workers get a pay rise under Labour and a pay cut under the Tories?

Margot James: I remind the hon. Gentleman that this Government are concerned not just about pay, but about employment. If we look at the record of the previous Labour Government—or, indeed, that of any Labour Government—we see that their record on employment is poor. The record of this Government is the maximum number of jobs, with more than 1 million new jobs created, which is an important point. If he wants to talk about anniversaries, let me say that this week is the 10th anniversary of the financial crisis, and I remind him of the deficit that this Government inherited following that crash.

Space Sector

4. **Mr Ranil Jayawardena** (North East Hampshire) (Con): What steps he is taking to support growth in the UK space sector. [900787]

6. **Adam Afriyie** (Windsor) (Con): What steps he is taking to support growth in the UK space sector. [900789]

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): The UK has a world-leading space sector. A quarter of the world's satellites are either built in the UK or have major components from the UK. At the last European Space Agency ministerial in 2016, the Government agreed €1.4 billion of new funding for space programmes, and we have recently introduced the Space Industry Bill, which will enable UK firms to participate in a sector worth £25 billion.

Mr Jayawardena: I thank the Minister for his very encouraging answer. The tender for the next stage of the ground control segment of the Galileo programme, in

which the UK has a leadership role, is currently live, so will he make sure that the European Commission's request for UK-based companies to clarify how they will repatriate activities to the EU does not undermine them in winning contracts?

Joseph Johnson: My hon. Friend raises an important point. British expertise has been absolutely fundamental to the development of the Galileo and Copernicus programmes. The "Collaboration on science and innovation" paper we published just last week made it clear that the UK would very much welcome an agreement to continue to collaborate with our European partners on major science, research and technology initiatives. My right hon. Friend the Secretary of State and I have made it clear that we want our companies and our universities to continue participating in key EU space programmes.

Adam Afriyie: The ingenuity, expertise and experience of our UK space sector enables us to punch well above our weight and to collaborate globally in bodies such as CERN, ESA and many others that predate the EU. Does the Minister agree that we should continue fully to support the role that British companies play in both other European space agencies and the EU space programme?

Joseph Johnson: My hon. Friend has great expertise in this area, through his association with the parliamentary space committee. I can reassure him, as I did a moment ago, that we are committed to continuing to collaborate closely with European countries to develop our space sector to the benefit of all those in employment in this sector in this country.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Minister probably knows that precision engineering companies in Huddersfield are very much involved in the Mars probes and the space programme, but does he know that they are increasingly worried, as is the University of Huddersfield, about the future of partnerships across Europe and the funding from Europe that makes that exploration and the existence of those cutting-edge companies possible?

Joseph Johnson: At the ESA ministerial council in December, the UK committed a record sum of €1.4 billion to ESA. We are committed to continuing to participate in ESA, which, as the hon. Gentleman knows, is not part of the EU but a separate organisation entirely. We see great value in continuing to participate in the programmes it administers.

Jim Shannon (Strangford) (DUP): The Minister is right to address the space sector. He will also be aware of issues within the aerospace sector, in particular at Bombardier. He will be aware of Boeing's attempts to stop the contract and to add \$30 million to every C Series plane coming out of Belfast. What is he doing to ensure that Bombardier's contract is secured?

Mr Speaker: The hon. Gentleman got the word "space" in, but there is a distinction between aerospace and space. Some people might think that he was cheekily shoehorning his own preoccupation into a question to which it was not obviously entirely relevant.

Joseph Johnson: None the less, I assure the hon. Gentleman that we are engaging very closely with the companies involved and will follow up on his points.

14. [900797]**Vicky Ford** (Chelmsford) (Con): In my constituency of Chelmsford, more than 500 jobs at Teledyne e2v are directly involved in the space sector. We are making the cameras that will go on satellites out in space to see whether there is life on other planets. Will the Minister reassure my constituents that the UK's ongoing contribution to the European Space Agency is being considered?

Joseph Johnson: Absolutely; we are committed to our ongoing membership of the European Space Agency. As I said a second ago, we have just provided €1.4 billion of new funding for its programmes. Teledyne e2v in my hon. Friend's constituency makes an important contribution to the success of the programmes that ESA is running.

Manufacturing Capacity

5. **Mr Laurence Robertson** (Tewkesbury) (Con): What recent assessment he has made of the UK's manufacturing capacity. [900788]

The Minister of State, Department for Business, Energy and Industrial Strategy (Claire Perry): I am delighted that my hon. Friend has asked that question, as we often hear that Britain does not make things anymore. In fact, Britain is the ninth largest manufacturing nation. The sector contributes £168 billion to the national economy and employs more than 2.5 million people directly, and its output has grown by 3.2% in real terms since 2010.

Mr Robertson: I thank the Minister for that very upbeat response. I, too, get frustrated when I hear people say that we do not make things in this country anymore. My constituency is living testimony to the fact that we do. We have world-leading, cutting-edge companies, particularly in the aerospace and defence industries, but also in other areas of engineering. Should we not paint a rosier picture, not least to help people who are leaving school decide to follow careers in manufacturing? We often forget that many valuable, excellent careers are available in manufacturing, and if we put forward a more rosy picture, people might be attracted into the industry.

Claire Perry: I agree entirely. My hon. Friend makes a good case for manufacturers such as GE Aviation and Moog Industrial in his constituency. Productivity, which is the way we drive up earning power across the country, has increased three times faster in manufacturing than in the rest of the economy in the past 10 years. There is much more to do, which is why we have committed to the biggest increase in public science and innovation funding for nearly 40 years; invested nearly £300 million in the high-value manufacturing Catapult; brought forward almost 3 million apprenticeship starts, many of which are in these valuable industries; and increased the permanent level of the annual investment allowance almost tenfold, starting on 1 January last year. We want to help businesses export and thrive across the world, and to support them every step of the way.

Kelvin Hopkins (Luton North) (Lab): The truth is that UK manufacturing capacity has languished at too low a level for many years. However, the depreciation of sterling to a more sensible parity has seen a number of companies, including Rolls-Royce and Nissan, boost their investment. Now that we are leaving the EU, will the Government look to use state aid and public procurement programmes to further boost British manufacturing?

Claire Perry: The hon. Gentleman points to one of the impacts of the referendum result, which is that many industries have had a substantial currency tailwind, which has helped sectors such as aerospace and steel to deliver rather impressive results this year. He is right that we need to keep those sectors thriving. We need not only to get the most frictionless and wide-ranging trade deal that we can with the EU, but to export right across the world, where British goods and products are very well regarded.

Antoinette Sandbach (Eddisbury) (Con): Minister, 3,500 people in my constituency are employed in the manufacturing sector. Does she welcome the investment in Winsford by Tiger Trailers, a company with 200 employees that started three years ago, which plans to invest £22 million in a new building, doubling the size of its workforce, and exporting to Europe and elsewhere?

Claire Perry: I am delighted to welcome, and indeed celebrate, that investment. There has been a series of such announcements in the automotive manufacturing sector—it has been confirmed that the electric Mini will be built in the UK. It is clear that British industry is investing, growing and thriving in the UK. We will do all we can to ensure that that continues.

Sir Vince Cable (Twickenham) (LD): Given the importance of the aerospace sector in manufacturing capacity and the rather non-committal reply to the hon. Member for Strangford (Jim Shannon), will the Government commit themselves to standing very firmly, alongside the Canadian Government, behind Bombardier and its workers in resisting bullying from Boeing and its friends in the United States Administration?

Claire Perry: I am sure the right hon. Gentleman would agree that it is vital the dispute is settled, and that we create the environment for many manufacturers in this vital sector to thrive and grow.

Electric and Autonomous Vehicles

7. **Alan Mak** (Havant) (Con): What steps he has taken to support the development of electric and autonomous vehicles. [900790]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Our industrial strategy capitalises on our strengths as we build the next generation of motor vehicles. On 25 July, we committed £246 million to the Faraday challenge to make Britain a centre for the development of battery storage. The following day, BMW announced that the new electric Mini will be built in Oxford.

Alan Mak: As the fourth industrial revolution gathers pace, countries that embrace electric and autonomous vehicles will find it easier to move both people and products, reducing costs and boosting productivity. Will the Secretary of State continue to support such vehicles, as they drive our future economic growth and productivity?

Greg Clark: I will indeed and I am grateful to my hon. Friend for his championing of those investments. We already have an outstanding reputation in the automotive sector through our leadership and investment in both electric and automated vehicles. Ford, for example, has announced that its European smart mobility research will be based in Britain, and Nissan is conducting its automated vehicle testing in the UK. Our code of practice for testing new technologies is globally recognised as the best in the world. We have a successful motor industry and we want it to be stronger still.

Stephen Kinnock (Aberavon) (Lab): On 20 February, the Secretary of State said that he would release the famous letter to Nissan

“when it is no longer commercially confidential”. —[*Official Report*, 20 February 2017; Vol. 621, c. 784.]

Will he explain whether that will be in 2017, 2018, 2019, or sometime thereafter?

Greg Clark: Yes, I will release the letter. The hon. Gentleman reminds us of the fact that the investment Nissan is making in Sunderland has secured 7,000 jobs on that site and nearly 50,000 jobs in the supply chain. It was a very welcome investment. We need to respect Nissan’s confidentiality, but I have made a commitment to the House that, when it no longer applies, I will certainly release the letter.

Mr Gregory Campbell (East Londonderry) (DUP): What discussions is the Secretary of State having with manufacturers on prolonging battery life as rapidly as possible, and on rolling out electricity charging points to ensure the existing points are working and not broken down, and that they become more readily available throughout the UK?

Greg Clark: We are gaining international respect and attention, including from some of companies that have been mentioned, for our commitment to research and development of battery storage. That is why, through our industrial strategy, the Faraday challenge to make us the best in the world in battery storage is so important. The hon. Gentleman is absolutely right to mention charging points. We want to make it possible for people to plug in and charge their cars. We have over 11,000 publicly accessible charge points. That is the largest network in Europe, and we want to expand it further.

Energy Supply

8. **Maria Eagle (Garston and Halewood) (Lab):** What steps he is taking to ensure the security of the UK’s energy supply after the UK leaves the EU. [900791]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): The British energy market is one of the most liquid and developed markets in the world, and it provides security

through diversity of supply. We enjoy cordial links with the EU in this field and expect that to continue after EU exit.

Maria Eagle: Does the Minister accept that it is vital that we stay in the European internal energy market after Brexit in order to facilitate tariff-free trading of gas and electricity across borders, which we currently have? I know that the Department has been busy trying to find out why 20% of its staff have left without telling it why, according to a report in *The Times*, but when will the Government reply to the report by the Business, Energy and Industrial Strategy Committee, and when will they announce policy options in this crucial area?

Richard Harrington: As the hon. Lady will be aware, the Government are considering all aspects of their future relationship with the EU, including the arrangements for trading energy. Our priority is maintaining affordable, clean and secure energy supplies for businesses and households.

23. [900806] **Colin Clark (Gordon) (Con):** Two thirds of our energy will still come from oil and gas in 2035, so will the Minister join me in congratulating the economic report from Oil & Gas UK highlighting the renewed vote of confidence in the North sea shelf? Will he also make sure that the oil industry is at the heart of the Government’s industrial strategy?

Richard Harrington: I fully agree with my hon. Friend about the importance of the oil and gas industry, which supports more than 300,000 highly skilled jobs in regional centres of excellence across the UK. I understand from my recent visit to Aberdeen, where I was joined by him, that the sector is working on a compelling proposal for a deal, building on the unprecedented support we have already given to the industry, and I look forward to receiving it in the near future.

20. [900803] **Alan Brown (Kilmarnock and Loudoun) (SNP):** The UK is already a net importer of electricity. Post-Brexit, for the security of energy, the UK needs to maintain access to interconnectors and to remain part of the integrated energy market, as this provides tariff-free access to gas and electricity. Will the Minister confirm whether the UK will remain in the internal energy market post-Brexit?

Richard Harrington: I absolutely can confirm that maximum continuity of supply is very important to us. We have an excellent relationship with the EU on this, and it is the Government’s responsibility to make sure that it continues. I am sure that that will satisfy the hon. Gentleman.

James Heapey (Wells) (Con): It looks like membership of the internal energy market is not connected to single market membership but that membership of a couple of key industry and regulatory bodies, such as the Agency for the Co-operation of Energy Regulators and European Network Transmission Systems Operators and Council of European Energy Regulators, comes as a prerequisite. Has the Minister had any discussions with those organisations to see whether the UK can be a member when not a member of the EU?

Richard Harrington: As I am sure my hon. Friend is aware from his former membership of the then Energy and Climate Change Select Committee, we are talking all the time to these organisations, and our priority is to maintain the maximum continuity of supply that everyone in this country has been used to and will continue to enjoy.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Until now, the Government have put nuclear at the heart of their energy strategy, but their decision to leave Euratom puts at risk the security of markets, businesses and workers in the sector. Could this mean that the Secretary of State is finally wavering over his support for the over-budget and very late Hinkley Point?

Richard Harrington: I can confirm that the Secretary of State is very much in favour of the arrangements at Hinkley Point and that the Government are in favour of a mix of energy that includes nuclear and all its other sources. This has been very successful and ensured energy security and the continuity of supply that everybody enjoys.

Drew Hendry: The Minister will be aware that energy from nuclear plants will cost £92.50 per megawatt hour but that the new strike price for offshore wind is only £57.50—nearly half. Is he happy for people to pay higher bills for his Government's nuclear obsession?

Richard Harrington: I thank the hon. Gentleman for effectively congratulating the Government on the results of the recent auction for energy prices—I, too, was delighted that the cost of offshore wind effectively dropped by half. I also remind him, however, that energy has to remain a mix. Nuclear is part of that mix, and as with all mixes aimed at maintaining continuity of supply, some are more expensive and some are cheaper. What matters is the average price paid, and I think that Hinkley will turn out to be a really good deal for the taxpayer, as it involves no public funds upfront, which is very unusual for this kind of massive development.

Dr Alan Whitehead (Southampton, Test) (Lab): I am a little concerned by the Minister's reply to my hon. Friend the Member for Garston and Halewood (Maria Eagle). The Secretary of State specifically told the BEIS Select Committee in the spring that it was very much in Britain's energy security interest to continue to participate in the internal energy market. Does the Minister agree with his own Secretary of State on this matter? If so, what action has he been taking to ensure that we can participate in that market after Brexit?

Richard Harrington: It is the job of the hon. Gentleman—the Opposition spokesman—to be concerned about everything that the Minister says. I fully accept that. In this particular case, however, I can but reiterate that maintaining continuity of supply is our first priority. That is what my right hon. Friend the Secretary of State says we must do, and that is what we shall do.

John Stevenson (Carlisle) (Con): As the Minister knows, nuclear is an important industry in Cumbria. As well as being a security issue, energy is an industrial issue. Can the Minister confirm that a nuclear sector deal is one of the Government's main priorities?

Richard Harrington: Yes, I can. Having met Lord Hutton and other members of the Nuclear Industry Association, I am delighted to say that the sector deal is at an advanced stage, and we hope it will be one of the first that we are able to announce.

Corporate Governance

9. **Jo Swinson** (East Dunbartonshire) (LD): What steps he is taking to encourage long-term decision-making in corporate governance. [900792]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): One of Britain's greatest assets in competing in the global economy is our reputation for being a dependable place in which to do business. In our response to the recent Green Paper on corporate governance, we set out plans to build on those strengths through greater transparency and accountability to shareholders, employees and suppliers, and others with an interest in the long-term success of companies.

Jo Swinson: A myopic focus on short-term profit and share price in many British boardrooms damages the UK economy, leading to chronically low rates of business investment and the treatment of workers as units of production rather than human beings. Some respondents to the Green Paper suggested that long-term investors should be rewarded with stronger shareholder voting rights. Can the Secretary of State explain why the Government rejected that interesting proposal?

Greg Clark: We consulted widely on the Green Paper, and the set of reforms that we are making has enjoyed broad support. We are proposing to extend the holding periods for long-term share incentives from three years to five years. I think the hon. Lady played some part in the introduction of the three-year periods, and I hope that she will welcome the extension. We are also making it a more explicit requirement of boards, including boards of directors, to reflect in their reports and accounts what they are doing for a wider range of stakeholders, not just the short-term issues. I hope the hon. Lady will welcome that as well.

Industrial Strategy Challenge Fund

11. **Mr Gavin Shuker** (Luton South) (Lab/Co-op): To ask the Secretary of State what assessment he has made of the capacity of the industrial strategy challenge fund to increase economic growth. [900794]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The industrial strategy challenge fund will help to drive growth in all parts of the country by using research and development to position us well in global markets where Britain has particular strengths.

Mr Shuker: Can the Secretary of State explain why his challenge fund is directed at sectors that are dominated by an over-representation of men, while many of the professions in which females are over-represented face low investment, low skills, low pay and low productivity?

Greg Clark: Our exchanges this morning show the potential and the strengths that we have in successful sectors such as the automotive, healthcare and medicine,

and satellite and space sectors, in which we are creating very good jobs. However, my ambition and my Department's ambition—which I hope the hon. Gentleman shares—is to increase the proportion of women and other groups who are under-represented in those industries, because there is talent there that we should be using, and part of our drive is to get the best talent into those world-beating industries.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): A recent report produced by Sheffield Hallam University found that the challenge fund had too narrow a sectoral focus, which was disproportionately benefiting areas in the south-east at the expense of traditional manufacturing areas in, for instance, the west midlands. What elements of the fund will benefit areas such as mine?

Greg Clark: I have not seen the report. I will look at it, but I think it is mistaken. The challenge fund includes, for example, the Faraday challenge, which I launched at the University of Birmingham along with many industrialists and academics from across the west midlands. It is proposed that the west midlands should be at the heart of the challenge. Investment in driverless cars, and in satellites and space, is taking place throughout the country. One of the big features of the challenge fund is that it reaches every part of the country, and, indeed, every part of the United Kingdom.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): With Brexit uncertainty mounting, inflation rising, growth faltering, business confidence at a six-year low, and the euro at a record high—[*Interruption.*] I am sorry, but that is the truth. Our economy therefore needs action from this Government, but instead it is groundhog day, with the same money announced over and over again, which makes it back to the future for our regions, with, as my hon. Friend the Member for West Bromwich West (Mr Bailey) indicated, the challenge fund money being shown by Sheffield Hallam research to impact only 1% of the economy, overwhelmingly in the south-east. So will the Secretary of State stop prevaricating, do the right thing and tell us right now what level of regional growth he expects the challenge fund to deliver? Or does he not even know what success looks like any longer?

Greg Clark: Talking of groundhog day, the hon. Lady talks complete nonsense. The industrial strategy challenge fund and the industrial strategy Green Paper have been widely welcomed in all parts of the country. After our exchanges, I will send the hon. Lady the support it has had from the north-east of England, of which she should be aware. This is something that has long been called for. I have listed the sectors that will benefit. As we are talking about manufacturing, in terms of her reflections on the state of confidence in the economy, the hon. Lady should know that the EEF last week reported record orders, record export orders, record employment and record investment intention. She should welcome that.

Small and Medium-sized Enterprises

12. Ms Marie Rimmer (St Helens South and Whiston) (Lab): To ask the Secretary of State what steps his Department is taking to support small and medium-sized enterprises.

[900795]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): British Business Bank programmes are supporting £3.4 billion of finance to almost 60,000 businesses. Growth hubs and the business support helpline provide information and guidance. In the hon. Lady's area, the Liverpool city region growth hub has engaged and supported over 4,550 businesses, and I am leading a taskforce to identify opportunities to support SME growth.

Ms Rimmer: The Government's delay in giving out the business rate relief they announced in the spring Budget caused considerable suffering to thousands of businesses across the country. Measures such as the introduction of the staircase tax have also caused considerable tax increases for thousands of businesses across the country. Confidence has fallen back in the second quarter. The chairman of the Federation of Small Businesses has said—

Mr Speaker: Order. This is a most interesting essay, for which unfortunately we do not have time. What I am looking for from the hon. Lady—I am sure she will gratify the House—is a short question with a question mark at the end of it.

Ms Rimmer: The chairman of the FSB has said that enough is enough and a fundamental review of the business rates should be conducted. Will the Minister agree with the chairman and bring forward a date for a fundamental review of business rates?

Margot James: The hon. Lady raises very important issues, and I have met the chairman of the FSB to discuss business rates. Some of her questions should really be directed to my right hon. Friend the Chancellor, but in the meantime let me say that there has been a cap on rates increases, and small business rate relief will mean that bills will not increase by more than £50 per month for the first year. There has also been a £300 million local authority fund to provide discretionary relief on business rates, and I would encourage the hon. Lady to pressurise her council for the full benefit thereof.

Tom Pursglove (Corby) (Con) *rose—*

Mr Speaker: The hon. Gentleman is not called “pithy Pursglove” for nothing; I am sure we will have a very succinct question from him.

Tom Pursglove: One way that this Government have very effectively supported SMEs is through the establishment of new enterprise zones. Are Ministers keeping under review the possibility of another round of them becoming available?

Margot James: I agree with my hon. Friend: enterprise zones have for the most part been a huge success in attracting investment and providing new jobs. We will keep in mind any future growth in the number of enterprise zones; we do not currently have any plans, but they have been a success and we will keep them under review.

Industrial Strategy (Rural Areas)

13. **Dr Philippa Whitford** (Central Ayrshire) (SNP): What plans he has to ensure that the industrial strategy is effectively implemented in rural areas. [900796]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Some of the biggest economic opportunities are in the rural parts of the United Kingdom, and I welcome the contribution of many rural representative groups to the development of our industrial strategy, including several organisations in Ayrshire.

Dr Whitford: Ayrshire has enormous industrial potential, including as a possible site for the medical manufacturing innovation centre and, of course, for the UK's first spaceport, but for it to succeed and for local people to benefit and access those jobs we require wider infrastructure development. Ayrshire is not covered by a city deal, so will the Secretary of State speak to the Chancellor and back a full Ayrshire growth deal?

Greg Clark: The hon. Lady knows that I have great enthusiasm for a deal in Ayrshire, and conversations around that are ongoing. I am sure that she will welcome the progress being made on the spaceport, which is important for Prestwick, and the £3.5 million support for the Halo project at the old Johnnie Walker bottling plant in Kilmarnock. A lot is being done in Ayrshire, but I would like that progress to continue.

Jo Churchill (Bury St Edmunds) (Con): Has the Secretary of State considered rural enterprise zones? Small, targeted areas within small rural communities would help to drive business in those environments.

Greg Clark: My hon. Friend makes an excellent suggestion. There are particular opportunities for start-ups and smaller businesses to locate in rural areas, where premises may be more available than in towns. Clustering them together so that they can support each other is an excellent suggestion and I will take it forward.

Property Market Transparency

15. **Nigel Mills** (Amber Valley) (Con): What steps his Department is taking to increase transparency in the property market. [900798]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): Knowing who ultimately owns and controls a company is crucial in the global fight against corruption, and the UK is leading by example. Our public register of company beneficial ownership went live in June 2016.

Nigel Mills: Will the Minister confirm whether the Government will proceed with the public register of companies that own high-value property in the UK and whether we will still see it in April 2018, as intended?

Margot James: We published a call for evidence on the proposal to create a new register showing the beneficial owners of overseas companies that own or buy property in the UK. The responses are currently being analysed, and we will publish a response in due course.

Renewable Energy and Carbon Budget Targets

16. **Zac Goldsmith** (Richmond Park) (Con): What steps the Government are taking to meet their renewable energy and carbon budget targets. [900799]

The Minister of State, Department for Business, Energy and Industrial Strategy (Claire Perry): As I have mentioned several times, the UK has led the world in introducing legally binding carbon budgets with cross-party support, and we have exceeded our budgets to date. We are also on track to exceed our ambition to generate 30% of our power from renewables by 2021—it is looking like we will deliver 35%. However, all that has not been done at the expense of economic growth and productivity. Indeed, yesterday's PwC report says that Britain is leading the world in clean growth and is reducing emissions while growing the economy.

Zac Goldsmith: Millions of tonnes of wood pellets from clear felling biodiverse forests in the US, Canada and the Baltic states are burned to make electricity for the UK every year. In the light of clear evidence from the old Department—what used to be called the Department of Energy and Climate Change—that that results in carbon emissions at least equal to those of coal, will my hon. Friend reconsider the huge annual subsidies for large-scale, inefficient biomass electricity generation?

Claire Perry: My hon. Friend's question demonstrates his deep knowledge in this area, but I am happy to reassure him that my Department's follow-up, which was published in February this year, to the biomass energy counterfactual study that he references showed that the UK's imported biomass is both sustainable and carbon beneficial. Although there is a risk of non-sustainable practices, they are not happening thanks to our strict sustainability criteria, and we continue to monitor the situation, because we are determined to maintain our global reputation for clean growth.

19. [900802] **Clive Lewis** (Norwich South) (Lab): Pope Francis warned yesterday that history will judge adversely politicians who do not act on climate change, so when will the Government heed his words and publish their long overdue report and fifth carbon budget emissions reduction plan?

Claire Perry: Again, I refer back to the fact that politicians, led by the hon. Gentleman's colleagues and with cross-party support, published in 2008 the world's first legally binding plan to reduce emissions. We also led the world in the Paris agreement that set long-term, binding targets for the rest of the world. He should be proud of what we have achieved in this House and should join us in spreading the word that the UK is a leader in clean growth. Given the results of yesterday's auctions, there is no longer a trade-off to be made between the cost of energy production and clean growth. We can both decarbonise and grow the economy, and he should be jolly well proud of that.

Mr Speaker: The Minister clearly leads a joyous existence. We have again received evidence of that today, for which we are grateful. We will take one further question.

Domestic Energy Price Cap

17. **John Penrose** (Weston-super-Mare) (Con): Whether Ofgem is able to implement a domestic energy price cap within its present powers. [900800]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Ofgem has extensive powers that would allow it to establish a cap on household energy prices that cause consumer detriment. The Competition and Markets Authority identified a consumer detriment averaging £1.4 billion a year, which I expect Ofgem to take measures to eradicate.

John Penrose: I thank the Secretary of State for that clarification. Is it not pathetic of Ofgem to ask the Government to pass a law ordering it to impose an energy price cap when, as he says, it has the legal powers to do that already? Does that not show that Ofgem is miserably failing to stick up for energy customers? Will he therefore push Ofgem to grow a spine and introduce a cap without delay?

Greg Clark: Ofgem has yet to respond to my request. I have the power to oblige Ofgem to put a cap in place. Doing that would seem excessive, and it would require primary legislation. Ofgem has those powers, so there is no need for that. That is why, faced with this huge detriment of £1.4 billion on average, I believe it is essential that Ofgem uses the powers that Parliament has given it to eradicate the detriment.

Topical Questions

T1. [900809] **Caroline Flint** (Don Valley) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Over the last few weeks we have made significant progress across a number of the Department's responsibilities. We have been discussing the first sector deal, which will involve the Government working alongside life sciences businesses to capitalise on our expert science and research base to make that industry even more competitive. Our reforms of corporate governance, which will ensure that businesses publish pay ratios between chief executives and staff, will help to maintain the UK's reputation as a confident place in which to do business. We continue to invest in innovation throughout the country through the industrial strategy. In July, I announced the Faraday challenge, a £0.25 billion investment in battery technology in all parts of the country that will boost both research and development and job creation in the industry.

Caroline Flint: The Secretary of State knows that the concern for Ofgem, even though it has the power, is that energy companies would appeal to the CMA and frustrate the process. What he has not acknowledged today is that, under section 26 of the Energy Act 2010, he already has the power to introduce a price cap if one group of customers is treated less favourably than other customers by an energy supplier. Why does he not seek measures to introduce the power he already has?

Greg Clark: Ofgem is the regulator, and it had a report from the Competition and Markets Authority saying that consumers are being ripped off to the tune of £1.4 billion a year. We have a regulator with powers

given by Parliament, and those powers should be used. That is the challenge for Ofgem. I would be very surprised and very disappointed if any of the big six, knowing the objectivity of the CMA report, were to protest and appeal against such a determination.

T2. [900810] **Kevin Hollinrake** (Thirsk and Malton) (Con): I know the ministerial team has been working hard on this, but the issue with sleep-in shifts, if it is not resolved, is that charities will have to close their doors and the people they support, including those with learning disabilities, will be left without care. Will the Minister update us on the progress on quantifying the back-pay liabilities of those charities and on when an appropriate solution will be delivered?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): Social care providers play a vital role in supporting some of the most vulnerable people in our society, but workers in that sector should be paid fairly for the important work they do. The Government are working closely with providers and worker representatives to estimate the scale of any back-pay liabilities for sleep-in shifts, and we have temporarily suspended HMRC enforcement action while that work continues, and it is continuing as a matter of urgency.

Rebecca Long Bailey (Salford and Eccles) (Lab): On 27 June, the Secretary of State failed to confirm to me that he would legislate for a price cap to deliver to 17 million customers the £100 saving promised by the Prime Minister if Ofgem did not propose such a cap. On 3 July, Ofgem announced its plans, which fall short of the Prime Minister's promise, and later stated that a cap is really a matter for Government legislation. I ask again, will the Government now legislate for a price cap to deliver the Prime Minister's promise?

Greg Clark: The hon. Lady is misinformed; Ofgem has not responded formally to my request, and it should act on the evidence presented to it, using its powers. The ball is in its court, and I expect Ofgem to do its job and stand up for consumers.

Rebecca Long Bailey: I am saddened that the Secretary of State is non-committal, because at the same time as we have rising prices, power distributors recently made an average yearly post-tax profit of 32%, paying out share dividends of £5.1 billion. For water, the situation is even worse, as over the past decade companies have made £18.8 billion in profits, paying out £18.1 billion of that as dividends, with Macquarie paying £1.6 billion in dividends alone, while Thames Water incurred £10.6 billion of debt, ran up a £260 million pensions deficit and paid no UK corporation tax. So I ask him: what are the Government's plans to reform our broken utilities markets?

Greg Clark: On the specific point of retail energy markets, a two-year investigation has been carried out by the CMA, and it is now for Ofgem to respond. I hope it will respond and eradicate that deficit; that is the test that Ofgem faces. We have made it clear that we will rule nothing out if it falls short, but I do not want to remove the obligation on it to respond in that way. I hope that the hon. Lady will welcome our intention to publish a consumer Green Paper and that she will contribute to

it. This will look across the board—across other utilities as well—to see whether the existing regulatory arrangements are sufficient.

T3. [900811] **Jo Churchill** (Bury St Edmunds) (Con): The life sciences industry is worth £64 billion to the UK, and Sir John Bell's report last week indicated how important manufacturing was. Will the Minister therefore join me in welcoming the opening of the cell and gene manufacturing unit and welcome further jobs in this industry in the east of England, particularly in my constituency?

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): We indeed welcome that. Medicines manufacturing is key, which is why we have launched a £146 million medicines manufacturing programme under the industry strategy challenge fund. That includes £12 million for expansion of the cell and gene therapy manufacturing centre. The other centres, a vaccines centre, a medicines manufacturing innovation centre and three advanced therapy centres, are open to competition and could be located anywhere in the country, including in the east of England.

T5. [900813] **Jessica Morden** (Newport East) (Lab): This week's electricity grid connection deal would make the Cardiff tidal lagoon the UK's largest renewable energy project, generating some of the cheapest power in the country, and it would be a big boost to Newport, but its potential can be realised only with the Government first backing the pilot project in Swansea bay. When will that happen?

Greg Clark: I do understand the great interest in this matter. As the House knows, I am enthusiastic about renewable technologies, but we have an important responsibility to make sure that they proceed at a price that is reasonable for consumers, who pay through their bills. That is being assessed and I will report to the House when that assessment is finished.

T4. [900812] **Bill Grant** (Ayr, Carrick and Cumnock) (Con): Although wind turbines play an important part in the nation's energy mix, it is alleged that the quality of life and health of some rural residents is adversely affected by noise emissions. Are the current noise limits and recording methodologies sufficient—I am referring to low-frequency noise and infrasound—or should the methodologies be reviewed?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): Interestingly, the overall balance of the existing peer-reviewed studies suggests that low-frequency sound and infrasound produced by wind turbines is not likely to affect human health significantly. I do, however, accept my hon. Friend's premise that the potential impact on human health of these turbines is a topical issue, so it will attract further study, both in the UK and abroad, and we are monitoring that carefully.

T9. [900817] **Grahame Morris** (Easington) (Lab): Will the Minister review the current arrangements for the distribution of the mineworkers pension surplus? I am sure it was never envisaged that the surplus would be so high, so is it not time to re-examine that, and seek to give more money to pensioners and beneficiaries?

Greg Clark: I am aware of the issue and the representations being made on it. I am happy to meet the hon. Gentleman to explore what steps might be available, but he will be aware that pensions are, correctly, run at arm's length from the Government, through an independent regulator and through the trustees, and so the Government's ability to determine these things is very limited.

T6. [900814] **Sir Edward Leigh** (Gainsborough) (Con): Trading on the world's markets as a free trade nation after 2019 will be a bit like swimming in the Serpentine on a winter's morning: bracing and invigorating but a bit heart-stopping if one is not prepared. Will my right hon. Friend the Secretary of State explain how he is gearing up his entire Department to ensure that British industry no longer debates the rights or wrongs of staying in the EU or the single market but is fully prepared, and up-to-scratch with conferences, seminars and all the rest, to trade on the world's markets?

Greg Clark: My hon. Friend will be aware that my whole departmental team are very active, both in this country and overseas, in setting out the huge opportunities to build on this country's strengths and be economically successful post-Brexit. I know that that work enjoys his full support.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): The growth of new and renewable technologies presents a huge opportunity for the north-east economy but, given the continued uncertainty about the clean growth plan and our membership of and access to the single market, what are the Government doing to encourage business investment in this area?

The Minister of State, Department for Business, Energy and Industrial Strategy (Claire Perry): We will publish the clean growth strategy very shortly, but it is not just a question of simple decarbonisation; we have to decarbonise right across the economy and maximise the economic opportunities for doing that throughout the UK. We also have to ensure that we are not putting a high energy-cost burden on consumers and business and that all parts of Government are committed to the strategy for the long term. When we are able to publish the plan, which will be very shortly, I look forward to debating the issue further with the hon. Lady.

T7. [900815] **Martin Vickers** (Cleethorpes) (Con): The results of yesterday's renewables sector auction were very beneficial for my constituency. Will the Minister outline what further developments he has in mind to encourage and support the construction of turbines in the UK? How will we ensure, particularly in northern Lincolnshire, that the skills are there to meet the demands?

Richard Harrington: I congratulate my hon. Friend on the news about the funding for the offshore wind farm in his constituency. I assure him that it is our ambition to have a strong industrialised supply chain. We have had great progress in attracting investment—for example, the UK's first offshore tower manufacturing facility in Scotland is providing the UK's first towers. I am pleased to say that we are working well with the sector to deliver a sustainable UK-based supply chain under the industrial strategy.

Mary Glendon (North Tyneside) (Lab): Smulders in North Tyneside is a fine example of a company that is already advanced in its own low-carbon growth strategies. What direct support will the Minister give to businesses such as Smulders under the delayed clean growth plan?

Claire Perry: I am sure that the hon. Lady will welcome the fact that we have made available more than £2 billion to support innovation and research and development in the sector. If a company in her constituency has specific projects that it would like to bring forward, I would be delighted to meet her to consider them.

T8. [900816] **Stephen Hammond** (Wimbledon) (Con): Now that it is autumn, many of our constituents are concerned about the cost of fuel and energy this winter. What can the Secretary of State say to reassure all our constituents that fuel and energy will be accessible for all this winter?

Greg Clark: We still have in this country some of the lower energy prices in Europe, but the major energy companies' increases for those on the standard variable tariffs are clearly unacceptable. The issue has been identified by Ofgem, which needs to take action to correct it.

Peter Kyle (Hove) (Lab): Since the launch of the much heralded productivity plan 18 months ago, productivity has plummeted to pre-crash levels. Will the

Secretary of State tell us which one part of that productivity plan he feels is responsible for the cataclysmic productivity figures we have today?

Greg Clark: The hon. Gentleman is an intelligent fellow and knows that the route to building productivity in this country is to look to the long term to establish, in a serious way, a shared analysis and determination about what is to be done. On skills, for example, I hope he will share our view that by investing in technical education through the new T-levels and extending the hours for which people are educated, we are taking a step towards addressing what is a generational challenge for the UK economy.

Vicky Ford (Chelmsford) (Con): More than eight out of 10 British manufacturers export elsewhere in the EU and tariffs or customs delays could have a negative impact. Will the Secretary of State confirm that the Government will seek to negotiate transitional relationships that maintain the economic benefits of the single market and customs union until a new relationship with the EU can be implemented?

Greg Clark: It is completely understood that a cliff edge would be bad for business. Companies need to have the confidence to be able to make investment decisions over the next few months and years. That acceptance across Government is welcomed by business.

Hurricane Irma: Government Response

12.35 pm

The Minister for Europe and the Americas (Sir Alan Duncan): At last Thursday's statement, Mr Speaker, I undertook to update the House as appropriate, and I thank you for the opportunity to do so now.

At this very moment, my right hon. Friend the Foreign Secretary is on his way to the Caribbean to see for himself our stricken overseas territories and further drive the extensive relief efforts that are under way. The thoughts of this House and of the whole country are with those who are suffering the ravages of one of the most powerful Atlantic hurricanes ever recorded. It followed Hurricane Harvey, and was set to be followed by Hurricane Jose. More than half a million British nationals, either residents or tourists, have been in the path of Hurricane Irma, which has caused devastation across an area spanning well over 1,000 miles.

Given the circumstances, the overall death toll is low, but, unfortunately, five people died in the British Virgin Islands and four in Anguilla. At this critical moment, our principal focus is on the 80,000 British citizens who inhabit our overseas territories of Anguilla, the Turks and Caicos Islands and the British Virgin Islands.

Commonwealth realms in the Caribbean have also suffered. They include Antigua and Barbuda and the Bahamas as well as other islands such as St Martin and Cuba. We have around 70 British nationals requiring assistance on St Martin, and we are working with the US, German and Dutch authorities to facilitate the potential departure of the most vulnerable via commercial means today.

To prepare for the hurricane season, the Government acted two months ago—in July—by dispatching the Royal Fleet Auxiliary *Mounts Bay* to the Caribbean. This 16,000-tonne landing ship from the RFA is one of the most capable vessels at our disposal. Before she left the UK in June, the ship was pre-loaded with disaster relief supplies, facilities for producing clean water and a range of hydraulic vehicles and equipment. In addition to the normal crew, the Government also ensured that a special disaster relief team, consisting of 40 Royal Marines and Army personnel, was also on board. This pre-positioning of one of our most versatile national assets, along with an extra complement of highly skilled personnel, allowed the relief effort to begin immediately after the hurricane had passed. By Friday night, the team from RFA *Mounts Bay* had managed to restore power supplies at Anguilla's hospital, rebuild the emergency operation centre, clear the runway and make the island's airport serviceable. The ship then repositioned to the British Virgin Islands where its experts were able to reopen the airport.

Meanwhile in the UK, the Government dispatched two RAF transport aircraft on Friday carrying 52 personnel and emergency supplies for more than 1,000 people. On Saturday, another two aircraft left for the region to deliver a Puma transport helicopter and ancillary supplies. This steady tempo of relief flights has been sustained and yesterday it included a Voyager and a C-17. I can assure the House that that will continue for as long as required.

Already, 20 tonnes of UK aid has arrived, including more than 2,500 shelter kits and 2,300 solar lanterns. Nine tonnes of food and water supplies are due to be flown out to Anguilla imminently and will be followed by building materials. A further 10,000 buckets, 2,500 solar lanterns and 300 shelter kits will be arriving this week on commercial flights.

As I speak, 997 British military personnel are in the Caribbean. RFA *Mounts Bay* arrived in Anguilla again yesterday at dusk, as 47 police officers arrived in the British Virgin Islands to assist the local constabulary. We should all acknowledge and thank the first responders of the overseas territories' own Governments. They have shown leadership from the start and are now being reinforced by personnel from the UK.

Many people—military and civilian—have shown fantastic professionalism and courage in their response to the disaster. I hope that I speak for the whole House in saying a resounding and heartfelt “Thank you” to all of them. [HON. MEMBERS: “Hear, hear.”] This initial effort will soon be reinforced by the flagship of the Royal Navy, HMS *Ocean*. The Government have ordered our biggest warship in service to leave her NATO task in the Mediterranean and steam westwards with all speed. HMS *Ocean* loaded supplies in Gibraltar yesterday and will be active in the Caribbean in about 10 days.

The Prime Minister announced last Thursday—within 24 hours of the hurricane striking—a £32 million fund for those who have suffered. But in the first desperate stages, it is not about money; it is about just getting on with it. The Foreign Office crisis centre has been operating around the clock since last Wednesday, co-ordinating very closely with Department for International Development and Ministry of Defence colleagues. The crisis centre has taken nearly 2,500 calls since then and is handling 2,251 consular cases. The Government have convened daily meetings of our Cobra crisis committee. Over the weekend, the Foreign Secretary spoke to the Governors of Anguilla and the British Virgin Islands, along with Governor Rick Scott of Florida, where Irma has since made landfall over the weekend.

I have spoken to the United States Assistant Secretary of State for European and Eurasian Affairs about the United States Virgin Islands in respect of logistic support for the British Virgin Islands. As well as those affected across the Caribbean, some 420,000 British citizens are in Florida either as residents or visitors, and UK officials are providing every possible help. The Foreign Secretary spoke to our ambassador in Washington and our consul general in Miami, who has deployed teams in Florida's major airports to offer support and to issue emergency travel documents to those who need them.

The House will note that Irma has now weakened to a tropical storm that is moving north-west into Georgia. I spoke to the Prime Minister of Antigua and Barbuda on Friday. The hurricane inflicted some of its worst blows on Barbuda, and a DFID team has been deployed on the island to assess the situation and make recommendations. Put starkly, the infrastructure of Barbuda no longer exists. I assured its Prime Minister of our support and I reiterate that this morning. On Saturday, the Foreign Secretary spoke to the Prime Minister of Barbados to thank him for his country's superb support, acting as a staging post for other UK efforts across the Caribbean.

We should all be humble in the face of the power of nature. Whatever relief we are able to provide will not be enough for many who have lost so much, but hundreds of dedicated British public servants are doing their utmost to help and they will not relent in their efforts.

12.42 pm

Emily Thornberry (Islington South and Finsbury) (Lab): Let me thank the Minister for advance sight of his statement. I join him in commending the British personnel who are playing such a typically superlative part in leading the relief effort. I also join him in sending my thoughts and those of everyone in the House to those individuals in the British overseas territories and beyond who have lost their lives as a result of the hurricane, and to the tens of thousands more who have lost their homes and livelihoods in its terrible wake.

The unprecedented nature of the devastation makes it all the more important for us to ensure that the Governments and British citizens of the overseas territories, British expats living on the affected islands and British tourists visiting the region receive all the help they need as urgently as they can get it to cope with the immediate aftermath of the disaster, and to begin the long and arduous process of recovery.

I appreciate the efforts spelt out by the Minister today and last Thursday, and I know how hard he and his civil servants have been working over the past week, but he will equally appreciate the widespread criticism that the Government's response has been both too little and too late. That criticism has come not just from the Opposition or from the respective Chairs of the Select Committee on International Development and the Select Committee on Foreign Affairs, but from the very groups I mentioned earlier: the Governments and British citizens of the overseas territories, British expats and British tourists. Theirs is the experience and criticism that really counts. So let us consider what they have been saying and the questions they have been asking, which the Minister will perhaps address today.

First, on the issue of evacuation, I thank the Minister for what he said, but it is alarming to many of us on both sides of the House that almost a week has gone by and he is still talking about the potential evacuation of British citizens, and, even then, only the most vulnerable. By contrast, across the islands, we hear the same accounts that the French, Dutch and American Governments have swiftly evacuated their citizens. It is the British who are left stuck, with the only commercial plane services available charging extortionate rates to get them out. A young British woman on the British Virgin Islands, holidaying with her mum and her two-year-old son, says:

"The UK should be doing more. People need evacuating. It's becoming dangerous with supplies running low. I've looked at getting out but pilots want £2,250."

That is clearly unacceptable, and it proves the point that, with the security situation deteriorating in many of the affected islands, all British citizens should be considered vulnerable. So can the Minister clarify for the House when all British citizens who want to be evacuated can expect to be evacuated, and what the Government are doing in the meantime to guarantee their safety, their shelter and their security?

On the wider issue of safety and security, the Minister will be aware of the concerns on islands such as Tortola that, as desperation and shortages grow, law and order

is completely breaking down. In the absence of a clean-up operation, the threats of disease and water-borne infections are also growing. One resident has said:

"There is debris all over the island... people are running around like headless chickens... there has to be some...coordination."

So what are the Government doing as part of their emergency support for the overseas territories to help their Governments re-establish some basic command and control, to maintain law and order where it is threatening to break down, and to put in place emergency plans to stop the causes of preventable, water-borne diseases before those diseases begin to spread?

Thirdly and finally, as we talk about the need to help the Governments of the overseas territories, and we hear the reassurances from the Minister and his colleagues that they are in it for the long term, we have to ask what that means. It cannot mean simply cleaning up the damage that has been done, giving people new homes and new livelihoods, and hoping that this will last for a few years until the next hurricane strikes. That is not fixing things for the long term; it is just patching things up until next time. With climate change making such hurricanes more intense and more frequent and showing no signs of slowing down, we urgently need a long-term plan for the overseas territories—a plan that is built around resilience and sustainability. So can the Minister confirm that when the Government sit down with their counterparts in the affected islands, the question of coping with climate change and future extreme weather events will be at the top of the agenda, with financial commitments to match, and will not, as usually happens, be the afterthought that always proves too difficult and too expensive?

Sir Alan Duncan: I thank the right hon. Lady for her comments. I am glad that, in her opening remarks, she recognised the magnitude of the hurricane—the largest natural disaster of this nature I think we have seen in any of our lifetimes. I am sorry, though, about the criticism she is levelling. Having seen this in the very centre and having watched it, and knowing, as a former DFID Minister, what is possible and what is done by the Government, I am afraid I comprehensively reject her criticisms, which I think are unjustified. It is inevitable that people in distress will want more, but it is essential to appreciate that when half a million people are hit by a hurricane, we cannot evacuate half a million people. What we have to do, particularly for those who wish to reside in the countries in which they permanently live, is to bring them help and, of course, the reconstruction the right hon. Lady mentioned. For instance, on St Martin, which is not one of our overseas territories—it is both Dutch and French—we are working closely with the Dutch and French. As I said in my statement, we hope that people will be evacuated even today.

It is quite right that people are prioritised according to need, and that is exactly what our call centre has done with the over 2,000 calls it has had, which have been logged and prioritised, and people have then, through all the logistical work I described in the statement, been evacuated and helped as required.

Let me say something about security, because that is a perfectly valid point that the right hon. Lady has raised. We had a serious threat of the complete breakdown of law and order in the British Virgin Islands. The prison was breached, and over 100 very serious prisoners

[Sir Alan Duncan]

escaped. What we then had to contend with—this is what Ministers, the MOD and everyone else are for—was how to cope with the threat that followed from that. So on Friday we put some Marines off RFA Mounts Bay to protect the governor and maintain law and order. I am pleased to say that 48 hours later we have been able significantly to reinforce the Marines. We have maintained and kept law and order on the British Virgin Islands, which at one point could have dramatically threatened the already unfortunate plight of those who have been hit by the hurricane. I hope that the right hon. Lady recognises what the governor there has done, what the Marines did, and what we all did to make sure that law and order was preserved.

On the long term, the right hon. Lady is right. DFID looks at the long term in all its programmes, quite rightly. In the face of growing severe weather incidents, it is important to build resilience and proper defences into the infrastructure wherever possible, but the infrastructure in a lot of these overseas territories is very flimsy, very small and very vulnerable. Perhaps the silver lining in the cloud is that where so much has been swept away, when things are rebuilt they will be better able to withstand the ferocity of the sort of hurricane that we have seen over the past week.

Several hon. Members *rose*—

Mr Speaker: Order. I gently point out that a Member who toddled into the Chamber after the statement started should not then stand expecting to be called. That is in defiance of our conventions.

Sir Henry Bellingham (North West Norfolk) (Con): I am grateful to the Minister for his statement. I would like to reinforce his heartfelt comments about all the personnel who have been involved in sorting out this horrendous damage. For example, in the BVI and Anguilla, there has been total destruction of all the schools. All 15 schools in the BVI have been destroyed. Does he agree that there is a need for a comprehensive, five-year reconstruction package? Does he also agree that one of the lessons coming out of this disaster is the need for a permanent naval base in one of the OTs? If the French and Dutch can do that—they both had two warships on standby before the hurricane—then surely we should. It would send a really strong signal of solidarity to the OTs.

Sir Alan Duncan: As he is a former Foreign Office Minister, I totally respect the thinking and comments of my hon. Friend. We do not directly govern the overseas territories; they govern themselves. It is perhaps questionable whether it is appropriate, looking at the geography, to have a permanent base at any of them. However, we do rotate our naval assets so as best to cover the danger of hurricanes and to be able to respond to them. I think that in this case that has been shown to be very effective. The trouble is that if we have permanent assets, people or machinery pre-positioned, they can often get hit by the very hurricane that we are trying to respond to a few days later.

Chris Law (Dundee West) (SNP): First and foremost, our thoughts are once again with those who are affected by the impact of the devastating Hurricane Irma. The SNP

echoes the widespread calls for the UK Government to step up their efforts to ensure that those who are in need of urgent assistance receive it as swiftly and safely as possible. We welcome the fact that more than 700 British troops and 50 police officers have been sent to the British Virgin Islands after they were battered by the most powerful storm recorded in the Atlantic ocean. In addition, 20 tonnes of aid and £32 million is a start, but there must be more and we must ask the Minister to provide details of additional help to come. This is too little and too late.

There is real concern about the lack of preparedness by the UK Government in responding to the hurricane. The severity of Hurricane Irma had been predicted and there was time to prepare, but the UK Government did not do so. It is clear that in comparison to other territories' and Governments' responses, the UK Government have been lagging behind in their support and strategy. To give just one example to put this beyond any doubt, the French Government deployed their military before the storm, but the one ship sent by the UK Government arrived only on Thursday. Of course, if the UK Government had a proper shipbuilding strategy and this was implemented, they might be able to act sooner. Will the Secretary of State for International Development learn from the example of other Governments with reconstruction efforts and emergency funds? Once the International Development Committee is reconvened in Parliament, an inquiry into the UK Government's slow response must be made an immediate priority to ensure that the UK is as prepared as it can be in dealing with such disasters.

Why have the UK Government lagged behind other countries in their support and strategy in responding adequately to Hurricane Irma? As I said last week—we have not heard a word about it so far from the Government Benches—it is clear that climate change plays a clear part in the ever-increasing 100-to-500-year storms that we have seen last week, as echoed by Gaston Browne, the Prime Minister of Barbuda. I therefore ask again what further pressures the UK Government are putting on Donald Trump to change his stance on the Paris climate change agreement.

Sir Alan Duncan: Again, I am rather dismayed by the hon. Gentleman's sweeping criticisms of the efforts that have been made, because they are unsupported by the facts. For instance, the French do not deploy in advance specifically for hurricanes; they have troops permanently based there because the nature of French overseas territories government is different from ours. Our overseas territories are self-governing; the French govern directly, and therefore they have soldiers there all the time. But if they are there, depending on where the hurricane goes, they may not necessarily be in the right place, and some of their assets which they hoped would help may have been destroyed. Our flexible naval deployment is the best way of helping people in response to a hurricane when we know pretty well only at the last minute exactly where the force of the hurricane is going to hit.

On a shipbuilding strategy, I do not know where the hon. Gentleman has been over the past few weeks, but we have just announced one. Perhaps he might have the good grace to admit that we have announced a shipbuilding strategy and that instead of criticising us, he ought to be standing there saying, "Thank you very much."

I reiterate the point—perhaps I chose my language imperfectly—that we are not so much evacuating people, because that is not always the right thing to do, particularly for those who want to live there and stay near their homes, as helping them to depart in a way that I would argue, and I think we can prove, is very efficient and is the right way done to the highest standards.

Tom Tugendhat (Tonbridge and Malling) (Con): I welcome my right hon. Friend's statement to the House today, and very much welcome the additional assets that have come forward. I join him particularly in thanking the military units who were so quick to respond. RFA Mounts Bay and the Royal Marines, alongside whom I have served for the best part of a decade, have demonstrated the flexibility that we know they all have. Given the different responses by different countries in different ways, based on their own experience, what lessons learned is he hoping to put in place so that when such an event, sadly, occurs again—as we must expect it to—we are even better prepared?

Sir Alan Duncan: I am very pleased to welcome praise from the new Chairman of the Foreign Affairs Committee and delighted at this new experience for me as I stand here today. There are always lessons learned, and there are always exercises after an event like this to make sure that we do learn the lessons. The focus at the moment should not be on levelling criticism where it is not justified; it should be—that is what this statement is about—on giving immediate help to those who desperately need it. The response we are giving is “all hands on deck”, and that is where the focus of our attention needs to be at the moment.

Mr Ben Bradshaw (Exeter) (Lab): My constituent Mark Wilson has been stuck on St Martin since the hurricane, his house completely demolished, with no access to food and water, and increasingly frightened about roving mobs. He finally managed to get off the island last night under his own steam. I am sorry to have to tell the Minister that he and his family in Exeter have been extremely angry and frustrated by what they see as the inadequacy of the British Government response, particularly compared with that of the French and Dutch Governments. However, my question is on the longer term. These territories receive significant European Union help. Will the Minister guarantee that, if and when we leave the European Union, this will continue?

Sir Alan Duncan: I have taken a close interest in the calls to the centre, particularly from Members of Parliament. I saw the right hon. Gentleman's name among those who had called a specific helpline and investigated the plight of his constituent and confirmed that he had come off the island. As I said earlier, we have about 70 British people on St Martin, but I would ask the House to understand that it is not one of our overseas territories. It is half Dutch and half French. That is why we have been working with them, as they are best equipped on an island that is one of theirs, to help the British. I would like to send warm words of gratitude to the French and the Dutch for the co-operation they have shown in helping British citizens as much as they have helped their own.

Sir Hugo Swire (East Devon) (Con): I am sure that we will all welcome Labour's latter-day conversion to our responsibilities and obligations to the British overseas territories, but many of the islands that are worst affected in the Caribbean are also part of the Commonwealth family. Has my right hon. Friend or one of his ministerial colleagues yet spoken to the secretary-general of the Commonwealth to see if there could be a co-ordinated Commonwealth response to help out some of the worst affected areas?

Sir Alan Duncan: I have not done so personally, but I take note of the suggestion that someone should do so. The Commonwealth countries do not necessarily have massive financial resources of their own to spend, but any co-operation to try to work together to address the crisis can only be welcomed and I will make sure that that phone call is made.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): Our thoughts are with all those affected and the British personnel who are now helping in the region. I welcome the progress we have seen over the past few days, but will the Minister respond to two concerns that have been raised? The first is that the Royal Navy was unable to land heavy equipment on Anguilla because they could not use the docks or the beach. More broadly, we were less well prepared on the ground than both the French and the Dutch. For example, there was no stored equipment such as water, tents and generators on land, whereas such equipment was stored by those other countries. What lessons will he learn for the future so that we do not have these mistakes again?

Sir Alan Duncan: The conditions when Royal Fleet Auxiliary vessel Mounts Bay arrived at Anguilla were still very severe, but what they did have was the helicopter so they were able not only to do an immediate assessment across Anguilla but to restore power to the hospital and get the airport going again. What they did was significant. In terms of landing on difficult windy sands, the vessel did not do so on that occasion partly because we were trying to maximise or optimise the utility of the ship by getting it to do what it could urgently to make do and mend in Anguilla before going to the British Virgin Islands, where it became clear that the devastation was greater and where the population is larger. Before the threat of Hurricane Jose came in, which would have meant that they had to sail away again, they brought urgent help to the British Virgin Islands having left half their supplies to help Anguilla. Those operational decisions are to be admired.

Jeremy Lefroy (Stafford) (Con): HMS *Illustrious* helped greatly during Typhoon Haiyan in the Philippines, as did HMS *Bulwark* during Ebola in Sierra Leone, and now RFA Mounts Bay in the Caribbean followed by HMS *Ocean*. It is absolutely vital that the Royal Navy and the Royal Fleet Auxiliary have the vessels to back up British work on international development, and we know that HMS *Ocean* is due to be decommissioned. Can the Minister assure me that this is being fed right into the naval shipbuilding strategy?

Sir Alan Duncan: There is a shipbuilding strategy for two new aircraft carriers, but obviously on the detail of our shipbuilding and fleet the answer should come from

[Sir Alan Duncan]

Ministers from the Ministry of Defence rather than me, but I reiterate that Mounts Bay did an incredible job, is perfectly well suited to the task and had been pre-positioned with appropriate supplies. That is the answer to the question asked by the hon. Member for Liverpool, West Derby (Stephen Twigg), the Chairman of the International Development Committee, because to take supplies in from a ship that has not faced the risk of those supplies being destroyed is the best way of bringing urgent relief to where it is most needed. I would point out as well, on the question of co-operation, that we have HMS Ocean leaving Gibraltar, which will also carry helicopters on behalf of the French.

Tony Lloyd (Rochdale) (Lab): The Minister should know that my constituents Christine and Tony Bibby, who are in their early and late 70s, have been stranded on St Martin since the hurricane. They have a desperately worried family here in Britain and are running out of water and food and have no electricity. There has been very little news about what positive action will help this couple. May I have some clarification? Will they be made safe, will they get the emergency supplies they need to sustain life, and will the evacuation proceed very quickly?

Sir Alan Duncan: Again, I have seen the hon. Gentleman's name among those of many colleagues who have been in touch to represent their constituents' needs. As I have said, there are 70 British on St Martins. It is not one of our overseas territories, but we are working with the French and the Dutch and we are confident that those in most need—and I hope more—can be assisted to depart today. The whole purpose of our hotline and the crisis centre is to ensure that we can properly rank people in order of need so that if, for instance, they are elderly, running out of food, have dependants or suffer from an illness, they will go higher up the list of priorities and will get help more quickly than the more able bodied.

Crispin Blunt (Reigate) (Con): I think that any fair-minded person would recognise the self-evident priority that the Government have given to their responsibilities to the British Virgin Islands and Anguilla. I am sure that my right hon. Friend also welcomes the €2 million that the European Commission has made available to the territories and countries of the member states affected, but that stands in sharp contrast to the £32 million that the Government have made available. Pre-Irma, the only source of development aid for Anguilla was the European Union because of the rules of our development assistance. Anguilla borders the European Union in St Martin. What consideration is now being given to future support for Anguilla after we leave the European Union?

Sir Alan Duncan: Our focus at the moment is on helping those who require help and who are suffering from the devastating effects of the hurricane. I am sure that these policy issues will be addressed in due course. As my hon. Friend understands well, there are a number of overseas territories that receive assistance. Under the overseas development legislation, we are obliged to meet their reasonable needs. Three of them have been caught up in this, and no doubt assistance in the future will be reviewed following the consequences of the hurricane.

Stephanie Peacock (Barnsley East) (Lab): Last week and over the weekend, I raised with the Foreign Office the case of two families caught up in the hurricane—one in the British Virgin Islands and two constituents in St Martin. I acknowledge that the situation is incredibly difficult and pay tribute to the service personnel who have worked hard to provide support, but I would say to the Minister that the resources he has outlined and the rescue operation he has spoken of were simply not what was experienced by people on the ground. May I press him, as other hon. Members have, on the long-term plans to improve future responses?

Sir Alan Duncan: I am very conscious that the island that has been most mentioned today in terms of the needs and plight of constituents is St Martin, which is, strictly speaking, not ours, although that does not mean that we do not want to extend as much help as we possibly can. All I would say to the hon. Lady is that if she still has constituents facing difficulties I would urge her to get in touch with me directly. I will do my utmost to investigate where they are on the list of priorities, but the latest advice I had, before I made the statement, was that in the case of St Martin the cases of pressing need should largely be addressed today.

Oliver Dowden (Hertsmere) (Con): Does my right hon. Friend agree that we owe the British overseas territories a special duty of care and that when it comes to long-term reconstruction DFID should be prioritising the interests of those territories, which previous Governments have failed to do?

Sir Alan Duncan: Intrinsic to my hon. Friend's question was a reference to DFID, and I hope that he therefore will not mind if I steer him to DFID for a more comprehensive answer, but I am sure that in the light of this hurricane there will be a lot of policy issues that will have to be assessed and reassessed. I am sure that that is one of them.

Jo Swinson (East Dunbartonshire) (LD): This has clearly been a terrifying experience for all those caught up in the awesome power of Hurricane Irma and our thoughts are with them. We must also praise the efforts of our brave service personnel. The Minister's statement contained a lot about inputs but even more important are the outcomes, so will he tell us how many of the 2,000 or so consular cases he mentioned have requested assistance to be airlifted out, how many of those have been evacuated already and how many are due to depart on the flights later today that he mentioned?

Sir Alan Duncan: I do not have those exact details at my fingertips because this is an unfolding set of affairs. "Evacuation" is a word, but with assisted departure it is not as though we are trying to remove the entire population of an island, although in the case of Barbuda I am afraid that most people have had to go because there is nothing left. The details for which the hon. Lady is asking will become clearer in due course as we analyse how quickly we have been able to help people. We will of course be extremely self-critical and self-examining as to whether we have done this well or not, and whether the people we have put at the top of the priority list were those who most deserved to be there. So far, I am confident that the answer to that question is yes.

Robert Jenrick (Newark) (Con): Over the weekend I liaised with my right hon. Friend the Minister on behalf of friends of mine in the British Virgin Islands who are co-ordinating the evacuation of 300 British citizens. He was exceptionally helpful and responsive, and I am very grateful to him. Those citizens were very frightened by the breakdown of law and order in the British Virgin Islands, and I would be grateful if he could do everything he can to restore order there. Many of them are also trying to organise private evacuations by chartering private jets and boats to get themselves out, but they need the Ministry of Defence's assistance to enable flights to land on the island. Will my right hon. Friend also take that matter up for us?

Sir Alan Duncan: I am grateful to my hon. Friend for his kind words. Yes, it was a busy weekend, but his gratitude should not really go to me nearly as much as it should go to the people in my private office and in the crisis centre who have been working flat out and, in many cases, beyond the call of duty. I will put the nice words he has said about me on a plaque and hand it to my staff. He is right about the airport in one sense. We can get an airport going, but it then takes quite a lot of logistical planning to ensure that the right aircraft come in. We have to get in the ones that can deliver aid. It is up to the airport authority to decide which flights can come in and in what order, what sort of planes the airport can take and whether the runway is going to get too congested as supplies are unloaded. I am confident that things are now ramping up quite a lot as a semblance of normality returns.

Chris Stephens (Glasgow South West) (SNP): I have received a number of phone calls from my constituent Mrs Joyce, whose son Brendan works for the Royal Navy in the British Virgin Islands. He has lost everything, and I thank the Minister's office for dealing with that inquiry. Can the Minister be more specific about the food and water supplies going to the British Virgin Islands? He said that their arrival was imminent. When are they going to arrive on the island, and can he be more specific about assessing these needs in the days and months ahead?

Sir Alan Duncan: I think that there is water in the BVI. The main issue there, as I said earlier, is law and order, but we have managed to contain the situation. DFID has supported the delivery of more than 5 tonnes of food and water donated by the Caribbean Disaster Emergency Management Agency. It has also deployed a field team to find out exactly where the pockets of need are, so that the supplies can get to them as quickly as possible.

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): I should like to join the Minister in paying tribute to the UK armed services personnel who are delivering vital aid and support as we speak, and who are once again proving that they really are the most versatile and best-trained armed forces in the world. Can my right hon. Friend update the House on any requests from other Governments in the region to utilise our world-leading assets and personnel?

Sir Alan Duncan: I have just been talking about this with the Under-Secretary of State for Defence, my right hon. Friend the Member for Bournemouth East

(Mr Ellwood). Yes, we are co-ordinating and there will, for example, be some French assets on HMS Ocean, which I think is leaving Gibraltar today. I was in Gibraltar over the weekend, but obviously I had to come back for last night's vote so I unfortunately had to leave before she docked. There is co-operation and we are grateful to the French and the Dutch. I have also been speaking to the United States. Everyone is proceeding in a spirit of maximum co-operation and urgency. In a way, it should lift our spirits to know that all countries are working together in the best possible way.

Toby Perkins (Chesterfield) (Lab): In an interview yesterday, Haydn Hughes, the former Anguillan parliamentary secretary, stated:

"Up to today, six days after Hurricane Irma hit Anguilla, there has been no meaningful action provided by the UK Government".

He said that there was no sense of a "plan of action" or of

"how any aid moneys would be allocated".

Anguilla is still without electricity or running water. It is a British overseas territory. The Minister is right to say that this is a cataclysmic disaster, but the scale of the UK's response does not in any way meet the size of the disaster that has befallen those people, for whom we have a responsibility. Will he ensure that when the Foreign Secretary gets there, there will be a real drive to increase the urgency and the co-ordination on the ground, so that the people of Anguilla can have a real sense that Britain is there for them?

Sir Alan Duncan: To take one person's comments and say that they describe the overall picture is deeply unfair. What we have done in Anguilla has been a great help. As I have said, RFA Mounts Bay got the power in the hospital going again and delivered supplies. It also got the airport going again before it went to help the British Virgin Islands. Unlike the British Virgin Islands, however, Anguilla has not asked for UK consular support. The Government are still leading on that. The hon. Gentleman really just needs to hold back on his criticism and appreciate that a lot is being done in the midst of this very complicated post-hurricane mayhem, although any kind of complaint is quite understandable because so many people are in deep distress.

Alex Chalk (Cheltenham) (Con): I acknowledge that the Minister does not have direct departmental responsibility for this, but may I press him on the issue of our international aid budget? Given our close connections with, and responsibilities for, the British overseas territories, does he agree that the Government should look urgently at ensuring that that budget will help to provide the necessary wide pipeline of aid in the months and years to come?

Sir Alan Duncan: I am tempted to commit DFID to spending lots of money, as I would wish, but I am sure that my hon. Friend will appreciate that we will have to assess future budgets. I am sure that my right hon. Friend the Secretary of State for International Development will make her plans clear in due course, once we have been able to work out how to proceed in those distressed and, in many cases, devastated islands. May I add a tiny thing to an answer I gave earlier? The Mounts Bay used its helicopter to drop a significant amount of water and

[*Sir Alan Duncan*]

food on Jost van Dyke yesterday and has done an enormous amount to prioritise the need that we are addressing.

Patrick Grady (Glasgow North) (SNP): What discussions is the Minister having with the commercial airlines that operate services in and out of the British Virgin Islands? I have been contacted by a constituent whose sons in Tortola in the BVI have been sheltering in a house with 11 people and assorted dogs. They are all safe, but they were hoping to get out on a flight this afternoon. However, they have been unable to make contact with British Airways to find out whether it will actually depart. Apparently the phone lines just keep ringing out. What steps are the Government taking to support commercial operators in emergency situations to ensure that there are clear lines of communication between those affected, their families and the airlines?

Sir Alan Duncan: The commercial airlines got quite a lot of people out in advance. When we are in contact with people who are asking for that kind of assistance, we endeavour to help with the communications the hon. Gentleman has described. I stress again that our focus has to be prioritised. Those who are ill, dependent, old or disabled get first treatment and, yes, there will be a bit of a queue. However, I am confident that the civil airlines are doing their utmost. Indeed, my right hon. Friend the Foreign Secretary spoke at length to the Association of British Travel Agents last night in order to discuss exactly the kind of co-ordination and co-operation the hon. Gentleman has just mentioned.

Wendy Morton (Aldridge-Brownhills) (Con): I am grateful to the Minister for coming to the Chamber and updating us on the situation, and for providing a degree of clarity and a depth of information that is useful to us. The FCO crisis centre and crisis line are clearly providing a vital lifeline to many in the affected areas. Can he give us an indication of the volume of calls involved, and of the workload that the centre is handling at the moment?

Sir Alan Duncan: Yes; there have been about 2,500 cases. Perhaps I can alert the House to the fact that I am endeavouring to book a room tonight to allow members of our crisis centre to meet colleagues so that the facts can be described and explained. At the moment, I am

aiming for a meeting at 6.30 in a Committee room, and if I am successful in organising it, I will try to get a note out through the Whips straight after this statement so that the details of any consular cases, and of what we have been doing and how and why we have done it, can be put directly to colleagues by members of the crisis centre. In that way, colleagues' detailed questions about the operational performance of the response can be answered directly.

Henry Smith (Crawley) (Con): Will the Minister join me in paying tribute to the British overseas territories that have been helping each other to recover from this crisis? For example, later today a relief flight with the Premier of the Cayman Islands on it will go from that territory to Anguilla with medical supplies, and it will evacuate Anguillans to the Cayman Islands for support.

Sir Alan Duncan: My hon. Friend is absolutely right. Bermuda and the Cayman Islands have been helpful, and the Government of Gibraltar, where I was at the weekend, are going to put some very helpful vehicles on to HMS Ocean. The spirit of mutual help from overseas territories and Commonwealth countries—indeed, from all countries—is commendable.

May I confirm that I have arranged for a briefing for all Members of Parliament in Committee Room 16 at 6.30 this evening? It will be cross party, and everyone is invited should they wish to quiz someone from the crisis centre or raise any consular concerns.

Tom Pursglove (Corby) (Con): Could the Minister say a little bit more about the Foreign Secretary's visit and his plans for it?

Sir Alan Duncan: My right hon. Friend the Foreign Secretary is at this moment flying to the British Virgin Islands. I believe he will also be flying to Anguilla, although the logistics are being put in place at the last moment. He is keen to see the devastation for himself and to reassure Governors, who have done a magnificent job under the most incredible pressure. I could not be more full of praise for the Governors and their staff, in the light of what they have withstood, for what they have managed to do to maintain the continuity of government and co-ordinate with us the aid that their populations so desperately need. My right hon. Friend the Foreign Secretary will also co-ordinate very closely with DFID and the MOD about what can be done in the next phase of help to our overseas territories and anyone else deemed to be appropriate.

Sky/Fox Merger

Mr Speaker: I call the Secretary of State for Culture, Media and Sport to make a statement.

1.22 pm

The Secretary of State for Digital, Culture, Media and Sport (Karen Bradley): I apologise for beginning my statement by correcting you, Mr Speaker, but I am now the Secretary of State for Digital, Culture, Media and Sport. The Department has a new word in its name.

I am here to give an update on the proposed merger between 21st Century Fox and Sky plc and on my decision about whether to refer the transaction for a full six-month investigation by the Competition and Markets Authority. I should first remind the House that in my quasi-judicial role I must, first, come to a decision on the basis of relevant evidence; secondly, act independently in a process that is fair and impartial; and, thirdly, take my decision as promptly as is reasonably practicable. I am committed to transparency and openness in this process and have been clear that my decisions can be influenced only by facts, not by opinions, and that they can be influenced only by the evidence, not by who shouts the loudest.

I turn, first, to media plurality, and I can confirm that none of the representations received has persuaded me to change my position. Accordingly, I can confirm my intention to make a referral on the media plurality ground to the CMA. On the question of commitment to broadcasting standards, over the summer my officials reviewed the almost 43,000 representations received. A significant majority of them were campaign-inspired, arguing against the merger going ahead but generally without providing new or further evidence or commenting on Ofcom's approach. Overall, only 30 of the 43,000 representations were substantive, raising potentially new evidence or commenting on Ofcom's approach. Almost all were related to commitment to broadcasting standards.

In the light of those representations, I asked Ofcom to provide further advice. May I put on record my gratitude to Ofcom for its efforts to respond to the questions that were raised? I am, today, publishing the exchanges between my Department and Ofcom. In those exchanges, I sought clarification on, first, the threshold that Ofcom applied to its consideration of the commitment to broadcasting standards ground; secondly, the consideration made of broadcasting compliance; and, thirdly, the consideration made of corporate governance issues. I also asked Ofcom to consider whether any of the new, substantive representations that I received affected its assessment.

I have taken careful account of all relevant representations and Ofcom's advice, and I have today, as required by the legislation, written to the parties to inform them that I am now minded to refer the merger to the CMA on the grounds of genuine commitment to broadcasting standards. I will now set out the technical reasons for that decision.

Questions were raised about the threshold for referral. The legal threshold for a reference to the CMA is low. I have the power to make a reference if I believe that there is a risk that is not purely fanciful that the merger might operate against the specified public interests. In its original report, Ofcom stated that

"we consider that there are no broadcasting standards concerns that may justify a reference".

At the time, Ofcom appeared to be unequivocal. Following the additional representations, Ofcom has further clarified that

"while we consider there are non-fanciful concerns, we do not consider that these are such as may justify a reference in relation to the broadcast standards public interest consideration."

The existence of non-fanciful concerns means that, as a matter of law, the threshold for a reference on the broadcasting standards ground is met. In the light of all the representations and Ofcom's additional advice, I believe that those concerns are sufficient to warrant the exercise of my discretion to refer.

The first concern, which was raised in Ofcom's public interest report, was that Fox did not have adequate compliance procedures in place for the broadcast of Fox News in the UK and that it took action to improve its approach to compliance only after Ofcom expressed concerns. Ofcom has confirmed it considers that to raise concerns that are non-fanciful but not sufficiently serious to warrant referral. I consider that those non-fanciful concerns warrant further consideration. The fact that Fox belatedly established such procedures does not ease my concerns, and nor does Fox's compliance history.

Ofcom was reassured by the existence of the compliance regime, which provides licensees with an incentive to comply. However, it is clear to me that Parliament intended the scrutiny of whether an acquiring party has a "genuine commitment" to attaining broadcasting standards objectives to happen before a merger takes place. Third parties also raised concerns about what they termed the "Foxification" of Fox-owned news outlets internationally. On the evidence before me, I am not able to conclude that that raises non-fanciful concerns. However, I consider it important that entities that adopt controversial or partisan approaches to news and current affairs in other jurisdictions should, at the same time, have a genuine commitment to broadcasting standards here. Those are matters the CMA may wish to consider in the event of a referral.

I turn to the question of corporate governance failures. Ofcom states in its latest correspondence that such failures raise non-fanciful concerns in relation to the broadcasting standards ground. However, it again concludes that those concerns do not warrant a reference. I agree that corporate governance issues at Fox raise non-fanciful concerns, but in my view it would be appropriate for those concerns to be considered further by the CMA. I agree with the view that, in this context, my proper concern is whether Fox will have a genuine commitment to attaining broadcasting standards objectives. However, I am not confident that weaknesses in Fox's corporate governance arrangements are incapable of affecting compliance in the broadcasting standards context. I have outstanding non-fanciful concerns about these matters, and I am of the view that they should be considered further by the CMA.

Before I come to a final decision, I am required, under the Enterprise Act 2002, to allow the parties to make representations on my proposed decision, and that is the reason why my decision remains, at this stage, a "minded to" one. I have given the parties 10 working days to respond. Following receipt of any representations from the parties, I will aim to come to my final decision in relation to both grounds as promptly as I can.

[Karen Bradley]

I remind the House that should I decide to refer on one or both grounds, the merger will be subject to a full and detailed investigation by the CMA over a six-month period. Such a referral does not signal the outcome of that investigation. Given the quasi-judicial nature of this matter, my decision cannot be guided by the parliamentary timetable. If I come to my decision during recess, I will write, as I have done previously, and return to this House at the earliest possible opportunity to provide an update. I commend this statement to the House.

1.29 pm

Tom Watson (West Bromwich East) (Lab): I thank the Secretary of State for advance sight of her statement.

The Secretary of State has taken her responsibilities seriously, and I give her credit for that. I give her credit, too, for listening to the evidence before her, including new evidence submitted after she had announced her initial decision, and for changing her mind. I also want to praise my right hon. Friend the Member for Doncaster North (Edward Miliband), who has run a very effective campaign in this area. Dare I say it, but I think he leads the race for Back Bencher of the year for his campaign?

I welcome the Secretary of State's decision—or, I should say, the fact that she says she is minded to make such a decision—to refer the bid on broadcasting standards grounds, as well as on media plurality grounds. This is the first time that a Minister in the current Government has ever stood in the way of what the Murdochs want—and, frankly, not before time. So well done, and as they say in the Black country, “She’s a good ’un.”

The Secretary of State has done everything we asked her to do—or almost everything. Her statement does in my view, however, reflect a failure on the part of Ofcom. In its first report, as she said, Ofcom said that there were

“no broadcasting standards concerns that may justify a reference”. It has now admitted that there are, as she said, “non-fanciful concerns”. On that basis, she had to refer the bid, and she has done so. It should have been obvious to Ofcom, as it certainly was to all Labour Members, that concerns about the Murdochs were more than fanciful.

After all, the Murdochs have a long history of regulatory non-compliance and of corporate governance failure. Just last week, Fox recognised its own failure to comply with broadcasting standards when it pulled Fox News, which has breached Ofcom's rules again and again, from the UK. Ofcom could have gone further, too, on the “fit and proper” test. It decided that a post-merger Sky would pass, despite clear evidence of impropriety and failure of corporate governance both at 21st Century Fox and at News Corporation.

Such failures include the phone hacking scandal, which still has loose ends that are yet to be tied up. Just last week, News Group settled 17 cases related to allegations of criminality at *The Sun* newspaper, ensuring that James Murdoch will not have to appear in court later this year. Those 17 cases are just the first tranche of 91 new claims of phone hacking and illegality in obtaining information against *The Sun* and *News of the World*. This story is far from over, even if we will read little about it in the pages of the Murdochs' newspapers, and

all these cases are claims against a company that claimed for over a decade that there was no problem and that tried to move heaven and earth to prevent abuses from being uncovered. This is alongside the ongoing sexual and racial harassment scandal at Fox News, which is part of 21st Century Fox's empire.

As I have said, the Secretary of State has done almost everything we asked her to do. The one thing we still want, and we have said this time and again, is that we need to get properly to the bottom of the scandals at the Murdoch empire—part 2 of the Leveson inquiry. She has now shot her fox with the Murdochs. She has burned her boats, and they already do not like her—I know what that is like—but that liberates her. Go on, Secretary of State, do the right thing: go ahead with Leveson 2.

Karen Bradley: I am a little unsure about whether I have been damned with faint praise. I do not know that I will ever again hear such good words from the hon. Gentleman across the Dispatch Box.

I want to repeat the point I made in my statement: I have made this decision on the basis of the evidence. I take my quasi-judicial role very seriously. I have looked at the evidence before me and considered Ofcom's response to the further evidence that we put to it, and that is why I have made this announcement. I remind the hon. Gentleman that the “fit and proper” duty that he mentioned is a duty on the independent regulator. It is a responsibility of Ofcom as an ongoing duty. It will not end at any point but will be there for Ofcom to continue to consider for any holder of a broadcasting licence.

On the matter of Leveson, I will shortly come to the House with the responses to the consultation about it that we have carried out. The hon. Gentleman will perhaps understand that this summer has been fairly busy, with the need to review significant amounts of evidence.

I ask the hon. Gentleman to join me in condemning the campaign that has been run by some very left-wing activists. Some people spent the summer walking around my constituency wearing masks with my face and carrying big electronic A-boards. They not only pursued me around town, but actually went and found my family, who live outside my constituency, and protested there. I am taking this decision on the basis of evidence, not of any campaign of intimidation and harassment, and I hope he will join me in condemning those activities.

Tom Watson *rose*—

Mr Speaker: I do not think there is a procedure for responding.

Tom Watson: On a point of order, Mr Speaker.

Mr Speaker: We do not normally take points of order in the middle of statements, but I am in a generous mood, and I will hear the hon. Gentleman if he is characteristically brief.

Tom Watson: I will be brief, Sir. I am very sorry to hear the allegations that the Secretary of State has made, and I promise her that I will go away and look at the evidence. If Labour party members are involved in this, we will deal with them. Let me say to her that I

have been as sickened as she has been by the way in which our colleagues in this House have been targeted for doing their jobs. A heavier load is carried by our female colleagues, so let me make it clear: you can either be a misogynist or you can be a member of the Labour party, but you cannot be both. If she gives me the evidence, we will deal with this.

Karen Bradley: Further to that point of order, Mr Speaker.

Mr Speaker: Yes, briefly.

Karen Bradley: I just want to respond by thanking the hon. Gentleman. I think we are at one on that point, and we would like to work in a cross-party way on these matters.

Mr Speaker: Thank you.

Damian Collins (Folkestone and Hythe) (Con): I thank the Secretary of State for her statement, and for agreeing to appear in front of the Select Committee during the first week back after the conference recess, when we will have the chance to question her further on this matter. I hope that she will agree that this process is working: it is right that such questions about broadcasting standards and whether licence holders are fit and proper persons are taken by the appropriate independent regulatory body. It should not be for politicians to exercise discretion about who they think should or should not hold licences, but to provide official guidance for the regulator.

Karen Bradley: As I have not had the chance to do so in the House, I congratulate my hon. Friend on his return as Chair of the Select Committee. I look forward to being interrogated by him, I am sure at length, in a few weeks' time. He is right: the process is set down in the Enterprise Act. Parliament voted for this process, and it has asked me as Secretary of State to follow the process. I have taken that role very seriously, and I will continue to make sure that I act scrupulously fairly in this matter.

Brendan O'Hara (Argyll and Bute) (SNP): I thank the Secretary of State for prior sight of her statement. She rightly acknowledges that there is growing public concern about the concentration of media ownership in fewer and fewer hands. SNP Members absolutely share those concerns. It is essential that there is a plurality of voices within the media across the UK for the maintenance of diversity and standards.

Before the recess, SNP MPs absolutely welcomed the fact that the Secretary of State was minded to refer this matter to the CMA, and we are delighted that she has now confirmed that it is her position so to do. We also welcome the fact that she is now minded to refer the takeover on the grounds of broadcasting standards as well. In doing so, I believe that she has bolstered the confidence of the public that broadcasting standards and diversity within the media will have been carefully considered, even should this takeover be given the green light at some point in the future.

If the CMA says that this deal does not pass the public standards test, will the Secretary of State follow its advice, or, in her quasi-judicial role, will she allow Fox to make further representations and give assurances before she reaches a final decision? As the process is

ongoing, will she commit to consulting MPs such as my hon. Friend the Member for Livingston (Hannah Bardell) to ensure that employees' views are also taken into account before she reaches a decision? We welcome her commitment to openness and transparency, but will she do everything she can, within given constraints, to ensure that the announcement of a decision, when it is reached, is made to this House rather than through a written ministerial statement?

Karen Bradley: To deal with the last point first, I have given every statement to the House first. The only occasions on which I have not been able to come to the House in person have been when Parliament has been in recess. At those times, I have always written to Mr Speaker, the Lord Speaker, the Chairs of Select Committees and my shadow on the Opposition Front Bench. I will continue to ensure that Parliament hears first about any decisions that I take.

The hon. Gentleman referred to the hon. Member for Livingston (Hannah Bardell), who I know has raised concerns in this Chamber about Sky employees. The terms on which I can intervene on the merger are set out very clearly in the Enterprise Act 2002. They relate to public interest tests, and I am minded that the CMA should look further at those on plurality and commitment to broadcasting standards. The rules governing this process are quite prescriptive, but I am aware of the hon. Lady's concerns.

It is worth putting it on record that although nothing has changed in my "minded to" decision on plurality, I can make a referral to the CMA only once. I must make that referral on the basis of all the grounds for referral; I cannot do it piecemeal. That is why I have not yet referred to the CMA on the issue of plurality. Now that I have set out my "minded to" decision, the parties have 10 working days to come back to me. I will then make a final decision on the basis of that.

The hon. Gentleman is right that this is an important part of the process of gaining public confidence in media mergers. It is something that Parliament has prescribed, and I am determined to ensure that I abide by the rules.

Mr John Whittingdale (Maldon) (Con): I understand and support my right hon. Friend's decision, or at least the decision she is minded to take. However, she will be aware that by the time the CMA reports, it will be well over a year since the matter was first proposed, which has created considerable uncertainty for the companies and for investors. Does she therefore agree that whatever verdict the CMA may reach, that ought to resolve the matter?

Karen Bradley: My hon. Friend is right that this process has taken a significant period of time. It was always known that this would be a lengthy process. I remind the House that the proposed merger was set out in December last year, but no official notification of the merger was made to the authorities until February. We have been determined to deal with it as promptly as possible. The small matter of purdah also got in the way earlier in the year, I am afraid to say. I am mindful that I have to act as promptly as is reasonably practicable. I am aware that there are those who are keen to see this matter progress. I want to get the CMA working on it as

[Karen Bradley]

soon as possible, and that will be the final part of the official process set out in the Enterprise Act, although there are always opportunities for discussion at that point.

Edward Miliband (Doncaster North) (Lab): I welcome the Secretary of State's decision on plurality and her "minded to" decision on broadcasting standards. I join my hon. Friend the Member for West Bromwich East (Tom Watson) in praising the Secretary of State. She has made a brave decision—or is minded to make a brave decision—but it is the right decision and one that the Murdochs will not like. I have my own experience of the Murdochs, and she is absolutely to be commended for that.

The Secretary of State is ignoring what is, in my view, the unreliable and flawed advice of Ofcom. She knows that I and a number of colleagues believe that its view on "fit and proper" is also flawed and unreliable. If its advice on broadcasting standards is flawed, I think we can draw some conclusions about its position on "fit and proper", although I know she will not comment on that.

I have one specific thing that I want to ask the Secretary of State. Can she reassure us that if the CMA holds the inquiry she is minded to have, it will be a comprehensive look—the first time this has happened, I think—at the Murdochs' disgraceful record in news and, indeed, broadcasting—from the *News of the World* to Fox News to Sky News Australia? Crucially, will she confirm that it will look at the issue of corporate governance, which was something that she flagged up in her letter to Ofcom, although I do not think it looked at that properly? That needs to be looked at, as it relates to broadcasting standards.

I end by saying that the Secretary of State has done her job today; it is now for the CMA to do theirs.

Karen Bradley: I thank the right hon. Gentleman for his question. Together with the right hon. Member for Twickenham (Sir Vince Cable) and my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), he contributed one of the 30 substantive representations that I received. He referred to the "fit and proper" test. One question that he raised in his representation was the level of the threshold. What has become clear from the conversations we have had and our work is that the threshold for referral to the CMA is a different threshold from the "fit and proper" test. The "fit and proper" test is, quite rightly, something for Ofcom.

If the right hon. Gentleman looks at my statement, he will see the reasons I have set out for referral to the CMA. As and when the "minded to" decision becomes a final decision, I will set out those reasons in full.

Michael Fabricant (Lichfield) (Con): I am grateful to my right hon. Friend for coming to the House today. No right hon. or hon. Member could deny that she has come to the House frequently and kept us informed. As she has said, this process has lasted for over a year, so I ask her two questions. First, does this announcement today mean that there will be a further delay? Secondly, does she fear that there will be calls for a judicial review, which would delay the decision still further?

Karen Bradley: My hon. Friend makes an important point. Clearly, there is always scope for anybody to call for a judicial review about the process if they feel that that is appropriate. That is why I have been scrupulous in my work during this process to ensure that I comply fully with the terms of the Enterprise Act.

My hon. Friend also asked about delay. The referral to the CMA on plurality alone would be for six months, and the referral to the CMA on both grounds is also for six months, so that does not change the timeframe to ask the CMA to look at commitment to broadcasting standards in addition to plurality.

Sir Vince Cable (Twickenham) (LD): I add my welcome and appreciation to the Secretary of State for her referrals. I suggest that if she were to revisit Leveson 2—a judge-led inquiry—that would add to the evidence base for Ofcom's investigation, if it happened quickly.

Karen Bradley: I presume that the right hon. Gentleman means the CMA and not Ofcom when he talks about the inquiry. As I said in response to the hon. Member for West Bromwich East (Tom Watson), I will respond to the responses to the Leveson consultation that we carried out. I thank the right hon. Gentleman for his representations, which he made with the right hon. Member for Doncaster North (Edward Miliband).

Kevin Foster (Torbay) (Con): I thank the Secretary of State for her statement. Given the lobbying that has gone on, much of which right hon. and hon. Members have received, will she lay out in detail what can be taken into account legally under the quasi-judicial test?

Karen Bradley: I know that right hon. and hon. Members on both sides the House have been subjected to significant lobbying on this matter. I have been clear throughout that I can look only at substantive evidence. When I came to the House in June, I said that I could look only at new evidence, not evidence that was already in the public domain. Lobbying with no new evidence or shouting the loudest is not the answer; the answer is having the evidence, and that is what I have looked at. I hope that right hon. and hon. Members feel able respond to their constituents, who I know will have written in good faith, to reassure them, and to let them know that the activities they took part in were not conducive to this quasi-judicial process.

Mrs Pauline Latham (Mid Derbyshire) (Con): My right hon. Friend has been subjected to abuse and intimidation, as has her family. We have all been bombarded by emails from organisations such as 38 Degrees. Will she explain to the House exactly how much weight she puts on the bombardment of emails to all of us?

Karen Bradley: My hon. Friend makes an important point, as did my hon. Friend the Member for Torbay (Kevin Foster). Those emails have filled up inboxes and distracted colleagues from important constituency casework. I have made this decision in spite of the lobbying, not because of it.

Chris Bryant (Rhondda) (Lab): Good corporate governance in a construction company means that the directors of the company make sure that its building sites, for instance, are safe to work on. Good corporate

governance in a supermarket company means that the directors make sure, for instance, that their staff do not sell alcohol to underage kids. One would think that good corporate governance in a broadcasting organisation would mean that the directors of the company would make sure that their organisation abides by good broadcasting standards, which is why I wholeheartedly support what the Secretary of State is doing today. Rupert Murdoch's defence over phone hacking was, in the end, that his company was far too big for him to possibly know what was going on across the whole of it. That was not good corporate governance, and it could not possibly lead to good broadcasting standards.

Karen Bradley: I refer the hon. Gentleman to the comments on corporate governance that I made in my statement: "I have outstanding non-fanciful concerns about these matters, and I am of the view that they should be considered further by the CMA."

Julian Knight (Solihull) (Con): I congratulate the Secretary of State on her steady handling of this sensitive issue. She clearly shares with me and other hon. Members concerns about pressure on Members from third-party organisations outside this place representing what is, in essence, a quasi-judicial process as something that it clearly is not. Will she make it very clear that we have to avoid histrionics and instead get to the heart of the matter?

Karen Bradley: I congratulate my hon. Friend on his appointment to the Select Committee—I look forward to being interrogated further. He is absolutely right. This process is set down in statute. It cannot be influenced by loud voices, sustained campaigning or a lack of evidence; it can be influenced only by the evidence.

Paul Flynn (Newport West) (Lab): We are all beneficiaries of decisions taken nearly 100 years ago in this Chamber to impose on broadcasters a statutory duty of political balance. Is that not now threatened by what has been described as the "Foxidation" of news, which is taking news away from journalists of integrity and transferring it to alternative bodies that produce news that is corrupted and prostituted for certain political ends? Is it not the Secretary of State's prime duty to ensure that we do not Foxidise our news services?

Karen Bradley: That was one of the points made in the representations I received between my statement in June and my statement today, and it is one of the matters I would like the CMA to consider. Broadcasters in the United Kingdom are subject to the United Kingdom broadcasting code. I want to be clear, through the work of the CMA, about the impact that partisan reporting, which may occur in other jurisdictions, might have on the impartiality we expect of our broadcasters here in the UK.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I, too, welcome the Secretary of State's statement. Five years on, it seems as if little has changed. The newspapers have been cast off, but Rebekah Brooks is back having been reappointed by the Murdochs, and Fox wants to take over Sky. There are a lot of loose ends to be tied up on corporate behaviour and governance, including evidence given to the Select Committee. One is the second part of the Leveson inquiry, which might well reveal more.

May I press the Secretary of State on this matter, not least because the Conservative manifesto pre-empted the conclusions of her consultation? When will we learn whether an amended Leveson 2 will go ahead, as the Select Committee unanimously recommended?

Karen Bradley: If I may repeat myself, Mr Speaker, I will come to the House with the responses to the consultation, and our views on that consultation, in due course.

Jo Stevens (Cardiff Central) (Lab): I, too, welcome the Secretary of State's statement. May I press her again on that point? She said earlier that the consultation outcome will be published "shortly". When is shortly going to be?

Karen Bradley: In due course.

John Grogan (Keighley) (Lab): One recent precedent—it is from less than a decade ago—was when the competition regulator, on competition grounds, forced Sky to sell 17.5% of ITV. Is it not inconceivable that, in six months' time, the CMA will wave through a merger that gives one family control of not just two large newspapers but Sky News, a national radio channel, and radio news supplied to every commercial radio station in our country?

Karen Bradley: I have set out that I am minded to refer the decision to the CMA for a six-month inquiry as part of the terms of the Enterprise Act. These will be matters for the CMA, should I make a final decision to make that referral.

Christine Jardine (Edinburgh West) (LD): I congratulate the Secretary of State on her statement that she is minded to refer the matter on the grounds of governance, but does she not recognise that a commitment to Leveson 2 would go some way towards reassuring the public that the individuals who own the media in this country will be subject to full scrutiny?

Karen Bradley: Just to be clear, I am minded to make a referral on the basis of commitment to broadcasting standards, not corporate governance. It is also worth saying that the CMA has to look at the merger on the basis of the evidence available at the time. Whatever comes out in the future may impact on the "fit and proper" test, as decided by Ofcom, the independent regulator, but the merger has to be governed by information in the public domain and the private domain, with the evidence provided to the CMA as part of the process.

Ian C. Lucas (Wrexham) (Lab): I commend the Secretary of State for her decision, but is it not incumbent on her to secure the evidence to make the correct decision? She must now take forward Leveson 2, which the House clearly wants and the victims were promised so long ago.

Karen Bradley: As I said, I will come back with the Government's view about the consultation on the Leveson inquiry, which we conducted earlier this year. However, I again make the point that the merger has to be looked at in the context of today and not what might come out in the future. That is a matter for the fit and proper test, which is covered by an ongoing duty of Ofcom.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for her statement. It has taken a bit of time, but we are very pleased to hear it and about the steps she is taking to refer the Sky-Fox merger. I have been in correspondence with her Department on behalf of literally hundreds of constituents, some of whom are seeking private legal action. They consistently tell me that they would like to see Leveson 2. Can she give my constituents some reassurance?

Karen Bradley: I am sorry to have to repeat myself, but I will come to the House in due course with my response to the consultation we carried out.

Point of Order

1.57 pm

Wes Streeting (Ilford North) (Lab): On a point of order, Mr Speaker.

Mr Speaker: I was anticipating a point of order from the hon. Gentleman, but I had not spotted him, so I feared he had beetled out of the Chamber. I am delighted to see that he has not done so.

Wes Streeting: Thank you, Mr Speaker.

Yesterday in Education questions, I asked Ministers if they were comfortable about handing over £45 million of public money to a training provider, learndirect, which has been deemed “inadequate” by Ofsted regarding outcomes for learners. In reply, the Minister of State, Department for Education, the right hon. Member for Guildford (Anne Milton), told the House:

“In this case, the provision judged to be inadequate by Ofsted—apprenticeships—is no longer offered by learndirect.”—[*Official Report*, 11 September 2017; Vol. 628, c. 434.]

This is not the case. Not only is Learndirect Ltd continuing to receive public money to complete existing apprenticeships until July 2018, but Learndirect Apprenticeships Ltd, a company with the same directors and the same website, will still be funded to provide new apprenticeships on an ongoing basis. I am sure that the Minister did not intend to mislead the House, so I hope she might come to the Dispatch Box to correct the record, to explain why public money continues to be given to a provider that is delivering inadequate outcomes for learners, and perhaps to understand why the perception exists that Ministers do not have a grip on the learndirect scandal.

Mr Speaker: I am very grateful to the hon. Gentleman both for his point of order and for his courtesy in giving me advance notice of its thrust. I have to say to him that it is not unusual for an hon. Member to find a Minister’s answer at the Dispatch Box less than totally satisfying. Moreover, the content of Ministers’ answers to questions, as colleagues will know, is the responsibility of the Minister concerned. The hon. Gentleman has been operating as a kind of self-employed sleuth in analysing the evidence and concluding, at least to his own satisfaction, that there is a disconnect between what the Minister said and the factual position. He has clearly been keeping his beady eye on websites and attending to his duties in an extremely assiduous manner.

I have to take care not to act as referee or umpire on the matter of whether a Minister has misled the House, but if a Minister were to accept that she had unintentionally misled the House—because she thought what she said was true—I am sure that she would take swift steps to put the matter right. If she takes a different view and does not accept the hon. Gentleman’s interpretation and conclusion, however, I doubt that she will be volunteering to come to the Chamber.

The thrust of the hon. Gentleman’s comments will have been communicated to the Secretary of State by now—if it has not been, it will be within a matter of minutes. Meanwhile, he has succeeded in putting his dissatisfaction and clear view of the facts on the record. The safest thing I can say in conclusion is that we await events.

We come now to a notable parliamentary delight. I call Mr Peter Bone to move his ten-minute rule motion.

Business of the House Commission

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

2 pm

Mr Peter Bone (Wellingborough) (Con): I beg to move,

That leave be given to bring in a Bill to create a Business of the House Commission to regulate the timetabling of business in the House of Commons; and for connected purposes.

I thank you for that introduction, Mr Speaker. You yourself have done much to enhance Parliament and parliamentary scrutiny.

It is a pleasure to introduce today a Bill that I am certain will be uncontroversial. This is because my Bill aims to complete the measures promised by the 2010 coalition Government to strengthen this House's legislative work. Page 26 of the 2010 coalition bible, "Our Programme for Government", states:

"A House Business Committee, to consider government business, will be established by the third year of the Parliament."

My Bill has cross-party support from senior parliamentarians, and I am very grateful to them for sponsoring it.

We—or should I say the British people?—have already done away with one limitation on parliamentary sovereignty by voting to leave the European super state. It is now time to reassert that sovereignty and strengthen our ancient democracy as a result. We have done away with one such influence on our democracy. It is now time to do away with another. By this I mean the practice that the Government set the timetable in this Chamber.

I am one of many Members frustrated that we as Members of Parliament cannot debate what we want, when we want. Government control of the scheduling of House business undermines our role in scrutinising proposed legislation and demonstrates our inadequacy when it comes to holding the Executive to account. It must be for Parliament to set its own timetable, not for the Government to force their own agenda upon Parliament. This issue was identified by the Wright Committee, the Select Committee on Reform of the House of Commons, which recommended in November 2009 that a House business committee should be established. Its function would be to

"assemble a draft agenda to put to the House in a weekly motion".

To quote an esteemed former Member:

"The House of Commons' historic functions were to vote money for governments to spend, and to scrutinise laws. It now barely bothers with the first, and does the second extremely badly. There was a time when legislation that had been formulated after months of civil service and ministerial deliberation was sent to the House of Commons which would pore over it, shape it, send it back, get it back, look at it again - and improve it some more. Bill by bill. Clause by clause. Line by line. Every piece of legislation would be put under intense scrutiny. Is it legally sound? Will it be effective? Is it worth the cost? Compare that to today. Let me take you on the journey of a piece of legislation as it passes through the modern House of Commons. It's likely to have been dreamt up on the sofa of Number Ten. A Bill gets drafted. It's sent to the House for a couple of hours of routine debate among a few MPs. Then the bell rings, the whip gets cracked and suddenly, out of nowhere, all these other MPs turn up to vote. More often than not, they don't even know what they're voting for. The Bill limps through. Then it goes to the Standing Committee. Their duty is to look at the details clause by clause. But it's packed full of people that the whips put there. So, surprise, surprise, the Government

rarely loses the vote on any of the individual points of detailed scrutiny. And then it's back to the House to do it all again - debate, bell and then vote to wave the legislation through... How has the mother of all Parliaments turned itself into such a pliant child?"

I am sure you will recognise those words, Madam Deputy Speaker. They are, of course, the words of former Prime Minister David Cameron, in his fiery "Fixing Broken Politics" speech. I think that many Members will agree that this picture is still very familiar. In that speech and the subsequent manifesto, the Conservative party promised to implement the measures of the Wright Committee to strengthen Parliament, and this commitment was translated into the coalition agreement. The House business committee was to be introduced within three years, but, for whatever reason, the creation of this committee to regulate the parliamentary timetable was never proposed or voted on—apparently the Whips just did not get round to putting it on the Order Paper.

My Bill seeks to put this oversight right and bring in these long-overdue recommendations. It is patently absurd that I, as a Member of Parliament, can propose legislation only through winning a ballot or by sleeping for a week outside the Table Office. We were all elected to properly represent the interests of our constituents, but currently we have little freedom to do so. On 23 June 2016—Independence Day—the British people voted to reassert this Parliament as the supreme democratic power in the land. Now that we are taking control of our laws back from the European Union, they will expect us to represent them and to hold Government to account in their interest. How can we possibly do this if the House is unable to run its own affairs? The referendum was a decision to strengthen Parliament and we must live up to this expectation as an institution. Instead of the Government running the whole timetable, my Bill makes sure that the Commons takes back control of its agenda.

I am today proposing to institute a business of the House commission that will decide the parliamentary timetable. The commission would be made up of the Leader of the House, who would be directly elected by the whole House, the shadow Leader of the House and Back-Bench MPs. Crucially, it should be made up of a certain type of Back-Bench MP. It should be immune from Government or shadow Government domination and thus be made up of Members who are true parliamentarians. Those who concern themselves with becoming Ministers or shadow Ministers—and there is nothing wrong with that at all—are far too often beholden to the Government or Opposition Whips.

Having such Members on the commission would be counterproductive to its aim. To try to combat this tendency, members of the commission should, when elected, commit to staying members of the House commission for the entirety of the parliamentary term. The numbers on the commission would be half from Members of the governing party and half from the Opposition. The chairman of the commission should also be an impartial voice whose interest is with Parliament rather than the Government. I suggest that this role be filled by the Chairman of Ways and Means, which of course is exactly what the Wright Committee proposed.

Too often now House business is agreed through the usual channels between the Whips Offices. This backroom dealing lacks the transparency one would expect of a democratic Parliament. The business of the House

[Mr Peter Bone]

commission would resolve this current anomaly by meeting in public. It would hear representations from Government, Opposition and Back Benchers each week on what they would like to be included in the timetable. It would deliberate before issuing the timetable for the following week, which would then be voted on in the House. In that way, our Parliament would be given an open and transparent system of timetabling, rather than the closed door dealing and Government handout that currently dominates our system.

The aim of the Bill is to finally establish a commission that would be responsible for timetabling the business of the House. This mother of Parliaments has a democratic heritage like no other, but without control of our own affairs we cannot fulfil our role as a Parliament. Parliament should be the mother rather than the “pliant child” of our democratic process, and I am seeking leave to introduce the Bill in order to rectify that. When the voters in the referendum voted to take back control, they were voting to take back control from the European Union and give it to Parliament, not to the Government.

Question put and agreed to.

Ordered,

That Mr Peter Bone, Mr Christopher Chope, Chris Bryant, Henry Smith, Paul Flynn, Mr Philip Hollobone, Angus Brendan MacNeil, Zac Goldsmith, Tom Brake, Esther McVey, Philip Davies and Sir Edward Leigh present the Bill.

Mr Peter Bone accordingly presented the Bill.

Bill read the First Time; to be read a Second time on Friday 3 November, and to be printed (Bill 106).

Finance Bill

Second Reading

Madam Deputy Speaker (Mrs Eleanor Laing): I should inform the House that Mr Speaker has not selected the amendment.

2.12 pm

The Financial Secretary to the Treasury (Mel Stride): I beg to move, That the Bill be now read a Second time.

Earlier this year, before the general election and in agreement with the Opposition, the Government removed a number of clauses from an earlier Finance Bill to ensure that the House had an opportunity to scrutinise the Bill in more detail. The Government announced their intention to return to the House at the earliest opportunity to legislate for the measures that had been removed, and that is the basis for the Finance Bill that they have now presented to the House. Last week we had a good debate on the resolutions on which this Bill is founded. Today I will be reflecting some of the themes of that debate, as well as setting out again the background of the Bill and its main provisions.

This Bill makes a significant contribution to the public finances through sound policies pursued by a Government who are putting a fair and competitive tax system at the heart of their plans. Those plans have ensured that the economy has grown continuously for more than four years to become 15% larger than it was in 2010. It is an economy that is experiencing record levels of employment, including more women in work than at any time in our history; an economy that has delivered the lowest level of unemployment since the mid-1970s, and the lowest level of youth unemployment since 2001; and an economy that is built on sound money, with the deficit reduced by three quarters to ensure that international investors maintain their faith in us. And indeed they have: foreign direct investment was 40% higher at the end of 2015 than it was in 2010. However, the Government are not complacent—far from it. We know that we must continue to press forward with vigour in supporting new growth and productivity.

Let me now turn to the specific provisions of the Bill, and, in particular, to those that will make our tax system fairer. This is a Bill that abolishes permanent non-dom status. Those who are non-domiciled for tax purposes pay about £9 billion each year in tax and national insurance, which is a huge contribution to our public finances. Lest we forget, it is £1 billion more per year than they paid 10 years ago under the Labour party; more, in fact, than they paid in any year during which the Opposition were last in power. The Government, however, are now putting an end to an unfairness whereby people living in the UK could claim that they were non-doms on a permanent basis. That is something that the Labour party failed to end in 13 years of government. Yes: under Labour, many people who had been living here for over 25 years, clearly settled in the United Kingdom, still technically claimed to be non-doms, and while they did make an important contribution, it was not necessarily a fair one. It is this Government who are changing that.

Michael Tomlinson (Mid Dorset and North Poole) (Con): My right hon. Friend has mentioned Labour, and the 13 years of disastrous Labour rule. Is it not

ironic that when he commenced his remarks, there was only one Back-Bench spokesperson for the Labour party in the Chamber who was even prepared to contribute to the debate?

Mel Stride: I thank my hon. Friend for those observations, which I am sure the House has duly noted.

Let me now deal with termination payments, an issue on which the Opposition divided the House last week. The current rules are unclear and complicated. Some payments are taxed as earnings, some are only taxed above £30,000, and others are completely exempt from tax and national insurance contributions. Although most employers use the current rules as intended, the present system allows some to ignore those rules and deliberately manipulate their payments to minimise their tax by exploiting the differential tax treatment. That is clearly not fair. The Bill makes the rules simpler and fairer by recommending that we exempt the first £30,000 of termination payments from tax, while tightening the rules in respect of what is rightly included within such payments.

In last week's debate, some Members raised concerns that the Government would be taxing compensation that is paid to employees when it is proved that they have been discriminated against—for example, after an employment tribunal. I am happy to reassure them. All compensation awards caused by proven discrimination against someone in employment will remain completely exempt from tax. All that the Bill does in the way of change is close the obvious loophole that enables an employer to treat part of a termination payment, as opposed to a tribunal award, as an “injury to feelings” in order to benefit from the tax exemption. It is HMRC's longstanding position that if an employee claims a tax exemption for injury, it must have actually impaired that employee's ability to work, and the Bill simply reconfirms that position.

Members also raised concerns that the Government intended to reduce the tax-free amount from £30,000. The Bill makes no such provision. If there were ever any desire to reduce the tax-free amount, it would be subject to a statutory instrument and the affirmative procedure, so the House would have to expressly approve any such proposal.

We also need to ensure that the taxation of different ways of working is sustainable, so that we have the funds to invest in the public services on which we all rely. It is therefore important that this tax treatment is fair between different individuals. The Office for Budget Responsibility has highlighted the fiscal risks arising from the growing number of people working through companies. Such individuals can pay themselves in dividends, and, in so doing, can pay significantly less tax than employees and the self-employed, although in many cases their economic activities are broadly the same. Part of the reason for that difference is the entitlement to a £5,000 dividend allowance, which is available in addition to the income tax personal allowance that the Government introduced at £11,500 in April.

Reducing this allowance to £2,000 will help to reduce the differential in tax treatment and help remove some of the working distortions to which I have referred. It will also ensure that support for investors is more effectively targeted: a £2,000 dividend allowance will

ensure that around 80% of general investors continue to receive dividend income tax-free. The less well-off will be protected, with those general investors who are affected having investment portfolios worth around £100,000 on average, putting them in the top 10% of wealthiest households in the country. So the Bill will make our tax system fairer in a number of ways.

Stewart Hosie (Dundee East) (SNP): The Financial Secretary uses the example of someone who works through a company, and compares that with a wealthy investor with a large portfolio. The concern many of us have is for the small businessperson—the owner-proprietor—with a start-up business earning a very modest wage who relies on the £5,000 tax-free dividend in order to make ends meet. What consideration has he given in that regard?

Mel Stride: There are other considerations that the hon. Gentleman should focus on when he looks at individuals setting up in business, and there are many successful entrepreneurs throughout our country. We are the party and Government who have reduced taxation on business. It used to be 28% under the last Government and we have brought it down now to 19% and it will be further reduced to 17% over time. So the hon. Gentleman should look at this in the round, and I persist in my point that we need to look at the different tax consequences of the different models—an individual going into business on their own, whether as a sole trader or partner, or in an incorporated structure—to make sure we do not have people effectively just using one model for no other reason than the tax advantages thereof.

Lucy Frazer (South East Cambridgeshire) (Con): My right hon. Friend refers to the importance of working out different tax models and how they affect the economy and the individual. Does he agree that Labour's policy to increase tax negatively affects individuals' income, investment to this country and therefore the country's economy as a whole?

Mel Stride: My hon. and learned Friend is entirely right. As I have said, we are the party of bringing down corporation tax and small business tax, and we continue to bring those taxes down. The Labour party's current policy is to raise corporation tax to 26%, which is going to do very little to encourage entrepreneurship in this country; it will in fact do the reverse. It must also be borne in mind that, on personal tax, it is Labour's policy to start dragging more people into the higher tax rate, whereas it is this Government's policy, through increasing the personal allowance, to take people out of tax and lower the tax burden entirely.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Last week the Institute for Public Policy Research published an influential report on some of the major economic challenges facing the British state, not least chronic geographical wealth inequalities. What measures are there in this Bill to meet those challenges?

Mel Stride: The Government's record on income equality is extremely strong. The hon. Gentleman may be aware that we have the lowest level of income inequality in this country for 30 years, as measured by the Gini coefficient. We are assisting the lower paid through the

[*Mel Stride*]

national living wage and national minimum wage and HMRC's vigorous actions in making sure that that is complied with by businesses, and, as I have already stated, through the personal allowance changes we have made, which have taken many out of tax—3 million individuals, heading towards 4 million as we go up towards £12,500 as the new allowance.

Jonathan Edwards: I was asking about geographical inequalities.

Mel Stride: We are a party and Government who recognise that all parts of our economy are equally important in sharing the proceeds of growth. That is why we are investing through our national productivity fund—through the work we are doing on skills, the investment we are making in infrastructure and the northern powerhouse, and through all these approaches—to make sure that prosperity, living standards and household income are improved throughout the length and breadth of our country.

Rebecca Pow (Taunton Deane) (Con): In my constituency, the backbone of business is small and medium-sized businesses. Does my right hon. Friend agree that this Government have put in place a raft of measures particularly to help them, and many are not paying any business rates at all, which is extremely helpful to them?

Mel Stride: My hon. Friend raises an important point on business rates, which are very important as one of the key components of costs for businesses. In 2016 we announced a £9 billion package to ensure that business rates were not too onerous for small businesses, and we have of course this year announced a further £400 million-plus to make sure that further funds are available to those who require it.

Anna Soubry (Broxtowe) (Con): My right hon. Friend is making an excellent speech. Does he share my concern that the shadow Chancellor does not seem to be present—although he is active on his Twitter account? Does my right hon. Friend know why the shadow Chancellor is not here to hear this excellent speech? Is he stirring up insurrection and urging people to engage in unlawful strike action?

Mel Stride: As usual, my right hon. Friend makes some very insightful observations. I have no news, I am afraid, as to where the shadow Chancellor is. Perhaps he has his nose deep in the little red book, but my advice to him is to read my speech and to learn, because there is much to learn from what I have already said and what I am about to share with the House.

Philip Davies (Shipley) (Con): It might well be that the shadow Chancellor is trying to cause insurrection outside the Chamber, to try to cause misery to the general public, but does my right hon. Friend agree that he does not seem to be doing much of a job of causing insurrection with his own party in this House, because none of them can be bothered to turn up to this debate?

Mel Stride: That is a fair observation—[*Interruption.*] That is a fair comment from my hon. Friend—[*Interruption.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Even if hon. Members are making a noise in support of the Minister, which I rather think they are, I cannot hear the Minister, and just as others are learning, I am learning from what the Minister is saying, and I would like to hear him.

Mel Stride: Thank you for that ruling, Madam Deputy Speaker; I am pleased that you will be able to hear me from now on. I entirely accept the point made by my hon. Friend the Member for Shipley (Philip Davies); if there is to be an insurrection, there must at least be some people present with whom to insurrect.

Ruth George (High Peak) (Lab): Rather than proving that Conservative Members are able to count people on Benches—which at times is beneficial to them, but at many other times is not—perhaps the right hon. Gentleman could listen to all the small businesses who are squealing about the massive increases they have seen in business rates and the impact on business start-ups of the changes to universal credit that are going to prevent a lot of people from starting up as self-employed, hitting those in constituencies like mine where there is no support for them.

Mel Stride: I think the hon. Lady will have heard my—[*Interruption.*] The shadow Chancellor has arrived: the troops are in place, so let the insurrection commence.

The Bill will make our tax system fairer in a number of ways, but I want to focus now on how it strengthens our position in tackling tax avoidance and evasion. This is a Government who have already announced more than 75 measures to tackle evasion and avoidance since 2010, and we have secured almost £160 billion in additional tax revenue over this period. We have driven forward international action and will continue to do so. We have published one of the first public registers of beneficial ownership. We have reduced the tax gap to one of the lowest in the world. This Finance Bill introduces new policies to tackle aggressive tax planning, avoidance and evasion. It continues to crack down on disguised remuneration schemes, it introduces a new penalty for those who enable tax avoidance, and it clamps down further on online VAT fraud.

Theresa Villiers (Chipping Barnet) (Con): Is it not deeply regrettable that clauses in the previous Finance Bill that would have cracked down on billions of pounds worth of aggressive and abusive avoidance had to be dropped from the Bill because the Labour party would not support them?

Mel Stride: My right hon. Friend makes an extremely pertinent observation, as usual. We wanted this 650-page Bill to be considerably smaller so that more of it could be on the statute book already.

Charlie Elphicke (Dover) (Con): Notwithstanding the fact that the shadow Chancellor has now been shamed into taking time out of his insurrection to attend the Chamber, is it not remarkable that so few of the Labour Members who were talking so much about scrutiny last night have turned up to scrutinise the most important Bill that this Parliament passes?

Mel Stride: My hon. Friend makes an important observation and the House will draw its own conclusions.

Philip Davies: Will the Minister give way again?

Mel Stride: I will give way again to my hon. Friend—why not?

Philip Davies: Does my right hon. Friend agree that we have actually received more income since cutting corporation tax and the highest rates of tax, meaning more money to spend on public services? If we had followed the advice of the Labour party and increased taxes, we would have received less tax revenue and therefore would have had less money to invest in our public services.

Mel Stride: My hon. Friend is entirely right. The amount of onshore corporation tax that we took in the last financial year is close to £50 billion—50% more than in 2010. As we have brought taxes down, the tax revenue take has increased. We can draw only one corollary from all this: if the Labour party gets its way and starts to put those rates up again, some of that tax take might be damaged.

Stewart Hosie: The Minister just prayed in aid the new penalties for the enablers of tax avoidance, which I welcome. This Bill is riddled with retrospective legislation, which I hope he will say more about later, but will the Minister explain to the House why those new penalties do not kick in until after the Bill receives Royal Assent when there is retrospectivity all over the place in the rest of the legislation?

Mel Stride: I believe that that is due to an element of convention, but I am happy to speak to the hon. Gentleman after the debate. We have already clamped down on those who generate such schemes, and we are clearly clamping down on those who use and seek to benefit from them. The third thing is that we will now be actively clamping down on those who enable those schemes through their advice along the way, and they will face penalties of up to the entire amount that they have charged for their services. That is just another example of this Government's determination to leave absolutely no stone unturned when it comes to clamping down on tax avoidance, evasion and non-compliance.

Wendy Morton (Aldridge-Brownhills) (Con): While the Opposition squeal about tax evasion, does my right hon. Friend agree that it is the Conservatives who have done more in government to tackle tax evasion than Labour did in 13 years?

Mel Stride: My hon. Friend is right. Some Opposition Members claimed in last week's debate that HMRC does not have the resources to clamp down on tax evaders, but that is demonstrably untrue. First, we have provided £1.8 billion since 2010 for exactly that purpose. Secondly, as I have already said, we have brought in £160 billion since 2010 by clamping down on such activities. The truth is that we are succeeding.

Rachel Maclean (Redditch) (Con): At a time when our public finances are still challenged due to the Labour party's economic mismanagement, is it not important to get as much money as we can from tax avoiders and evaders? Our party is doing that.

Mel Stride: My hon. Friend is right, which reminds us of the overall purpose of raising tax and ensuring that we bring it in, namely to live within our means, pay down our deficit and, critically, have the fine public services that are a hallmark of a civilised society. All of us can unite in wanting that.

The Bill legislates for new rules to prevent large multinational businesses playing the system by claiming tax deductions for excessive interest expenses and ensures that companies cannot use losses to pay no tax even in years when substantial profits are made. In last week's debate, I was somewhat surprised by the concerns raised by some Opposition Members about the provisions relating to the taxation of businesses trading in Northern Ireland. They are nothing new. They were announced in the 2016 autumn statement and do not create a tax loophole. The legislation simply ensures that all small and medium-sized enterprises with trading activity in Northern Ireland will be able to benefit from the Northern Ireland corporation tax regime in the same way as larger companies already can, and it also introduces additional anti-avoidance rules to ensure that the regime operates as intended. The Bill's provisions do not weaken that at all; they simply mean that more businesses will be able to apply the regime to the taxation of profits genuinely arising, and only arising, from activities carried out in Northern Ireland once the regime is put into effect.

Sir Edward Leigh (Gainsborough) (Con): My right hon. Friend refers to the taxation and regulation of business, but once we are in the hard, bracing winds of international free trade after Brexit, does he agree that it is essential that our Government ensure that we have a low-tax, deregulated, pro-business environment so that our businesses can compete on the world market?

Mel Stride: My hon. Friend is entirely right. That is why the Government have been clear through our tax planning and the information that we have been signalling to the marketplace. Certainty for business is extremely important, which is why we have lowered corporation tax and have stuck to that position. We are making considerable progress, and I will take my hon. Friend's point on board.

In short, the Bill continues our hard work to drive down the tax gap and ensures that we will provide a fair and competitive tax system. The other part of the deal is that those taxes must be paid.

Robert Jenrick (Newark) (Con): On that point, will my right hon. Friend re-emphasise the fact that the tax gaps for large and small companies have fallen by 40% and 50% respectively since we took over from the Labour Government?

Mel Stride: My hon. Friend is correct. The tax gap currently stands at 6.5% for all taxes, which is lower than in any year under the previous Labour Government. In fact, the tax gap was 8.3% in 2005-06, so we are the party that has been bearing down on the tax gap.

This Bill introduces significant changes to the clauses in one area that the Government intended to legislate for before the general election. Many businesses of all types and sizes have already gone digital. They do their banking online, pay their bills online, market their

[*Mel Stride*]

products and services online, and buy what they need online. Making tax digital is the natural next step. It will not only make tax administration more convenient for our businesses, but it will reap rewards for the Exchequer. Avoidable tax errors under the current system cost us almost £9 billion in 2014-15. That is more than double the cost of running HMRC and the Treasury combined.

Many Members, including members of the Treasury Committee, as well as business owners, agents and stakeholder groups have had concerns about whether all businesses would be ready for this development. Well, we listened to that feedback, and one of my early decisions as Financial Secretary was to amend the timetable for delivering Making Tax Digital. Digital record keeping will now only be a requirement for businesses with a turnover above the VAT threshold, and they will only have to provide updates on their VAT liabilities.

Vicky Ford (Chelmsford) (Con): I thank my right hon. Friend for his announcements about Making Tax Digital and for pointing out that the change will not affect the smallest of businesses. Small businesses are the backbone of our economy, and does he agree that we on the Government Benches put small businesses first?

Mel Stride: My hon. Friend is entirely right. We do put small businesses first, which is precisely why we listened so carefully to the feedback we received on our proposals and have made changes that will allow breathing space for businesses to prepare and for us to pilot further the plans we will introduce in due course.

As the vast majority of businesses already submit VAT returns on a quarterly basis, the transition to quarterly updates through Making Tax Digital should not be unduly onerous.

Ruth George: Although the delay in Making Tax Digital gives breathing space for very small firms, those firms will now face additional administrative requirements, possibly alongside Brexit and a dip in the economy. Is that not an added concern for businesses now that they have seen how onerous the proposals actually are?

Mel Stride: The hon. Lady may be aware that in the consultation we received the message from businesses that they broadly welcome these changes as we move into the digital age and do things more efficiently and effectively. However, businesses did have concerns, to which we have listened, about the timing and pace of the changes we originally proposed. The policy is robust, but the Government and I are determined to get the changes right and to make them at the right pace that suits those companies.

Lucy Frazer: Does my hon. Friend remember that in 2010, when the digitisation of VAT was introduced, more than half of businesses with a turnover of more than £100,000 signed up voluntarily? Does that show that moving to the new economy and technology is welcomed by many?

Mel Stride: My hon. and learned Friend is absolutely right. In my meetings with the Federation of Small Businesses we have all concluded and agreed that this is

the right direction. Indeed, we will make provision to ensure that such businesses, although they will not be mandated to become part of this new regime, will have the opportunity to do so voluntarily, and I believe that a very large number of companies will wish to take that opportunity.

Sammy Wilson (East Antrim) (DUP): I, too, welcome the fact that the Government have listened to many small businesses not just on their concerns about the extra work load but on how many businesses in rural areas have already been able to submit their accounts digitally. Now that there has been a delay, and regardless of whether there will be an extension, will the Minister assure us that the Treasury and HMRC will consider the lessons that can be learned? First, what additional work is required? Secondly, if broadband is not rolled out as quickly as intended, will that also be considered when making any final decisions about the roll-out of this scheme?

Mel Stride: My hon. Friend is a doughty champion of small businesses in Northern Ireland, and I value the comments and observations he has made to me during the decision-making process on this issue. On broadband roll-out in rural communities, the Bill has specific provisions to ensure that there is a digital exclusion test such that individuals or companies that genuinely cannot use the systems to the requisite degree can be exempted from the relevant provisions of the Bill.

We will not mandate other taxes until we are clear that the programme has been shown to work well. My hon. Friend the Member for North West Hampshire (Kit Malthouse) and my right hon. Friend the Member for Loughborough (Nicky Morgan) made some important points on that matter in last week's debate, and I can confirm that, once we are through the pilot, businesses will indeed be able to use the system voluntarily ahead of its mandating.

In summary, the Bill is about addressing imbalances in the tax system and making it not only fairer but more sustainable. It is a Bill to ensure that the taxes that are due are paid, preventing opportunities for avoidance and evasion, and it is a Bill to take the tax system forward into the digital age while ensuring that the pace of change works for businesses large and small.

The policies contained in the Bill are set to raise billions more for our vital public services—doctors, nurses, paramedics, teachers, police, prison officers, fire services, our armed forces and all those others in the public sector who help make our country great. This Bill is central to our plan to keep Britain moving forward, and I commend it to the House.

2.44 pm

Peter Dowd (Bootle) (Lab): It is a pleasure to address the 1922 committee today.

The House considered the Ways and Means resolutions last Wednesday, and today is round two on Second Reading of the Finance Bill. We have just had wall-to-wall complacency from the Minister; it is as simple as that. Sandwiched between the two debates, we have debated the European Union (Withdrawal) Bill. The legislative powers up for sequestration by Ministers are eye-watering and unprecedented, and they cover a range of areas,

including finance. Quite simply, that process does not befit a parliamentary democracy. Parliamentarians—I use the word loosely—on the Government Benches should be concerned about their acquiescence last night. The hand-wringing, unprecedented ceding of power to the Executive was unbecoming, and it goes to the heart of the scrutiny on this Bill. *[Interruption.]* It does.

What next? The devolution of tax-raising powers to the Chancellor without discussion, challenge or scrutiny? Forced loans? Ship money, going back to the civil war? We will have the delights of considering in detail the Finance Bill's 72 clauses in Committee in October, but that might change if the Government apply the principle agreed in the withdrawal Bill. Last night we saw all the incensed huff, puff and bluster of Conservative Members, their worry about the Government's land grab on parliamentary sovereignty, evaporate, as if by magic, before our very eyes.

Mr Mark Harper (Forest of Dean) (Con): I am listening carefully to the hon. Gentleman. He should be careful of complaining about scrutiny. There are rather more Conservative Members than Opposition Members here to scrutinise the Bill. The EU (Withdrawal) Bill, which he references, specifically excludes Ministers from making taxation measures. He should read legislation before commenting on it.

Peter Dowd: I saw a few tumbleweeds on the Government Benches last week. If there is a shiver looking for a spine to run up, it need not bother looking on the Government Benches. After last night's vote, there were none to be found. The national interest is not synonymous with the interest of the Tory party, as most Conservative Members would like to think, although the word "arrogance" is.

Philip Davies: The shadow Minister says last night was an outrage. Does he agree with his friends and acolytes in Momentum who said on Twitter that the hon. Member for Bolsover (Mr Skinner) is a "scab" for voting with the Government last night on the EU (Withdrawal) Bill? Does he agree or disagree?

Peter Dowd: My hon. Friend the Member for Bolsover (Mr Skinner) is a hero.

Anna Soubry: I would make exactly the same point as my hon. Friend the Member for Shipley (Philip Davies). How many Labour Members, including the hon. Member for Bolsover (Mr Skinner), voted in favour of last night's Bill?

Peter Dowd: Conservative Members acquiesced in their droves, and it is a shame—it is absolutely shocking—that they did so.

John Redwood (Wokingham) (Con): Will the hon. Gentleman give way?

Peter Dowd: In a moment.

Last week, we witnessed the Brexit Secretary, also known as Britain's Brexit bulldog and master negotiator, on the receiving end of more punches from my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer), the shadow Secretary of

State for Exiting the European Union, than a well-oiled guest at a summer Tory Pimm's party. What a cocktail of horrors it must have been for the Brexit Secretary.

Mr Harper: On a point of order, Madam Deputy Speaker. I wonder whether you could help the hon. Gentleman, as he is five minutes into his speech and appears not to have noticed that we are debating the Finance Bill. I thought the debate on the European Union (Withdrawal) Bill, to which he has devoted all his remarks, took place yesterday. *[Interruption.]*

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I could not quite hear the right hon. Gentleman's point of order, but I am guessing what I thought he probably said. I must say that the content of the speech by the hon. Member for Bootle (Peter Dowd) is not a matter for me, but I am aware that we are discussing only the Finance Bill and we must stick to that. The Bill is, however, wide and varied. I have it here and I have looked at it —*[Laughter.]* And I will make absolutely certain that nobody speaks outwith the order that is due.

Peter Dowd: Thank you, Madam Deputy Speaker. Your judgment is wonderful, as ever, on these matters.

What a cocktail of horrors it must have been for the Brexit Secretary. I almost felt sorry for him by the time my right hon. and learned Friend the Member for Holborn and St Pancras had finished his humiliating dissection of his case—but not quite. If squirming was an Olympic sport, the Brexit Secretary would have won a gold medal, hands down.

John Redwood: Will the hon. Gentleman confirm that when a Minister brings a statutory instrument to the House, it can be debated by the House and voted down if the House does not like it? That is a parliamentary process; it means Parliament is in control.

Peter Dowd: It depends on the nature of the order, so let us move on.

I come to the future economic credibility of the country, where we have David the deluded, Boris the blunderer and Liam the loner—what a team! They would be out of their depth in a puddle. Regrettably, the importance of the Ways and Means resolutions and the Finance Bill has been somewhat overshadowed by the Brexit debate, notwithstanding its significance. That has given the Government a collateral opportunity to sneak the Finance Bill through while everybody else's attention is elsewhere. That is a murky approach to the respect that should be afforded to Parliament, but this caliginous Government are bent on pursuing it, come what may. The Chancellor, who has now gone, doubtless to check his spreadsheets, commented from a sedentary position last week that the Ways and Means resolutions were just "technical". There is nothing technical about aiding and abetting non-doms to avoid paying taxes. There is nothing technical about legislating to tax those who have been injured on grounds of discrimination.

Let us consider the following:

"the economy we have today is creating neither prosperity nor justice."

Those are not my words but the words of the Institute for Public Policy Research in its recent publication "Time for Change".

Charlie Elphicke: I am a bit perplexed by the hon. Gentleman's comments about non-doms, because those of us with long memories will recall a long stretch under the Labour Government when each year they promised to do something about non-doms but then did nothing at all, until they were humiliated into action by the previous Chancellor. Our Government are now taking further action, but the Opposition are critical of that, whereas I would have thought they would be supportive.

Peter Dowd: I am afraid the hon. Gentleman's memory is wrong about that, as are the memories of some Ministers, and I will come on to discuss that in a moment. This Finance Bill does little, if anything, to address the legitimate concerns raised in the IPPR report. On being provided with his speech last week, I suspect even the Financial Secretary asked—if only himself—whether he really had to present more worn out, tired platitudes that pass for Tory economic policy. He drew the short straw—a very short straw; in fact, he was the only one in the ballot. He was both the warm-up act and the main act. The Chief Secretary graced us with her presence for a short time and then went off with the Chancellor, calculator in hand, to work out how they will pay for all their U-turns.

James Cartledge (South Suffolk) (Con): On U-turns and our national debt, will the hon. Gentleman clarify whether it is still Labour policy to spend £100 billion clearing all outstanding student debt?

Peter Dowd: I do not mind Government Members making up their policies on the hoof, but they should have respect and not make ours up on the hoof.

As I was saying, when the Chancellor and the Chief Secretary waltzed off, they left the Financial Secretary to do the business, and he did a very good job last week. He managed to keep a straight face throughout his adumbration of how remarkably well the economy is doing, but amnesia had taken hold.

Vicky Ford: I return to the £100 billion costing of university fees, where the hon. Gentleman seemed to be unsure whether or not this was still his policy. We are debating the Finance Bill, so if that was his policy, how would he intend to finance it?

Peter Dowd: Far be it from me to give advice, but the hon. Lady should go to a dictionary to find out the difference between “a debt” and “a fee”. She clearly does not know what she is talking about. [*Interruption.*]

Madam Deputy Speaker: Order. The hon. Gentleman has important questions to answer.

Peter Dowd: Thank you, once again, Madam Deputy Speaker.

In the Financial Secretary's enthusiasm to explicate the Government's record on the economy, he made no mention of a number of important elements that the 72 clauses in this Bill do nothing to deal with.

Philip Davies: The hon. Gentleman has been asked twice whether or not it is still the Labour party's policy to clear all student debt—a policy on which the party garnered a great deal of votes at the last election—but I

did not hear an answer. Will he tell us, in clear Yorkshire terms of yes or no: is that still Labour party policy? Many people want to know these things. Just a yes or no will do.

Peter Dowd: I refer the hon. Gentleman to the answer I gave earlier.

Mr Jim Cunningham (Coventry South) (Lab): It is not for us to provide answers for the Government; it is for the Government to provide answers for us. More importantly, has my hon. Friend noticed that the Government no longer talk about their “economic strategy”? Does he know why that is? It is because they have not got one any more.

Peter Dowd: My hon. Friend is an experienced Member and he has hit the nail on the head.

Wes Streeting (Ilford North) (Lab): Our party's policy was clearly stated in our manifesto—it was to abolish all tuition fees. That is a damn sight better than the position we have seen this week, whereby the Chancellor has had to ask for 250-word submissions from his Back Benchers on ideas for student finance. They are the Government, but the Opposition have a clearer policy than the people running the country.

Peter Dowd: They make it up as they go along.

May I jog the Financial Secretary's memory? He forgot to mention the £1.7 trillion national debt, which, as it happens, has grown by more than £2 billion since he sat down at around 7 o'clock last Wednesday.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Questions have been asked of the hon. Gentleman and I would like to hear the answers. I cannot hear what he is saying.

Peter Dowd: While I am on the subject, since the Financial Secretary stood up around 25 minutes ago, £4 million has been added to the national debt. If Government Members do not recognise those Office for National Statistics-based calculations, they may wish to make up their own, which is what the Chancellor seems to do fairly regularly.

The Financial Secretary also forgot to mention the fact that median incomes in the north-west, south-west and west midlands are 30% lower than those in London and the south-east, and 35% and 22% lower than those in Wales and Scotland respectively.

Several hon. Members *rose*—

Peter Dowd: No, I have given way a significant number of times already.

In the context of higher unemployment levels, the Financial Secretary forgot to mention the insecure and casual labour market that is taking hold in various sectors, with 15% of people employed in such jobs. He also forgot to mention the 6% of people on short-term contracts and the 3% and growing on zero-hours contracts.

The Financial Secretary forgot to mention any plan to deal with the 4 million children, or nearly a third of them, who live in poverty—and that number is on

the up. All that adds up to the UK—this wonderful, halcyon Britain—being one of the most unequal places in western Europe.

So, what have the Government done about it and what are their intentions? British productivity is dreadful: since 2010 it has flatlined, at the very least. We remain 13% behind the average of the G7 richest nations, and when we compare ourselves to Germany, the *bête noire* of many Brexiteers on the Government Benches, we lag behind by 30%. There has been no action from the Government.

Investment levels are grim. Investment is at the heart of any growth in either the private or public spheres, but it appears to be pretty short-term in many sectors. Brexit uncertainty is exacerbating that, but we should not use that as an alibi because low investment levels pre-date the Brexit debate. There has been no action from the Government on that. The question is: does the Finance Bill do anything of significance to put any of those problems right? What is the answer? No action.

What about inflation? Well, there is no action there either. The inflation rate, now at 2.9%, climbed last month to its joint highest level in more than five years, given the rise in the price of petrol and clothing. According to the ONS, clothing and footwear prices had the biggest impact on the headline inflation rate in August, climbing 4.6% year-on-year to their highest level since records began.

Even the Government's analysis of the loosening of the rules governing non-dom giveaways, such as the so-called business investment relief, says it has had a negligible effect on investment. While we are on non-doms, we have heard once again the false promise that the Bill will curb it for many. How can we believe such claims when an entire part of schedule 8 is called "Protection of overseas trusts"? That is what this Government like to do: protect people's overseas trusts. Ministers may not have thought that we would notice, but they made absolutely sure that non-doms knew that nothing would change if they squirrelled their wealth away in trusts.

As a result of the moves to undermine the rules on what can qualify as a Northern Ireland company, corporations will find it easier to shop around within the UK for where to put their brass plates. How does it benefit the people of Northern Ireland if we reduce the amount of jobs and investment that a company must make to qualify as a Northern Ireland company?

The changes to the tax treatment of termination payments will mean that people who lose their jobs may face higher tax bills when they are least able to pay—people like the thousands of HMRC employees in my constituency, and in others, who are being forced to choose between relocating or being given their P45s. They are undervalued, underpaid and under-resourced, and soon to be over-taxed if the Government get their way. The Office of Tax Simplification said that the change

"is likely to have a significant cost impact for some people, particularly those lower paid employees who may more often be the ones receiving smaller termination payments; who are, after all, losing their job."

No evidence has been produced to show that the proposals will simplify very much. The Government must stop looking to ordinary workers to pay for their mismanagement of the public finances. Instead, they should stop the smoke and mirrors games and get serious on tax avoiders.

The Bill, like the Conservative Government who produced it, is not fit to deal with the problems that the country faces. Even the Tory party membership are recognising that. More importantly, though, the country is recognising that. So, in the spirit of Brexit: auf wiedersehen, au revoir and goodbye!

3.6 pm

John Redwood (Wokingham) (Con): I felt for the shadow Minister's being asked to speak in this debate after many hours of toiling away on a different subject yesterday. He obviously struggled, because he produced his notes for yesterday's debate and gave us 10 minutes or so as if we were still debating ministerial powers and Parliament's right to control all secondary regulations. Just to clarify the point that I made to him, and which he tried to muddle: everything is a parliamentary process when it comes to legislating by statutory instrument, because those statutory instruments that are tabled for negative resolution—meaning that they would not normally get a debate or a vote—are an invitation to the Opposition. It is their job to go through them all and decide whether Ministers have made any mistakes, and therefore whether those instruments should be brought before the House for debate and a vote. They are all debateable and voteable if the Opposition do their job, but it is clear that this Opposition do not want to do their job; they want to make synthetic points instead.

Thanks to your excellent guidance, Madam Deputy Speaker, the shadow Minister did come to understand that this is the debate on the Finance Bill. We then moved to the interesting issue of the student debts. A number of my right hon. and hon. Friends quite rightly wanted clarification on whether, were we to accept Labour's advice, we would need to find provision in the Bill to retire £100 billion of student debt. The poor shadow Minister found that even more difficult than working out which debate he was in. I am sure he knows full well that before the election the Leader of the Opposition made a statement on student debt that was interpreted by two shadow Ministers as categorically offering the end of student debt for all those who have incurred it. Now, after the election, we are told that the Leader of the Opposition did not mean that, although he failed to clarify it at the time.

Michael Tomlinson: The Leader of the Opposition's precise words were:

"I will deal with it."

Those were his words. The hon. Member for Ilford North (Wes Streeting) wandered into the Chamber, made an intervention and has now left. He should have stayed to hear this. His leader said that he would deal with it and has now gone back on that.

John Redwood: My hon. Friend is much tougher than I am and has made it clear that the Leader of the Opposition misled the electors; I was being a little kinder. The right hon. Gentleman used tricky language, in some ways, but his shadow spokesman did not. More importantly, millions of voters out there heard what my hon. Friend described, believed that Labour was making an honourable offer to get rid of all student debt and voted accordingly. They are now told that they were conned, let down and completely misled.

Ruth George: Had the Treasury team shown the House some respect by publishing the Bill and the explanatory notes in time for us to read them and properly give the matter some scrutiny, Members from all parties, but particularly Conservative Members, might not have had to concentrate on old arguments about Labour from the election that have since been cleared up, and might instead have been able to look at the matter we are meant to be debating.

John Redwood: We think that this is a debate about the Finance Bill, and about how much money we raise and how we raise it. A very important question to consider when deciding how much money we raise is how much we need to spend. We are debating, in part, a very important promise that was made by the Opposition party. My electors—and many other Members' electors—thought that that party would want to sustain it and come up with ideas about how to raise the odd £100 billion, but we now discover that that promise was not meant to be for any time other than the election and that it has now reneged on it. That is exactly what the people outside this House want to hear about. They want us to be topical and relevant to their lives. Very technical matters that deal with certain kinds of tax abuse are all very important to a limited number of people and in the interests of fairness, but what matters out there, and what should go back from this debate today, is this: does the principal party of opposition have any principles, or did it merely offer to cancel student debt before an election knowing full well that we cannot raise in this Finance Bill, or any other, £100 billion to deal with it?

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Given that Conservative MPs want to spend a considerable amount of time on this matter—indeed, they appear to have decided to filibuster their own Finance Bill—and given that the quote from the Leader of the Opposition has been used, let me finish that quote, word for word. He said:

“I don't have the simple answer for it at this stage—I don't think anybody would expect me to, because this election was called unexpectedly. We have had two weeks to prepare all of this, but I am well aware of the problem.”

That is the quote.

John Redwood: I am very grateful for that clarification. I think that we can rest our case. It seems very clear that an impression was given. This is relevant because the Opposition now have the opportunity to tell us how they would raise £100 billion. I will let them into a secret: if there was an easy way to cancel everybody's student debt, I would be delighted, because it would make us extremely popular. Clearly, it made Labour very popular before the election. I am not persuaded that there is a simple way of raising £100 billion, which is why it would be interesting to hear in this debate whether there is something that we have missed.

The hon. Member for High Peak (Ruth George) chided me for not debating what is in the Bill, and said that she did not have time to read it all. That is very odd, because I seem to remember that this Budget was delivered weeks and weeks ago—before the general election. She has had plenty of time to study the Bill and to come up with some principles that the rest of us here could debate today. I wish now to move on to some of the actual measures that the Government are recommending, but, first, I give way.

Rachel Maclean: I thank my right hon. Friend for giving way. He is making an extremely powerful speech. It is relevant, because the shadow Minister mentioned that the deficit was going up under this Government. Will the hon. Gentleman be straight with the country about how much he would add to the deficit if his party were to make good on that pledge on the £100 billion of student debt? Otherwise, he is letting down the young people who voted for him and betraying them cruelly.

John Redwood: Let us move on. Let me summarise the situation by saying that what we have learned today is that the Opposition have no intention of honouring what we thought was a pledge and what they say was not a pledge. Labour does not want to retire the student debt. It does not have a clue how to do it, and it even admits that £100 billion is too big a sum to raise in this Finance Bill to honour that pledge.

Philip Davies: My right hon. Friend is being a bit unkind to the Labour Opposition, because they have given us some indication of how they would go about raising the money that they need for their fantasy policies. They have told us that they would adopt the policies that were used in Venezuela. Was my right hon. Friend as surprised as I was when the shadow Minister mentioned how appalled he was at the rate of inflation, given that he wants to adopt the policies of Venezuela? Perhaps my right hon. Friend can tell us what those policies led to in Venezuela.

John Redwood: I have written and spoken about that in other contexts. I fear that I might be straying a bit far from the strict words of the Finance Bill, but my hon. Friend tempts me. I do remember that the leadership of the Labour party was full of praise for the two last leaders of Venezuela, but we now know that that very expensive experiment has ended in terrible tears with a lot of civil dispute, an inability to buy simple foods in shops, complete chaos in getting in basic supplies, a country near bankruptcy, having run out of foreign exchange, and a country that cannot even run its own oil resources properly because it does not know how to invest, to balance its budget and to run finance prudently. It is very sad that the Labour party backed this particular wrong horse. It is even more bizarre that it will not now distance itself from it and admit that the experiment failed badly. However, it does tell us something very interesting.

When the Venezuela experiment began, it was great. The Government gave more money to the poor, which was extremely popular. In the first instance, the policy just about worked—people had a bit more money to spend—but shortly the Government ran out of other people's money to spend and they ran out of borrowing capability. Instead of helping the poor, they crushed the poor. Instead of making a prosperous economy, they bombed the economy and they are now all much worse off as a result of their policy of generosity.

I am grateful that the Government understand that we need to have a prosperous and growing economy and to run our finances sensibly in order to pay for the attractive programmes for better public services and to create less inequality of income by giving more money to those who, through misfortune or for other reasons, cannot earn as much as others.

Lucy Frazer: One matter that is in the Finance Bill is in relation to tax avoidance and tax evasion. Does my right hon. Friend remember that the Labour Government committed to recover £8 billion that had been lost through tax avoidance, and that the Institute for Fiscal Studies said that they would not recover even half that sum?

John Redwood: I do remember that. We also have the respective abilities in Government, and we see that this Government have been rather more successful at clamping down on tax loopholes that Parliament has thought unacceptable and that, in turn, has generated more revenue.

Very important to this Government's strategy is the principle that, yes, we have to tax rich companies and rich people because they have the money, but that there is not enough money if we just tax the very rich. We must tax people who are comfortably off as well. There is also an understanding that, if we try to over-tax the very rich, we would end up getting less money, not more money, because the very rich have privileges and freedoms that the rest of us do not have. They have good lawyers, good accountants, and addresses in other countries. They can shift their businesses around, invest somewhere else, decide to spend their money somewhere else and go and live in a home in another country, which the rest of us are not able to do. Therefore, it is very important that the Government monitor the situation extremely carefully. For example, when the Government are taxing non-doms—they have got £9 billion in tax from non-doms, which is an extremely important contribution to our public services—they should be careful that they do not overdo it, because it would be quite easy to flip the thing.

I am not a particular friend of the non-doms. I have certainly never had the advantage of all these offshore facilities. I have always had a salary in Britain and paid PAYE like everybody else. Everything that I have had has had to go through the tax books quite properly, so I do not speak from any personal experience. However, what I do know is that I would rather live in a country that was tolerant of people who have riches and enterprise and who want to invest here than in a country that was completely intolerant. I would also rather that the non-doms paid some of our taxes for us than live in a country where the rest of us had to pay all the taxes because we had driven all the non-doms away.

So far, the Government have charted a sensible course, but I hope that they will watch the situation very carefully. I hope also that those in the Labour party who are serious about government and want to learn a bit more about how successful Governments, past and future, operate might learn from the corporation tax proposals in this and related Finance Bills. Interestingly, during the time when the Government have taken the corporation tax down from a 28% rate to 19%, they have massively increased the amount of revenue that companies pay. One problem with the Labour proposals before the last election was that Labour recommended a lot of spending that was not going to be financed by tax at all. It also recommended quite a lot of spending that it said would be financed by tax. One of its biggest alleged increases was from raising the corporation tax rate. If we tried that, we might find that we raised less money from corporations, drove marginal businesses away from our country and enabled clever accountants

and lawyers in large corporations legitimately to base activities and profits in other countries, because they would no longer find our tax rates so acceptable.

Alex Norris (Nottingham North) (Lab/Co-op): Given that the only numbers in the Conservative manifesto were the page numbers, does the right hon. Gentleman understand why Labour Members are slightly concerned that, despite what he says, the numbers in the Finance Bill do not add up?

John Redwood: No, I do not share that view and I do not think that was a very effective point. There was quite a lot in the Conservative manifesto. Indeed, there were some things in the Conservative manifesto that the Conservatives were rather surprised about, and we have been having friendly family conversations about them ever since. I am sure that my hon. and right hon. Friends will discern that there are some better parts of the manifesto which we are most keen to get on with. However, we certainly did not just have a manifesto of page numbers, as I am sure the hon. Member for Nottingham North (Alex Norris) will remember. The smile on his face tells me that he enjoyed some parts of the Conservative manifesto as well. We are all very pleased about that, even though he was probably amused by different parts of that particular publication from the ones that I was amused by and pleased about.

We wish to see a policy that promotes enterprise and growth. That means taxing people in companies with the money fairly and sensibly, but also setting internationally competitive tax rates that they will stay to pay and ensuring that the country is an attractive place in which people want to do business, invest and employ.

Simon Hoare (North Dorset) (Con): My right hon. Friend is talking about practical application, rather than merely theory. When President Hollande took office in France, he hiked the French tax system in order to squeeze the rich until the pips squeaked, as it were. My right hon. Friend will recall that the wealthy French then moved in very large numbers to Chelsea. The lingua franca of Chelsea changed from Russian to French overnight. People will move to where they find the tax regime benign and fair.

John Redwood: That is quite right. And they will all contribute to our tax revenues and not to the French tax revenues in the process, which means the French state has an even more difficult task.

There was one particularly important thing in the shadow Minister's speech. He correctly agreed with the Government that we need to raise productivity. He would not take my intervention, in which I wanted to raise one of the sadnesses in the long period of Labour Government from 1997 to 2010. The Labour Government had so much money to spend because they inherited a prosperous economy. In fact, they extended that prosperity in the first part of their government before they went for the crash in the end. However, although they had quite a lot of money to spend, there was no growth whatever in public sector productivity over those 13 years.

In this House, we all say we want to raise productivity. Surely we should take a special responsibility for public sector productivity because that is the sector in which we directly spend the money, employ the people, hire the

[John Redwood]

managers, and set the aims and objectives. As the Labour party is particularly close to the public sector in many ways, it would be good if it shared with us some thinking on having a policy that really does promote higher-quality and better-paid jobs in the public sector. If we have a more productive workforce, we can pay them better and create better conditions. That is what we all want to do.

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): If we want to improve productivity, why do we not stop the Department for Work and Pensions closures and keep the people who will chase the tax dodgers? Those are the people we want. If we want to improve productivity, we need to keep the jobs, stop the centralisation programme and keep the DWP jobs going.

John Redwood: The idea is to provide a better-quality service, applying modern technology and techniques to serve those who need the scheme. I am sure that the Minister will be interested in any detailed criticisms the hon. Gentleman may have. This Government have spent a lot of our public money on dealing with abuse on the tax side, because they rightly believe that we should be fair, crack down on tax abuse and ensure that people do not cheat the welfare system. Neither is a good thing to do. If we want a sensible financial balance, we should surely be fair to both sides by ensuring that we are not cheated out of public money and that we are not short-changed by people who break the law on tax.

Stella Creasy (Walthamstow) (Lab/Co-op): The right hon. Gentleman was waxing lyrical about corporation tax earlier. Of course, private finance initiatives—with companies that Members on both sides of the House have concerns about—have been beneficiaries of the Government's changes to corporation tax. Those companies benefit from the lower corporation tax espoused by the right hon. Gentleman, even though they signed contracts with the Government to pay a higher rate of corporation tax that was part of the value-for-money assessment for those contracts. If he wants to get the money owed to the public sector, does he recognise that corporation tax may need to be amended in certain ways and with some companies to reflect that?

John Redwood: The hon. Lady is very brave to mention PFI because that was a failed experiment by the Labour Government, who got through an awful lot of public money needlessly by not doing good deals with the private sector and not understanding that they had to be more careful in the kinds of contract they signed.

Stella Creasy *rose*—

John Redwood: I will give her another go.

Stella Creasy: I welcome the right hon. Gentleman's concerns about PFI. I would like to hear him talk about Private Finance 2, which is this Government's proposal, including £23 billion of infrastructure investment that will be done under the same contracts, and which therefore faces the same challenges. Many Labour Members recognise the need to deal with PFI. I would hope to hear the right hon. Gentleman—a man who has been so

proud of the role of corporation tax—deal with them equally rather than avoid the question. I am sure that his constituents would like that too.

John Redwood: I did not avoid the question at all. I pointed out that most PFI contracts were signed under the Labour Government. When I was a Secretary of State, I remember being offered a PFI route to financing a new hospital. I looked at the numbers and did not think they worked, so I said, "I'd rather finance it in the normal way by public borrowing because that would clearly be cheaper and give us more control." That was a bit of a surprise to my officials but they quite liked the advice I gave them on the subject. It is the job of a Minister to understand these things, but a lot of Labour Ministers did not understand the contracts they were signing, and those contracts had weaknesses. If the hon. Lady has problems with contracts that Ministers are currently signing, it is her job as an Opposition MP—she will not be shy about doing this—to give chapter and verse. She has not been specific, but we do not have time to turn this into a debate about individual contracts. I am sure that my ministerial friends, particularly in the Treasury spending department, would be very interested to hear where she thinks they have gone wrong. However, we probably need to move on.

Stella Creasy *rose*—

John Redwood: Oh, if she really wants to intervene again, she may.

Stella Creasy: I thank the right hon. Gentleman for giving way again. I am pleased to hear his concerns. I note his intention to increase public sector borrowing. I repeat that the Government are talking about £23 billion of infrastructure spending financed by this Bill. They are looking at PF2, which is "exactly the same" as PFI. They are not my words, but those of the National Audit Office. Will he join me in supporting amendments to the Bill to ensure that those companies pay their fair share of tax and the public sector gets the money it deserves?

John Redwood: I have no evidence that makes me believe they will not pay their fair share of tax. I am sure that my ministerial friends have heard the hon. Lady's point and will look carefully at the issue. It is good that a lot of our future infrastructure programme will be privately financed, but I always apply a simple test. If the thing is going to be privately financed, I want to ensure that the private sector is bearing significant risk in return for the reward it wants to earn. I do not like phoney PFIs, whereby the private sector cajoles the public sector into taking all or most of the risk while giving a higher reward than one would get on a normal Government bond in order for the contract to be signed. There were quite a lot of those under the Labour Government and the taxpayer is much the poorer as a result. It is part of the reason that we did not get the gains in public sector productivity that we would like to achieve. If we do not discipline the big investment spend, we do not drive forward the productivity gains that we clearly need to make across a large public sector.

In conclusion, the best way to raise the extra money we need to pay wages and improve public services—an aim that is shared across the Chamber, contrary to

Labour's belief—is to drive further growth in the economy so that more people are in jobs to pay tax, and so that more companies are doing things here and making profits here on which they can pay tax. We need a series of tax rates that are not too complicated and that are low enough to be sensible so that we are internationally competitive. Then individuals and companies will have every incentive to do more, invest more, work harder and work smarter in order to carry the economy forward. I trust that is what my hon. and right hon. Friends will be doing.

I do have some worries about the length of modern Finance Bills. It is useful to have another doorstep, but it is a bit of a barrier to our reading every page and giving it the credit that it undoubtedly deserves. It would be good to see whether we could have a period of fewer and simpler taxes so that we do not need quite so much language in Finance Bills. It would also certainly be good to look at what one can learn from the success of raising more revenue from richer income tax earners by going from 50% to 45% and getting more revenue out of companies by going from 28% to 19%. We could apply that principle more generally to other taxes because we would then have a win-win situation. We would have more money for our public services, more economic growth, more people in jobs and more people keeping more of the money they earn. That might make for happier constituents, and that is my main aim in being here.

3.29 pm

Kirsty Blackman (Aberdeen North) (SNP): I am grateful for the opportunity to speak in the debate on behalf of the Scottish National party. The SNP submitted a reasoned amendment to the Finance Bill because we believe that it is a wholly inadequate response to the economic challenges faced by Scotland and the UK. Our reasoned amendment is on the Order Paper, but it has not been taken, and I have noted that.

Madam Deputy Speaker (Dame Rosie Winterton): Order. The hon. Lady will, I hope, be aware that the amendment was not selected, so it should not be debated. I am sure she will want to return to the main business of the House.

Kirsty Blackman: I thank you for that, Madam Deputy Speaker. I just wanted to briefly mention that we did table the amendment, but I will not debate it. You will be happy to know that it is not part of the substance of my speech.

As the hon. Member for Bootle (Peter Dowd) mentioned, the House gave a Second Reading to the European Union (Withdrawal) Bill last night. That Bill, the Government tell us, is intended to transcribe EU law into UK law so that there will be minimum fuss on the day the UK leaves the EU, but it fails pretty miserably. The UK's position is that the UK will leave the customs union, the single market and arrangements for freedom of movement. The economy of these islands will suffer as a result, but the UK Government have not taken that seriously in the Finance Bill, or at any other stage so far.

This Finance Bill derives from the most muddled of processes. The business that comes through this House is pretty difficult to understand and chaotic at times, but this Bill has been one of the most impressive examples. We had the Budget back in March, and the original

Finance Bill was published on 20 March. I remember that because it was my birthday, and receiving a Finance Bill was a wonderful birthday present—I was delighted. The Second Reading of that Bill was on the day when the Prime Minister, in her wisdom, announced that she was calling a general election, so she upset a fair few of her colleagues that day, as well as making the debate slightly different from how it was supposed to be.

The further stages of that Finance Bill were a complete and total guddle. Then we had the election, and the Government lost their majority. We have ended up with this boded-together Bill, based on the remains of what was put forward back in March. My concern is that by the time Third Reading of this Finance Bill comes round, we will be about eight months from the Budget that created it. That is an incredible length of time, and I can prove it.

I draw the House's attention to some of the assumptions made in the March 2017 Budget. First, let us look at the Office for Budget Responsibility predictions for inflation—Members should remember that the Finance Bill is written on the basis of those predictions, as well as other measures. The OBR predicted that the quarter 1 figure for inflation would be 1.9% and that the quarter 2 figure would be 2.4%. Actually, the quarter 1 figure was 0.2% higher, at 2.1%, and the quarter 2 figure was 0.3% higher, at 2.7%. That means that the money people have to spend is going less far than was predicted in March—the things that people buy are getting more expensive.

At the spring Budget, the OBR had predicted that average earnings would grow by 2.9% in quarter 4 of last year and by 3% in quarter 1 of 2017, but they actually grew by only 2.8%—1.1% less—in quarter 4, and by 2.4%—0.6% less—in quarter 1. That means that people have less money to spend on goods, which we have already said are more expensive.

Perhaps most tellingly, though, the OBR predicted that real household disposable income would drop by 0.2% in quarter 1 of this year. In fact, it dropped by 1.4%—by significantly more than the prediction on which basis the measures in this Finance Bill were created. As I said, that shows that people have less money to spend. Folk are feeling the squeeze, and the situation is worse than was predicted by the OBR when these Budget measures were written.

I spoke on behalf of the SNP on Third Reading of the previous Finance Bill. I would add, for Conservative colleagues, that only four people spoke in that debate, and one quarter of them were from the SNP, so it is grand that Conservative Members are taking the moral high ground today, but they did not pitch up for the last debate. When I ended my speech then, I said:

“I hope that in the next Parliament, the new Government will recognise the financial impact of Brexit on household budgets and jobs. I hope we see real changes that take into account the effects of Brexit.”—[*Official Report*, 25 April 2017; Vol. 624, c. 1056.]

So far, I have been completely disappointed.

In Scotland, our Government have recognised the combined impact of inflation and wage stagnation, and we have committed to removing the public sector pay cap. That is part of the reason why we voted with the Labour party on termination payments. We do not feel that now is the time to be squeezing people's incomes further and to make such changes, and we will be looking to scrutinise them in Committee.

John Redwood: Is the hon. Lady aware that there was also a sharp upward spike in inflation in Germany and the United States of America, and that the main underlying cause was, of course, energy prices and world commodity prices?

Kirsty Blackman: It frankly does not matter what the inflation figures there were. What matters is that people here are feeling the squeeze, that people here are finding that things are more expensive, and that people here are finding that their wages have not gone up. That is the concern; that is what we are discussing here.

On the subject of investing, our programme for government in Scotland involves creating a national investment bank to support economic growth and to invest in business research and development. We hope to channel finance where it can do the most good. The Government here have the national productivity investment fund. We are still not entirely clear where all that money will be spent and how it will be spent, and I look forward to seeing what will happen. I hope that the UK Government can look at similar measures to the ones the Scottish Government are looking at in relation to the Scottish national investment bank, which will ensure that investment and economic growth are in the right places.

Stewart Hosie: Would it not be better for this Government, instead of allocating spending into the next Parliament, to spend that money now and invest in something like a national investment bank so that they and other bodies will have the ability to mitigate the damage a hard Brexit will cause?

Kirsty Blackman: I agree with my colleague. Given the uncertainty that businesses are facing and their concerns, now is the time to make those decisions and to try to raise the confidence of businesses. This is a real issue, and one that the Government have dodged.

When we debated the Ways and Means resolutions, I mentioned the proposals on museums and galleries, which are in clause 21. I raised the fact that the Value Added Tax (Refund of Tax to Museums and Galleries) (Amendment) Order 2017 has not, as far as I am aware, been laid yet. On 17 July, in response to a written question from my hon. Friend the Member for Glasgow Central (Alison Thewliss), the Government said that that would happen as soon as possible, but as far as I am aware the motion has not yet been tabled. If the Minister gets the chance later, I would very much appreciate it if he said when he does plan to lay the order, because that would be very useful for museums and galleries.

Alison Thewliss (Glasgow Central) (SNP): I have asked some questions about this. My hon. Friend will be aware that organisations such as the Glasgow Women's Library have had extensive refurbishment work done to their properties, and the VAT refund they can claim will mean quite a lot to small organisations that have made investments in their facilities.

Kirsty Blackman: I thank my colleague for that intervention, and I note that the Minister is paying attention.

Mel Stride: I think it is the case that that statutory instrument has been laid today, but in the event that it has not, I will chase it up.

Kirsty Blackman: I very much appreciate the Minister taking that action. I thank my hon. Friend the Member for Glasgow Central for her tenacity in repeatedly bringing this matter to his and to my attention.

I need to flag up the issue of carbon capture and storage. I have already said that the way in which this Finance Bill has been produced has been a complete guddle. The issue of carbon capture and storage highlights the very worst of the UK Government's Treasury and how it has behaved in the past. Because the Treasury and the previous Government went, in effect, above the head of the Department of Energy and Climate Change, the £1 billion ring-fenced budget that was in place was pooled with no warning, and carbon capture and storage was left dead in the water. The Scottish Government have recognised the importance of carbon capture and storage to our future energy strategy, and they are providing money to explore the possibility of reviving the project. It is really important that Scotland prioritises projects such as this and that they proceed. This is one of the clearest examples I can remember of the Treasury completely ignoring advice from officials and, indeed, from Ministers. I hope that this Treasury makes different decisions from those of the previous Treasury and moves forward in a more collegiate manner. Particularly because this is now a minority Government, the Treasury can no longer behave how it likes and get away with it. It needs to talk to people and listen to their answers.

Last time I spoke about this, I mentioned the provisions in clause 64, which is about errors in taxpayers' documents. I raised with the Minister my concern that people will lose out as a result of employing somebody who they think is qualified to help with their tax return, but is in fact not qualified. I was not clear—I am still not clear from this Bill—about exactly how the process will work and whether people will be unduly penalised for something that was not their fault. I look forward to exploring that matter further in Committee with the Minister. I hope that he has heard what I have said and will provide appropriate responses.

This would not be a proceeding on a Finance Bill if I did not bring up the issue of VAT on police and fire services. In its first three years, Scotland's police force paid £76.5 million in VAT. Highways England, a national body, does not pay VAT. London Legacy, a national organisation, is exempt from VAT. The Tories must now reverse their damaging imposition of VAT on police and fire services, which uniquely applies only in Scotland.

I am looking forward to the Committee stage of this Bill so that we can debate in detail the Government's lack of action on squeezed households. Whatever happened to the Prime Minister's support for "just about managings"? Conservative Members talk all the time about how they are reducing inequality and what a great thing that is, but I want to mention the median income for non-retired households—that sounds incredibly technical. In 2007-08, the median income for non-retired households was £28,817. In 2015-16, the figure was lower: £28,481. These stats are from the UK Statistics Authority. It is all well and good for Conservative Members to say that household income is rising, but the income of working households is not rising, and it has not risen for the best part of a decade. That is why people feel like their incomes are squeezed. It is why people are looking at their bank balances and worrying whether they can afford to pay the bills at the end of the month.

Ross Thomson (Aberdeen South) (Con): The hon. Lady says that we have to protect the income of hard-working households, yet although the First Minister had made a promise not to increase basic rate income tax, she now, in her programme for government, talks about increasing it, which will hurt the very people whom the hon. Lady is talking about protecting.

Kirsty Blackman: I do not think that the hon. Gentleman read the programme for government very well—he might want to go and have another look at it.

This Finance Bill is derived from a Budget that did not have inclusive growth and fairness at its heart. If the Chancellor wishes to increase productivity, he could do more to ensure that people receive fair pay for the hours that they work. He could do more to ensure that any growth in the economy is spread equally and that those at the bottom of the pile get a leg-up, as well as those at the top of the pile. He could properly tackle the precarious economic position that young people find themselves in. He could remove the inequity in VAT for police and fire services in Scotland. Lastly, and most importantly at this time, he could fight against a hard Brexit that drags us out of the single market and the customs union.

Madam Deputy Speaker (Dame Rosie Winterton): I call Mr Mark Harper.

3.43 pm

Mr Mark Harper (Forest of Dean) (Con): I am very grateful to be called to speak by you, Madam Deputy Speaker, particularly since we worked so well together in a previous incarnation. I am pleased to be speaking in this debate with you in the Chair.

It is a great pleasure to follow the hon. Member for Aberdeen North (Kirsty Blackman), who speaks for the SNP. She referred to the recent general election. I completely agree that while it did not go as well as we would have hoped, it did not go terribly well for her own party. I, for one, am very pleased to be joined on these Benches by a number of excellent Scottish Conservative colleagues. It might surprise her to know that I am equally pleased to be joined in this House by some Labour colleagues who are of a Unionist nature. The one very important thing that came out of the general election was that we strengthen the United Kingdom and the bonds that bring us together, whichever political party people are from, and weaken the forces of nationalism trying to break our country apart.

Stewart Hosie: Obviously this has very little to do with the Finance Bill, but for the sake of completeness, the right hon. Gentleman might want to remind the House that the Scottish National party won the election in Scotland with a majority, which is something that the Tories do not have. As for nationalism, I think he should perhaps look in the mirror and reflect on his British nationalism before he casts aspersions on anybody else.

Mr Harper: I was not casting aspersions. I was simply reminding everybody that the Scottish nationalists—that is what they are; they are a nationalist party—want to break up the United Kingdom, and I was simply congratulating my colleagues from Scottish constituencies on helping to strengthen our United Kingdom.

Charlie Elphicke: I think that my right hon. Friend is being too generous to the Scottish nationalists. They are not simply nationalists; they are incompetent. They were warned on the question of VAT and the police before they took those reforms though, and they went ahead regardless. It is their fault and their mess, and as usual they are trying to blame everyone else for it.

Mr Harper: I am grateful to my hon. Friend for that intervention. By the way, Madam Deputy Speaker, I did not think that it would be out of order for me to make some brief remarks about something other than the Finance Bill, given that the Opposition Front-Bench spokesperson spent 10 minutes talking about yesterday and the hon. Member for Aberdeen North spent quite some time doing the same.

Let me move on to finance and the essential capability of the Bill, which is, of course, to raise revenue. My right hon. Friend the Member for Wokingham (John Redwood) talked about that, and of course the central point is about balancing the public finances. I shall not talk about that at length because I was fortunate enough to secure a Westminster Hall debate on the subject which, much like today's, was well attended, with more than 20 Conservative colleagues and only one Opposition Back Bencher, the hon. Member for Islwyn (Chris Evans). To be fair to him, he spoke extremely well, but he was the only Opposition Back-Bench Member to speak in that debate, which demonstrated that when it comes to balancing the public finances, Opposition MPs are very good at spending money, but not so good at thinking of ways of balancing the books and ensuring that we have sound public finances. That is important because the sound public finances that the Bill helps to put in place will ensure that the country continues to grow and that we can continue to deliver pay rises for people across the country.

Stella Creasy: I want to take up the right hon. Gentleman's challenge. I am sure that he is proud that the previous Government, of which he was part, extended capital gains tax to residential property sales for non-domiciles, so will he join me in suggesting that we close the loophole on commercial property sales? There is one idea that could raise some money for investment in this country.

Mr Harper: I am very pleased that the measures in this Bill, which Opposition Front Benchers seem so unwilling to support, raise something like £1.6 billion—I am sure that the Financial Secretary will correct me if I am wrong—on top of the £1 billion we have raised from non-doms. Put together, that is £2.6 billion, which is more than the Labour party raised in all the time it was in government. If the hon. Lady compares Labour's record in government with ours, she will see that we have been much more effective in raising taxes from non-doms to spend on our public services than her Government ever was.

Ruth George: How does the right hon. Gentleman think that the estimate of £1.6 billion to be raised by increased taxes on non-doms will be affected by the increase to two years in the time they have to transfer their funds into offshore trusts, thereby avoiding that increase in taxation? How will that impact on the figures?

Mr Harper: Again, I am sure that the Financial Secretary will correct me if I am wrong, but the Treasury's estimate of an extra £1.6 billion is, I think, robust. The hon. Lady ought to be aware that in the seven years the Government have been in power, we have introduced significant measures to clamp down on aggressive tax avoidance and evasion, and the Finance Bill continues those measures. We have managed to reduce the tax gap and are collecting more of the revenue that we should collect. Again, that record is better than that of the hon. Lady's party in office.

Wes Streeting: The right hon. Gentleman is right that the Government have tried to take measures to tackle multinational tax avoidance, but they have not been very successful, have they? When the diverted profits tax was announced, it was hailed as the so-called Google tax. That was all well and good, except for the fact that Google did not end up paying very much, did it?

Mr Harper: The hon. Gentleman has put his finger on an important point. There are measures that we can take here in the United Kingdom to raise more money from multinational corporations, and we have taken some of them, but to do a proper job we have to take measures in accordance with international partners. That is why I am pleased that the Government have been leading a lot of the work on the OECD's base erosion project to come up with international definitions of profits and international agreements on how to tax those profits. Individual countries are not able to take those steps by themselves.

Wes Streeting *rose—*

Stella Creasy *rose—*

Mr Harper: I will give way to the hon. Gentleman again.

Stella Creasy: I thank the right hon. Gentleman for—

Mr Harper: I am sorry; I meant to give way to the hon. Member for Ilford North (Wes Streeting).

Stella Creasy: Age before beauty.

Wes Streeting: Imagine lacking both!

The right hon. Gentleman is absolutely right to say that we need more international co-operation if we are to curb the excesses of multinational corporations' power. Does he therefore share my sadness that we are currently driving a coach and horses through the most sophisticated political and economic alliance in the history of the world—the European Union—which gives us that global power and the leadership to tackle those global excesses?

Mr Harper: First, I am clearly not going to get in the way of the sophisticated political alliance between the hon. Members for Walthamstow (Stella Creasy) and for Ilford North. On the EU, I was on the same side of the argument as the hon. Gentleman—I campaigned for remain—but I am also a democrat. The country made a different choice and everyone in the House needs to support the European Union (Withdrawal) Bill, as we did yesterday, to ensure that we have a smooth exit from the EU. However, that does not mean that we should

stop co-operating with our international partners. Even when we have left the European Union, I want to work closely with colleagues in Europe on finance, security and trade matters. We can work well with our neighbours, and we can also work with our international partners outside the European Union. Indeed, if we are to deal with global multinationals, we will have to deal with the United States and other countries where those multinationals are headquartered if we are to make progress.

Rebecca Pow: My right hon. Friend is making a sound case, but would it not be right to suggest that it is even more important, in the light of Brexit, for us to be in total control of our finances at home and that we should draw in all the money that is owed to us in the best possible ways? That is going to be so important in keeping us productive.

Mr Harper: I agree with my hon. Friend. Indeed, that is why the Financial Secretary to the Treasury set out a number of important areas in the Bill that deal with those issues.

I want to pick up on an issue that, interestingly, has been referred to by a number of colleagues. My right hon. Friend the Member for Wokingham (John Redwood) touched on the question of public sector productivity, and the hon. Member for Aberdeen North, who speaks for the SNP, also alluded to productivity. I think the hon. Lady got it a little wrong, however, when she talked about improving productivity by giving people higher pay. It is actually the other way round. We all want our constituents to get a pay rise—I think that that unites everyone in the House—but the only sustainable way to drive up pay in the public and private sectors is to improve productivity in both sectors. I shall set out a few areas in which we could do that.

First, however, I want to make a slightly humorous point to the Financial Secretary to the Treasury. I do not want to see an increase in the productivity of the parliamentary draftsmen in Her Majesty's Treasury. Producing Finance Bills as thick as this one is perhaps not what we ought to be doing. I understand the complexity of these matters—I declare an interest as a non-practising chartered accountant—but I know from talking to colleagues in the business that they do not enormously welcome Finance Bills this thick. Much as this might upset them, I have to say that creating jobs for tax accountants is also perhaps not something that we ought to be doing. Slimmer Finance Bills with simpler, less complex legislation introducing lower tax rates from which we collect more revenue are the way to go. If we were to do that, we would be doing everyone a service, and those in the tax business could perhaps find more productive things to do. This gentle chiding is perhaps directed less towards my right hon. Friend the Financial Secretary to the Treasury than towards officials in his Department.

Craig Mackinlay (South Thanet) (Con) *rose—*

Mr Harper: I shall give way to a fellow chartered accountant.

Craig Mackinlay: I declare an interest: I am a practising chartered accountant, when I have the time. My right hon. Friend said that lower rates can produce more revenue.

Is that not exactly what has happened since 2010 with our reduction in corporation tax rates, which is paying the dividend of a greater return for the Treasury?

Mr Harper: My hon. Friend makes a very good point, and he is exactly right. This was one area in which the debate about corporation tax rates during the general election campaign became rather confused. The Opposition kept saying that we were cutting corporation tax, and making it sound as though we were therefore going to collect less revenue. What we were doing, of course, was to reduce corporation tax rates. The purpose of doing so was to collect more corporation tax revenue, both to attract more businesses to locate in the United Kingdom and to enable the businesses that are already here to be more successful. That is an admirable aspiration but it is, as my hon. Friend said, what has happened in practice.

One of my concerns about the Labour party's plans is that an increase in corporation tax rates would lead to the collection of less corporation tax revenue; and we would have less money, rather than more, to spend on our public services and our hard-working public sector workers. *[Interruption.]* I see Opposition Members, including those on the Front Bench, shaking their heads, but since we cut corporation tax rates, we have collected more corporation tax—

Anneliese Dodds (Oxford East) (Lab/Co-op) *indicated dissent.*

Mr Harper: It is no good the shadow Minister shaking her head. The fact is that that is exactly what has happened. We are in the business of collecting revenue to spend, not putting up rates to punish people in order to make ourselves feel good.

Sammy Wilson: Does the right hon. Gentleman accept that that has been shown to be true not only in the case of corporation tax but, in the Irish Republic, in the case of VAT? When VAT was reduced on aspects of the hospitality industry, tax revenues actually went up because that reduction generated more business. Indeed, there may be lessons to learn on VAT rates for the hospitality industry in the United Kingdom.

Mr Harper: I am always grateful to have excellent suggestions from colleagues in Northern Ireland. It is worth remembering that they bring a particular perspective to Brexit, given that they have a land border with the Irish Republic. We need to be very conscious of tax effects across the border as we leave the European Union.

I set out in my Westminster Hall debate, which I will not reprise now, our good record on economic growth since 2010, our reduction of the deficit and the significant number of jobs that businesses in the United Kingdom have generated. That is all very positive. But I am perfectly happy, as are the Government, to accept that there is one area in which the country's economic record since 2007-08—under both the Conservative party and the Labour party, when it was in government—has been less impressive, and that is productivity. Since the economic crash, productivity growth has stagnated, and the level of productivity is significantly below that of the G7.

As I have said, it is essential to raise productivity if we are going to increase pay in both the public and private sectors. I want—I think all Conservative Members want—to give public sector workers a pay rise, just as

much as Opposition Members do. But we understand that that has to be paid for. There is also an element of fairness. Private sector wages fell, in cash terms, after the crash, but that did not happen in the public sector. The work done by the Institute for Fiscal Studies shows that after a number of years of pay restraint, pay in the public and private sectors is now roughly in balance. It is, perhaps, a little ahead in the public sector if we take account of the more generous pension schemes. I want workers in both the private sector and the public sector to be properly rewarded; I do not want to favour workers in one sector at the expense of those in the other. That idea is missing in the comments we have heard today from the trade unions about public sector workers. We have to have a balanced settlement for workers across the economy, not just those in one area of it.

It is not clear what has caused the lack of growth in productivity. It will probably not surprise anyone in the House to learn that according to economists—I apologise if there are any economists in the Chamber; I stopped my economic training when I left university—a number of things seem to be at the root of this, one of which is that there could well be a lack of wage growth, which means that companies are not investing in capital equipment to make work more effective. As a former Minister for Immigration, I think that having unlimited unskilled migration—it is definitely at the lower end of the labour market, keeping wage growth low—has certainly not encouraged companies to invest in machinery and equipment to drive up productivity. Leaving the European Union gives us the opportunity to reduce importing unskilled workers from the current level. That does not mean reducing it to zero, but reducing it a little will help to improve such an incentive.

John Redwood: To help my right hon. Friend, let me say that there is a good reason and a bad reason why productivity has been disappointing. The good reason is that we have generated lots of lower-value jobs—it is better to have a job than no job—and we now need to help those people to work smarter so that they can be paid better. *[Interruption.]* Labour Members do not want jobs for their constituents, but I do, and I then want to go on and get them, when they have been trained and skilled up, into better-paid work. The bad news is that we have lost a lot of top-end jobs in the North sea oil industry because of the maturity of the fields and the decline of output, as well as the hit on the price, and we have also lost quite a lot of top-end jobs in the City—some people did not like those top-end jobs very much, but the crash destroyed quite a lot of them in the City—and that has obviously depressed the overall productivity figures.

Mr Harper: My right hon. Friend makes a very good point. I agree with him that the response to what he said about the growth in jobs was very disappointing. One thing I touched on in my Westminster Hall debate was the comparison between this country and some of our European neighbours. I must say that in Britain, where the level of unemployment for young people has fallen from 20% to 13%—I accept that that is still too high—the record, particularly for younger people, is phenomenally better even than in countries such as France, where the rate remains at 20%, while in some European countries that have completely lost control of their public finances, the rate is—

John Redwood: Fifty per cent.

Mr Harper: My right hon. Friend is absolutely right. Half of young people in Greece are unemployed, and that is after a significant number of other young people have come to countries such as the United Kingdom and Germany to work. I must say that that is not a sustainable economic model. I suspect there is going to have to be a shake-up in the eurozone at some point—more fiscal transfers, or looking at the currency—because it is not sustainable for half of a country's young people to remain unemployed for a considerable period.

Thankfully, we have not had to confront such a problem in our country—we have a different set of challenges—but my right hon. Friend is right about productivity. Let us look at the Bank of England analysis. He has already referred to falling productivity in the oil and gas sector and the financial sector. As I have said, there has been the impact of the financial crisis on allocating capital. I think there is now enough capital in the economy, but the issue is about getting it to the right businesses. There has also been a slowing rate of growth in innovation and discovery, as well as some inaccuracies in the data.

There is no single thing that we can do, which is why I am very pleased that the Government have set out a range of options in the productivity plan published by the previous Chancellor, George Osborne, in his Budget immediately after the general election in 2015, and in the measures set out by my right hon. Friend the present Chancellor, who was in the Chamber earlier. In relation to the national productivity investment fund, the Chancellor has set out some very important areas of spending, which I will briefly mention.

The first area is accelerating the housing supply, which is absolutely critical. I share the concerns expressed by Opposition Members. It is absolutely critical that we look at growing the housing supply urgently so that younger people, and not only younger people, can find affordable houses for them either to rent or to aspire to buy. A very significant sum in the national productivity investment fund will go towards that incredibly important area. The second area is investment in transport. I welcome today's announcement about the very significant investment in the A303 and the significant amount of money to ensure that we properly protect the ancient monument of Stonehenge. That is very important for me and colleagues from south-west England. We are also seeing improvements to rail, and to the missing link on the A417—the bit of the road that is not dualled—in which the Government are committed to investing. Therefore, there is investment in some important areas of transport.

I also welcome the conversations that my right hon. Friend the Secretary of State for Transport is having with colleagues in the north of England about significant investment that we could make on top of HS2 to connect cities in the north properly. My understanding is that if we see an agreed plan from Transport for the North, the Government will be very keen to fund that to drive productivity growth in the north of England, in the same way that significant investments in road infrastructure have driven productivity growth in London and the south of England.

It is important that we invest in other transport infrastructure such as airport connectivity. Particularly in the light of our leaving the European Union, Britain needs

to be able to join up with global markets all around the world. I am particularly keen, as a south-west MP, for the Government to move forward on the Heathrow option and install that extra capacity so that businesses in my constituency, the south-west of England and elsewhere can be joined up properly with the rest of the world.

Sammy Wilson: Does the right hon. Gentleman accept that an important issue in respect of connectivity and airports is the detrimental impact that high levels of air passenger duty have on the opening of new routes and on encouraging people to use existing routes from the United Kingdom to other parts of the world? The Government need to look at that seriously. What should we do about air passenger duty, and how can we stop it being detrimental to the kind of connectivity he is talking about?

Mr Harper: The hon. Gentleman makes a very good point. It would be helpful if we reduced the level of air passenger duty, but the Government have to be mindful, since I have heard lots of bids in the debate for money to be spent, that we also have to raise it. If we want to reduce air passenger duty and we think that that will reduce the amount of revenue we collect, we will have to look at areas where we can reduce spending, at other taxes or at growth in productivity in the public sector, as my right hon. Friend the Member for Wokingham said, in order to do that. It is not a simple question. The Chancellor will no doubt look at it in the round as he makes his Budget judgments later this year.

Kit Malthouse (North West Hampshire) (Con): I understand my right hon. Friend's explanation, but perhaps the point the hon. Member for East Antrim (Sammy Wilson) was making—one with which I have some sympathy—was that, in the same way that we make the argument about corporation tax that if we lower the rate we will collect more money, perhaps if we lowered air passenger duty more people would fly and we would gather more revenue. There may also be more economic activity generally around the airports that would see an increase in passengers.

Mr Harper: My hon. Friend makes a very good point. I accept that this is an area that is difficult to model, but when the Treasury does its Red Book and its economic forecasting—I think I understand this correctly—it uses a largely static model for tax forecasting. It assumes that if we reduce the rate of tax, we will collect not more money, but less. I understand that there is difficulty in doing the opposite, which is a dynamic model that tries to take into account the fact that there might be more economic activity and that looks at whether more or less revenue would be raised. I accept that that is a difficult process and I suspect that, on balance, the Treasury is trying to be relatively conservative with a small "c". However, there is merit in looking at that. The Financial Secretary might want to consider the extent to which the Treasury, in making judgments about taxes, can look at how much we would drive up economic activity if we were to reduce tax rates, and therefore whether we would produce more tax.

Kit Malthouse: There is a particularly strong case where aviation is concerned—a number of airlines, such as easyJet and Ryanair, rely on dynamic pricing and the

elasticity of demand to fill their planes. They recognise that the lower their prices, the more likely they are to fill their planes, and that the greater frequency with which they fly their planes, the more people are likely to come. In my view, lower APD would therefore result in more economic activity and more people flying.

Mr Harper: My hon. Friend has made that point powerfully and I see that it has landed with the Financial Secretary. We will see whether it fructifies into a policy shift.

Sammy Wilson *rose*—

Mr Harper: Let me make a little more progress, then of course I will give way.

I would like to make two more points before I finish, Madam Deputy Speaker. The other area I wanted to mention in relation to the national productivity investment fund, which is incredibly important for my constituency, is the acceleration of the roll-out of broadband, in particular the full fibre roll-out. We have made considerable progress in rolling out broadband. By the end of this year, I think 80% of my constituents will have superfast broadband. In Gloucestershire we have a plan, with a new supplier, to roll out to the remaining households to meet the Government's commitments under the universal service obligation. That is welcome. The more we can do to extend that across the country to increase those speeds with full fibre to the home and to business will be very welcome.

Finally, given the competition we face in the world, and the challenges, rightly raised, of ensuring that, as we leave the European Union, we have a global outlook and we remain competitive, it is very important for Ministers to have a sense of urgency in driving forward developments in housing, productivity and investment in road infrastructure. As a constituency MP, I know that the length of time it takes to build new houses and roads and to roll out broadband is very frustrating. I am sure that frustration is shared by Members across the House. One thing Treasury Ministers could do, when thinking about the settlements they make with Departments, is to reward those that accelerate progress. Perhaps Departments that deliver against the Government's objectives more quickly could be rewarded with more money to go even faster, and Departments that are a little slower at delivery perhaps might have some of their funding removed and moved to higher-rewarding parts of government where things are delivered more quickly. That might boost public sector productivity, as my right hon. Friend the Member for Wokingham mentioned.

The Finance Bill is a good start. It raises some much needed revenue to help to continue balancing the books. I, for one, will have no trouble supporting it in the Division Lobby today.

4.11 pm

Dan Carden (Liverpool, Walton) (Lab): I am grateful for the opportunity to make my maiden speech in what has already been a lively and important debate on the Finance Bill.

Members will remember receiving lots of advice when they were waiting to make their maiden speeches. I found that most people were coming to me saying, "You must be light-hearted and you must be funny." I am not

quite sure why they were saying that to me in particular. *[Laughter.]* I am not sure I am going to succeed in doing that, but the wonderful staff of the Speaker's office told me that today's debate is one of the few that can go all night, with Members able to make contributions that last as long as they want. I will not promise to be as funny as Ken Dodd, but I can promise that my performance will not be as long as his. The great Eric Heffer, who was one of my predecessors, talked of having butterflies in his tummy when he made his maiden speech. Right now, I feel like I have two Liver Birds scrapping in my stomach.

I want to pay tribute to my immediate predecessor, Steve Rotherham: popular in Liverpool and popular across this House. I commend in particular his personal contribution to the fight for justice for the 96 and the release of all papers relating to the Hillsborough disaster. In October 2011, standing at this Bench, he delivered one of the most powerful and emotive speeches this House has ever heard. In it, fighting back tears, he forever commemorated the names and ages of the 96, who were, we can now say, unlawfully killed in April 1989. I wish him well as Metro Mayor of Liverpool city region.

The biographer Tony Barnes said of Liverpool:

"where the River Mersey meets the salt of the Irish sea...Waves of immigrants have spiced its unique flavour. Independence, verbal wit and physical toughness are prized, authority resented; at times it seems to crackle with a special charge."

It is one of the great port cities of the world.

My grandad and dad worked on Liverpool's docks in the days when they were the engine room of our city's economic and social life. Casual dock labour gave rise to trade unions, collectivism and working class struggle. We are a city of survivors, and we have had to be. It is one reason we still hold dear our sense of solidarity and why today individuals are strong and communities proud. History, politics, theatre, music all matter. Liverpool's influence stretches right the way through this nation's cultural life. It has produced many of our famous and talented musicians, poets, writers, painters, comedians, actors, footballers—the list is endless.

We are home to the oldest and longest-established black community in the UK, the first Chinese community in the whole of Europe and England's first mosque. Walton has its own proud heritage. L4 is still home to our two great football clubs, Liverpool and Everton, and the Sandon pub, where they both originated, still serves today. Robert Noonan, better known as Robert Tressell, the author of that great socialist manuscript, "The Ragged Trousered Philanthropists", is buried in a pauper's grave on the site of Rice Lane city farm, and the terraced houses in the shadow of Goodison Park count as one of our country's most historic residential areas.

Throughout history, Liverpool has proven it can speak with one voice. There is still one right-wing rag that masquerades as a newspaper that no one would be seen dead reading in my city. In this election, the people of Walton acted as one, giving Labour 85.7% of the vote—a psephological phenomenon but, most importantly, a rejection of austerity and a clarion call for a radical alternative. The issues affecting the lives of people across north Liverpool are stark. When I visit primary schools to speak to 10 and 11-year-olds in year 6, the statistics tell me that 18 out of a class of 30 will not go

[Dan Carden]

on to get five good GCSEs. The few children's centres that have survived the cuts of the last seven years and which should be places of play, supporting the development of babies and toddlers, now have to intervene against the ever more severe consequences of poverty. Hunger, ill health and squalor are returning. Drug, alcohol abuse and domestic violence are on the rise. Merseyside police are facing an impossible task as they are "stretched to the limit"—not my words but those of the police chief constable.

I do not have time to do justice to the agony the Government have inflicted through welfare and disability benefit cuts. It is no wonder that people who visit my surgeries as often as not break down in tears before they can utter a single word. In July, I asked the Prime Minister what her Government were doing to stop children going hungry this summer because schools had become part of the last resort, standing between children and hunger. She said:

"the best way we can deal with poverty...is for people to get into the workplace".—[*Official Report*, 19 July 2017; Vol. 627, c. 835.]

In other words: get a job. The average wages in parts of Liverpool are £10,000 less than the national average, almost 40% of children in Walton are growing up in poverty, and we know that 60% of people in poverty are in work. No wonder her answer was met with outrage across Merseyside.

I am a proud Scouser. My mum has served our national health service for over 40 years on the frontline in Liverpool. Politics began to shape my life when in 1995 my dad was sacked, alongside 500 Liverpool dockers, for refusing to cross a picket line. That dispute—of workers fighting casualisation—lasted 27 months and left my dad unemployed for seven years. From the age of eight I stood on picket lines, and I am as proud to stand alongside workers in struggle today as an MP as I was then as a kid.

Nye Bevan said that he had only one concern in politics:

"where does power lie...and how can it be attained by the workers?"

That is what brings me to this House, and that is why I am so proud to have worked for the last five years for the Unite union, alongside its brilliant staff and shop stewards—and Len McCluskey, the best defender of workers in my lifetime and someone whom I am honoured to call a friend.

Reflecting on the maiden speeches of Eric Heffer in 1964 and Peter Kilfoyle in 1991, one cannot help but be struck by the continuity and permanency of the issues of unemployment, lack of investment and industrial decline. Radical new solutions are needed to tackle social problems that have persisted for generations. Today, the economic reality of north Liverpool makes a mockery of this Government's rhetoric.

While life today may be hard, the future that we are being led towards is so dark that it is Orwellian. Ministers pretend that they are making tough decisions, saying that we are all going to work until we are 70. They do not care that the low-paid, unrewarding jobs done by many of my constituents will physically or mentally break them well before that age. They brag that they have created 2 million more jobs, but there are people in Walton who are doing two, three or four of them, and still struggling to make ends meet.

We are told that there is not enough money, yet there is deafening silence on the accumulation of corporate profits and tax abuses by the richest; on the gains from growth being funnelled into profits, not wages; and on the fact that we are experiencing the longest period of wage stagnation for 150 years, and have the most regionally unbalanced economy in the whole of Europe. I am 30 years old, and I cannot believe that the generation coming up behind me just do not see secure, well-paid employment, or owning their own homes, as a realistic prospect for themselves. They have only ever known the casual, low-paid, zero-hour economy that 21st-century capitalism demands.

We must see an end to the rigged economy. What comes next is up to us. New technology and automation are transforming the future of work. In the Tory dystopia, it will be a race to the bottom in which every working person loses out and there is always someone else to blame. My parents remember talk of a three-day working week, and the media asking, "What will we do with all our free time?" In his "white heat" speech of 1963, Harold Wilson talked of

"undreamed of living standards and the possibility of leisure ultimately on an unbelievable scale."

He went on:

"if there had never been a case for Socialism before, automation would have created it."

That could not be truer today. The fourth industrial revolution—the onset of artificial intelligence, robotics, cobotics, 3D printing and biotechnology, in the context of global finance and multinationalism—poses great challenges, but also great opportunities. It will require bold economic planning, and the political will to make it work for the whole of society. That is why the House must now start to consider ideas such as the "universal basic citizen's income". We are the sixth richest economy on the planet, and it is time to stop making excuses for the kind of human indignity and poverty that I see all too often in my own city.

At times, my own party lost its way. We failed to define the banking crisis as the result of casino capitalism that it was, and we started to talk the language of austerity and cuts. It was not good enough, and it only served to let this Government off the hook.

But today we have hope: a Labour leadership determined to transform society. We are once again a mass membership party. Like all great social change, it has been led from the grassroots up, and we have won millions to our cause. As Labour representatives in this House, we have a duty to the nearly 13 million people who voted for our radical alternative just three months ago: a fairer tax system; a more even distribution of wealth; regional investment banks supporting local economies; workers in control of their own lives, and democracy in the workplace; and a society where everyone is afforded the means to fulfil their potential.

More and more people in my city and across the country believe that can happen, and in the words of Yoko and John Lennon:

"A dream you dream alone is only a dream. A dream you dream together is reality."

4.25 pm

James Cleverly (Braintree) (Con): It gives me huge pleasure to follow such an assured and impassioned maiden speech by the new hon. Member for Liverpool,

Walton (Dan Carden). I was born and brought up in south-east London, with a lot of family in Essex in the constituency I now represent, but my mother came originally from Sierra Leone, and the first part of the country that she set foot on when she arrived here in the early 1960s to set up a new life, and ultimately meet my father and have me, was the port of Liverpool. So the hon. Gentleman speaks of the Liver Birds alive in his stomach during his maiden speech, and my mother before she passed away recounted seeing those iconic buildings of the Royal Liver building, the Port of Liverpool building and the other one—

Dan Carden: The Cunard building.

James Cleverly: Yes; the three graces. Let me give the hon. Gentleman a piece of advice: never put lists in speeches, because everyone who does always forgets one of the elements of them.

The hon. Gentleman maintains that great Liverpudlian tradition of being a firebrand in the making, and I have no doubt that his contribution to this House will be significant even if I and my Conservative colleagues do not agree in every respect with the points he raises. I look forward, I hope for many years to come, to our crossing swords, linguistically at least, across this Chamber. I congratulate him on his maiden speech.

Turning to our Second Reading debate, Finance Bills are always important, and I will, with your indulgence, Madam Deputy Speaker, start by speaking in more general, almost philosophical, terms, before coming on to address a number of specific clauses. Having read through the briefing notes for the Bill—because, as my right hon. Friend the Member for Forest of Dean (Mr Harper) highlighted, it is in its entirety a bit of a weighty tome, and although I am pretty good at reading well into the small hours of the night, even I would be pushed to cover every single dot and comma of this gargantuan document—I am pleased to speak in support of the general tone of the things contained within it. Its main measures include the shift to reduce the tax burden on the majority of people, particularly those at the lower end of the income spectrum, and to reduce the tax burden for businesses to enable them to grow, recruit and employ, and to build the economy from a broad tax base. That goes back to one of my right hon. Friend's points about reducing tax rates to stimulate economic activity both in the commercial sector and in people's private lives, generating the financial fluidity that can then be harvested by Governments in order to invest in the public services that we value the most.

As Conservatives we should not be afraid of the concept of taxing and spending. There, I have said it out loud, and it was not even that painful. We have committed and are continuing to commit to increasing expenditure on the key public services on which we all rely. I spoke about my mother earlier, and she spent her entire professional life in the national health service as a nurse and then a midwife. We agree across the House that the NHS both deserves and demands increased Government investment, but the question is not just about how we spend, but about how we raise the money to invest. The rebalancing, over time, of the route taken by this Government on taxing economic activity is philosophically the right direction of travel. As we have done in Budgets and Finance Bills over the years that

we have been in government, we should look at every opportunity to reduce the tax burden on individual taxpayers and businesses.

The topic of small businesses has come up several times already this afternoon, and my view has always been that if we have in our minds the economic impact of our political and financial decisions on the small business sector, we will rarely go wrong when it comes to the economy in general. If we look to relieve the financial burden on small businesses, they will without a shadow of a doubt be able to grow, expand and recruit, and big businesses will continue to do well in a more buoyant economic environment. The Bill contains several measures to relieve pressure on small businesses, but if I were to have a criticism, it is just that I would like to see that go further and faster. Particularly after we end our membership of the European Union, we should consider every opportunity to unleash the potential of the British business sector. Let us use that as the starting gun in a race for good ideas to unlock our small and medium-sized business sector, particularly digitally enabled micro-businesses.

Clauses 48 to 59 specifically address a phenomenon that has been brought to my attention in constituency advice surgeries. Smart, innovative British-based businesses are being unfairly undercut by the fulfilment houses of overseas businesses, which make it impossible for British businesses to maintain a sensible living, driving a number of them out of business. Those international players are not paying their fair share of tax. They are putting the squeeze on the sparky, hard-working, innovative, entrepreneurial, often back-bedroom businesses, many of which have been started by people who, demographically, are not as well represented in the British workforce as they should be; they are often ethnic-owned businesses. Women starting entrepreneurial digital businesses are being put under incredible pressure by big overseas players that are undercutting them unfairly. I am pleased that the Government have taken notice of that concern. This is a big step in the right direction, and I will keep a close eye on how it rolls out.

We continue our drive to ensure that non-doms who—"take advantage" is the wrong term—make use of our services and the positive environment we create also pay their fair share, and in this Bill I am pleased to see the Government continuing on that route to ensure that the people who use our public services and who live under the umbrella of protection we provide also pay their fair share.

I will now bring my comments to a conclusion. [HON. MEMBERS: "Hear, hear!"] That is the best thing I have said thus far. I will be supporting the Government on this Bill, and I would encourage everyone to do so because its philosophical underpinning is exactly right. We need to continue making tax simpler, fairer and more effective.

4.36 pm

Stewart Hosie (Dundee East) (SNP): It is a pleasure to follow the hon. Member for Braintree (James Cleverly), with whom I agree entirely on the support that small, digitally enabled microbusinesses need to compete with the large, global, mention-no-names fulfilment operations. I hope he is right that the Bill delivers the support that smaller businesses need.

It is also a pleasure to follow the hon. Member for Liverpool, Walton (Dan Carden). It is appropriate that he made his maiden speech in such an important debate.

[*Stewart Hosie*]

Having known him for some years before he was elected, I very much hope and expect that he will use his undoubted talents to change Labour policy so that it no longer supports 70% of the Tories' cuts and instead backs a genuine alternative to austerity. I am sure that in future debates he will be happy to intervene on me, as I will on him.

I agree with my hon. Friend the Member for Aberdeen North (Kirsty Blackman) that we cannot support the Finance Bill tonight as it is derived from the last Tory Budget. She made it clear that, as many will remember, the Budget confirmed austerity and, in our opinion, woefully failed to mitigate the likely impact of the hard Tory Brexit that now lies before us—a hard Tory Brexit that at its heart, as we have heard confirmed this week, also represents a power grab on Scottish powers and the powers of other devolved nations.

My hon. Friend is also right to raise the issues of prices rising faster than wages, the impact of the continuing public sector pay cap and, most shockingly, the 10-year real-terms fall in the incomes of people who actually work, which speaks volumes for the lack of priority the UK Government are giving to those who put in a shift, 9 to 5, five days a week or more. Those people are substantially less well off now than they were prior to the downturn.

Like all Finance Bills, this one contains particular measures that would be very welcome if they stood alone—I will say a little about some of those measures today—and some that are less welcome. I will mainly concentrate on inconsistencies in the commencement of certain measures, the absence of guidance from HMRC in certain circumstances and an apparent increase in the amount of retrospective legislation. Let me give some examples to demonstrate all those things.

The provision of tax relief for pensions advice in clause 3 is welcome, as is the mirroring provision in clause 4 of tax relief for other necessary legal advice. I, like the rest of the SNP, certainly welcome the extension of the existing reliefs in those areas, but I see from the explanatory notes that the commencement of both clauses is retrospective, being from 6 April 2017. I have no issue with that on those provisions, except that I am not sure retrospective legislation is a good thing in principle.

It is equally sensible, as part of the process of tax simplification, to make changes, in clause 6, to the process of PAYE settlement agreements. They will not have effect until next year, and I have no problem with that. The explanatory notes state that the new regime will be “a largely automated process” and, again, that is probably sensible, but the commencement date for that largely automated process does not fit well with the recent changes announced for the implementation of a fully digital tax system, which has been put back until 2019. Indeed, the explanatory notes for clause 62 state:

“Regulations providing for digital record keeping cannot come into force before 1 April 2019.”

I hope that the people who undertake to go digital quickly do not suddenly find that they fall foul of regulation and guidance issued the following year. Given that this measure is expected to be in place in six months' time, will the Minister tell us whether the promised strengthened HMRC guidelines will be available to businesses? When will that happen?

As has been mentioned in earlier speeches, a deal of attention has been paid to clause 15, which deals with business investment relief, and, in particular, the ability of partnerships, previously excluded from BIR, to now be eligible if they carry out commercial trades in their own right. I just wonder what the scale of those commercial trades will have to be for an application to be able to be made for BIR. Will it be one, two or 10 trades? Will it be half of the turnover? A little clarity on that would be very helpful. The Minister might want to explain further why those changes have been proposed, given that I was not aware of any particular demand from partnerships to have BIR associated with them in the first place. The clause is also retrospective, having effect for investments made after April this year.

Clause 26, dealing with the elections in relation to assets appropriated to trading stock, applies for appropriations made since 8 March this year. Clause 38, dealing with the first-year allowance for expenditure on electric vehicle plug-in points, has been in effect since 23 November 2016. Clause 19, relating to losses and the counteraction of avoidance arrangements, applies to all losses on or after 1 April this year, whereas changes to reference property losses, in certain circumstances, came into effect on 13 July this year.

I have given a handful of examples, some to be welcomed and others the subject of debate, where we have in one Bill retrospective commencement dates of 23 November 2016, 8 March 2017, 6 April 2017 and 13 July 2017. That demonstrates the serious issue of the level of retrospective tax law in the UK. The Bill also contains future implementation dates for 2018-19, which is inconsistent with other measures the legislation is supposed to complement and support. That quick glance allows us to understand perfectly well the criticism that the tax code is not only too long but far, far too complex.

I alluded earlier to the fact that one measure is not being implemented retrospectively: clause 65 and schedule 16, dealing with penalties for enablers of defeated tax avoidance. Of all the measures that any reasonable person might have assumed could—indeed, should—have been made retrospective, surely it should be the penalties for those the legislation says design, market or facilitate abusive tax avoidance. But no: lo and behold, the new penalties will not come into effect until after the Bill receives Royal Assent. The Minister prayed in aid HMRC's efforts to clamp down and raise more money by tackling tax avoidance and abusive tax evasion. I very much welcome that, so I find it odd that given the measures in the Bill that are subject to retrospectivity, the penalties for the enablers of defeated tax avoidance are not.

I wish to raise three other small matters. First, the explanatory notes for clause 62, on digital reporting and record keeping for VAT, say that for those who are unable to use digital tools because of, for example, their geographical location—I assume that that means the absence of sufficiently fast broadband—alternatives will be provided. Will the Government guarantee that that means we will keep the current manual system and that there will be no unnecessary change and complexity?

The second matter relates to the Government's failure to explain what Brexit really means—other than Brexit, as the soundbite goes. Clause 21 and schedule 6 cover relief for the production of museum and gallery exhibitions, as mentioned by my hon. Friend the Member for Glasgow

Central (Alison Thewliss). The explanatory notes tell us that at least 25% of the qualifying expenditure must come from the European economic area. I know that the EEA is different from the EU, but as the UK withdraws from the EU will the Minister clarify whether, if all the qualifying expenditure is spent in the UK, that will apply as it would had it been spent elsewhere in the EEA?

Finally, I make no apologies for returning to clause 8 and the change to the income charged at the dividend nil rate, from £5,000 to £2,000 in 2018. To some extent this relates to the point made by the hon. Member for Braintree about small and microbusinesses, which start up and begin to just about make a profit, but from which the owner-proprietor earns barely the minimum wage, let alone the living wage, while their company grows. Many such people use that £5,000 tax-free dividend to make ends meet. I understood what the Minister said earlier about those who actually work for a third party but are nominally self-employed, and indeed about those with substantial share portfolios, for whom some extra tax-free money is simply a bonus, but surely to goodness the legislation can be drafted in such a way that it does not penalise or appear to act as a disincentive for those who wish to start a business, by taxing what might be the first modest dividend that that business might ever have had. I hope that, even at this late stage, the Government will look again and table some sensible amendments to ensure that the change captures the tax revenue from those from whom the Minister wants to see it captured but does not act as a disincentive to those who wish to start a business.

That was a gentle canter through some technical matters; I am happy to leave the broad-brush stuff to my hon. Friend the Member for Aberdeen North.

4.48 pm

Douglas Ross (Moray) (Con): It is a pleasure to follow the hon. Member for Dundee East (Stewart Hosie). Thank you, Madam Deputy Speaker, for the opportunity to deliver my maiden speech in this important debate. I particularly welcome the further action to be taken against tax evasion and avoidance that is outlined in the Bill.

Being elected as Member of Parliament for Moray comes second only to marrying my wonderful wife Krystle as the proudest moment of my life. For the son of a farm worker and a school cook to be elected to serve his home area as Member of Parliament is a huge honour and privilege, and one that I will never take for granted. I was born in Moray and educated in Moray, and I have also been a farm worker there. I served for 10 years on Moray Council as councillor for Fochabers Lhanbryde, before representing Moray as part of the wider region as a Member of the Scottish Parliament following the 2016 Scottish election.

Everything I have done, and everything I do, is focused on this wonderful part of the country that I am proud to call home. Of course, others before me have also had that privilege. Alex Pollock was the last Conservative MP elected for Moray in 1983—the year in which I was born. Alex was a hard-working local MP. I still regularly see him in Forres, where he lives with his wife, Verena, and where I have my constituency office.

Margaret Ewing will be remembered by many in this House as a member of the nationalist Ewing dynasty but, locally, she was more fondly remembered for the

caring way in which she fought for all her constituents. Even 11 years on from her sad death, she is still very fondly remembered.

My immediate predecessor and I held widely different views on a number of policy areas, none more so than on the future of Scotland. I supported Scotland remaining a strong part of the United Kingdom while Angus Robertson proposed separation and an independent nation. As MP for 16 years, he built up a formidable reputation as a consummate politician who transformed his party and played a significant role in the constitutional debate that we held in Scotland three years ago. Angus was a conscientious constituency MP, supported by a fantastic local office, but as leader of the third biggest party in this Chamber between 2015 and 2017, he played an integral role in national politics as well. Even though he is no longer in this House, I know that his service to Moray, to Scotland and to UK politics will not be forgotten.

It will not surprise hon. and right hon. Members in this Chamber to hear me describe Moray as the most beautiful part of the country—[*Interruption.*] No ifs, no buts; it is! It rises from Tomintoul on the southern edge of the Cairngorms national park to the shores of the Moray Firth in the north, where dolphins and seals are regular visitors. From Brodie as the entrance from the west to Keith as we leave in the east, we pass through some of the most stunningly beautiful and productive landscapes imaginable.

Forres has been a royal burgh since 1140, making it one of Scotland's oldest towns. Grant Park—gifted by Sir Alexander Grant, the founder of the digestive biscuit—is a focal point of many visits. The gardens in the park are carefully tended by the fantastic volunteers of Forres in Bloom, and they have rightly received many UK and Scottish accolades for their outstanding displays every year. The natural amphitheatre of Grant Park makes it a fantastic venue for major events such as the European pipe band championships. Where else could we witness not only the very best bagpiping, but the local MP failing miserably in the world tattie scone baking championships?

Along the coast, many traditional communities remain vibrant and thriving. Lossiemouth is a bustling coastal town with outstanding beaches, making it a popular destination for holidaymakers and residents alike.

Returning inland to the largest settlement in Moray, the cathedral city of Elgin continues to grow. New homes and business start-ups are common, confirming the desire of many people to live and work in this part of Scotland. Crossing the border into Banffshire, Buckie is proud of its seafaring past and optimistic about its future. Yesterday's announcement of the contract for difference award for Moray's largest proposed offshore windfarm means that Buckie harbour has a real opportunity to support this major investment. Events such as the Buckie Christmas Kracker and the Portgordon fireworks display are just two gatherings held on this coastline that bring local people together every year. They are only possible thanks to the effort and dedication of so many volunteers.

Keith is the last of the main settlements. Mid Street hosts a whole range of shops for even the most discerning customer, as well as its own kilt school. If Members travel around the area just now, they will see the imaginative ways in which members of Keith Young Farmers Club

[*Douglas Ross*]

have displayed and designed their silage bales to celebrate the 70th anniversary of the club's formation. They have transformed the mundane winter animal feed wrapped in plastic into works of art.

Speyside completes this tour of the constituency. Although the area may be more sparsely populated than the rest of Moray, it more than makes up for it with community engagement and co-operation. For example, there is the annual tea in the park event. Throughout August, Glenlivet Hall is a hive of activity as volunteers cook, bake, serve and wash up for customers who come from far and wide.

During the month of August, and the months of planning before then, volunteers work together to ensure that tea in the park goes from strength to strength. Next year, they will celebrate their 15th anniversary. If anyone is unlucky enough to visit on the day when I don my pinny to help out, I can only apologise for my very limited waiting skills.

Although many people visit Moray for its beauty, they leave with its bounty. Moray is home to world-renowned companies such as Walkers Shortbread, Baxters Food Group and Johnstons of Elgin woollen mill, to name just a few. And, of course, we have a little whisky. We produce more of this iconic Scottish drink than any other part of the country. There are 47 Scotch whisky distilleries in Moray out of a total of 199 across the country. That means that nearly 40% of Scotch whisky distilleries are in the Moray constituency.

Everyone will have their favourite tippie from a Moray distillery, but the one that I am particularly interested in currently sits in warehouse No. 1 at Glenfarclas distillery. The cask that sits in that warehouse was filled in 1994 by my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), who was Chancellor of the Exchequer at the time. As he sealed the barrel, he stated that it could only be opened and the whisky bottled when Moray once again elected a Conservative Member of Parliament. I know that good things come to those who wait, but I was relieved that the people of Moray decided that, by 2017, the whisky had matured long enough. I certainly hope that the Father of the House will join me in sharing a dram of this 23-year-old from the cask when it is opened in the very near future.

As well as places and produce, Moray is proud of its people, including inspirational individuals such as Lucy Lintott. When doctors diagnosed Lucy with motor neurone disease at the age of just 19, she took the decision not to dwell on her diagnosis, but to embrace life. Anyone who watched her recent documentary could not fail to be impressed by her courage, infectious laughter and zest for life.

Others who have contributed heavily to the area are the men and women of our armed forces. Moray's proud tradition of supporting military personnel continues today with the 39 Engineer Regiment at Kinloss and the RAF base at Lossiemouth. The future looks bright as we prepare for the arrival of the new Poseidon P-8 aircraft, which could be delivered only due to investment by the UK Government to support the United Kingdom's armed forces.

In the time that remains, I want to focus on some of the key issues that I will tackle as Moray's MP. The first is a theme that has been addressed in several maiden

speeches and, indeed, by many Members across the House: broadband. Although some parts of Moray are well served with connections and speeds, too many are not. It is of no comfort to those who tell me that their broadband speeds are little better than the old dial-up connections to hear that 94% of Moray premises have access to fibre broadband. If the costs are prohibitive or people are part of the 6% who cannot even access it if they want to, people are right to demand better.

Secondly, I will use my time in this House and my position on these Government Benches to promote the Moray growth deal at every opportunity. The ambitious projects that are being formulated are designed to transform our economy, to address concerns around encouraging young people to live, work and remain in the area, and to tackle gender inequality in employment. To ensure that the Moray growth deal truly delivers what local people want and expect, the council is encouraging individuals and communities to respond to its survey to shape the growth deal. The project is titled "My Moray" but, with the influence of and input from local people, we can ensure the final outcome is "Our Moray"—a vision that delivers for everyone and every part of this great constituency.

The issue of delivery charges has been raised with me since day one in this post and I promised to highlight it in my maiden speech. I live in Moray, and I know that it is part of mainland United Kingdom. It is just unfortunate that many businesses and delivery firms are not quite as observant. They believe that we live on some far-flung island because we have an AB or an IV postcode. They duly add extortionate delivery charges or, in some cases, refuse to deliver at all. That is not only dumb; it is disrespectful. It is not just an inconvenience; it is inexcusable. It is not right; it is just plain wrong. There is a solution, but it needs companies and delivery firms to work together. In that way, Moray customers can feel as valued as any others in the UK. It is a simple request, but one that would make a big difference in our area.

My hobby is football refereeing, and I imagine that the full-time whistle is about to be blown on my maiden speech. When I came to this House, some suggested that my involvement in our great game, trying to manage two opposing sides performing on a green surface, might qualify me to consider a role in the Speaker's Chair. I confirm that I have no such desire. Twenty-two unruly individuals are more than enough for me to try and control—I cannot imagine what 650 must be like. However, I have found that when I am struggling with 22, flashing a red card and reducing the numbers can help somewhat, so if the Procedure Committee were interested in evolving a red and yellow card system for the Chamber, I would be more than happy to provide the necessary tools.

This Chamber and those of us who make up the United Kingdom Parliament are often held in low regard by the public who send us here. They see politics as distant from them because of the partisan point scoring that emanates across these Benches or between the various Parliaments around this country. As a proud Scot, I welcome the fact that I have two Parliaments—one in Edinburgh and one in London. We will find a lot more favour with our constituents if we spend our time working together where there are common goals, rather than seeking division where there may be none.

To paraphrase John F. Kennedy, let us not seek the Conservative answer or the Labour answer, but the right answer. Let us not seek to fix the blame for the past; let us accept our own responsibility for the future. If we do that, we may begin to restore the reputation of this Parliament and those of us who serve our constituents from here. This is the philosophy I will adopt during my time in this House.

5 pm

Stella Creasy (Walthamstow) (Lab/Co-op): I congratulate the hon. Member for Moray (Douglas Ross) on a wonderful maiden speech. He paints a fantastic picture of a part of the country that I have yet to visit and that clearly has many delights to try, although, on his advice, I will pass on the home-made scones, if I may.

May I offer the hon. Gentleman some advice, as somebody who has been here all of seven years? He will find watching “Monty Python” a very useful guide to what goes on in Parliament. Sometimes this Chamber can feel like the argument clinic, where some people have been paid to argue. The Brexit Secretary also appears to be taking his lead from the Spanish inquisition in his approach to the negotiations, and he is equally effective. Ultimately, Brexit is really like the big Monty Python foot, slamming down on everything we do in the Chamber in this Parliament.

That is why this Finance Bill is so important and why I look forward to the many hours we will spend debating it in Committee. It is vital that we do not let Brexit deter us from dealing with some of the many problems we have in our country. The test we must therefore set for all proposed legislation in this House is, does it progress the needs of our communities and our country? I have to say that I find this Bill wanting in many different ways. The Government seem to have an economic plan based on personal debt, not UK productivity.

This week, I heard the Chancellor desperate for ideas. I want to be a helpful contributor to this House and to our debates, so in my speech today I shall set out for Ministers—I hope they will listen to some of our ideas—some suggestions on how we could get this country on to a sound economic footing. One of the Ministers is a former sparring partner of mine on the Public Accounts Committee, so he will know my personal commitment to value for money for the British public.

However, we first need to understand the context in which the Finance Bill is proposed—how we got to this position, why the legislation represents so many missed opportunities and why my colleague from the Scottish National party, the hon. Member for Aberdeen North (Kirsty Blackman), was right to talk about people feeling the squeeze. We know that for many of our constituents there is too much month at the end of the money. Therefore, when we are looking at tax measures, we are looking at how we might help our constituents, and we have to ask first about those who will bear the brunt of a Government who do not do things to tackle the impact on their lives of rising inflation, stagnant wages, low productivity and, indeed, that Brexit Monty Python foot.

Our country has an eye-watering £200 billion of personal debt. In every single legislative measure we make we must ask what we are doing to reduce that debt, because the consequences for so many are so great.

My concern is that that debt is so high because the Government are balancing the books out of the pockets of our constituents.

In 2010, I sat on the Opposition Benches—a new MP, like the hon. Member for Moray—and listened to a Chancellor promise that the deficit would be eliminated. In 2016, I read the note from the Office for Budget Responsibility that recognised that the Government had broken their own deficit rule. The hon. Member for Moray talked about being a referee. We are not even on yellow cards with this Government as regards economic competency—it is a straight red card, as far as I am concerned.

Previous Chancellors have claimed time and again that they would get a grip on the public finances. Time and again, they have moved the goalposts. They changed the targets in 2014 to 2017 for eliminating the debt. In 2015, they changed the target to running a surplus in normal times by 2020-21. Then, in 2016, they changed the target again to reduce net borrowing to below 2%. Now, in the Tory manifesto, it has changed to 2026, and we are hearing that in the autumn Budget it could be changed to 2027. Last year we borrowed £52 billion, and it is expected that this year we will borrow another £60 billion. So forgive me, but I will not take any lectures from Government Members about fiscal responsibility. If, in these seven years, you had been on a business board and the finance director had come to you every single year, as Conservative Chancellors have, asking for more money because yet again they have not got to grips with how they were spending it, you would sack them. That is certainly what I hope the British public will do.

At the same time as we are borrowing more and failing to tackle the debt, our productivity is worse. I agree with the right hon. Member for Forest of Dean (Mr Harper), who is sadly no longer in his seat, that this is a challenge we cannot ignore, whatever is going on in Europe. A typical French person need only work Monday to Thursday compared with a typical Brit, and it is the same for Germany, which has a 29% higher GDP per hour than the UK. We have seen a lost decade of productivity in this country, and our communities and businesses are paying, so that we are now in an extraordinary position where it is more expensive than ever before to employ somebody, despite the squeeze on wages. Stagflation is upon us. Inflation is up by 12% since 2010, but wages are down by 6%. It is little wonder that so many in our communities are borrowing.

When we come to legislate on income tax or on the increasing numbers of people who are self-employed—the small business owners whom we all cherish in our communities—let us ask what we can do to help them. Let us not be blind to these challenges, or to the inequality that is stubborn in our country. During this time, the people who benefit from many of the measures in such legislation have done rather well. In 2000, FTSE 100 chief executives were paid, on average, £1.4 million a year. Now, it is £4.5 million—a 220% increase. That is not market forces, but it shows a failure by us as a country to invest in people. Our productivity reveals that challenge, and the personal debt of our communities is paying for it.

Ministers may ask what I would do to raise money—we have heard that question before—so let me give them some examples of things that we could put into this Bill.

[*Stella Creasy*]

We could, for example, look at clause 16 on capital gains tax. Earlier I asked Government Members whether they might join me on this. After all, there has been much talk about tackling the issues of non-doms. Indeed, the previous Chancellor changed the legislation to put capital gains tax on to residential property sales, but now there is a loophole around commercial property sales. Let me reassure Government Members that if they choose to follow our advice on this matter, it has been tackled in the United States, in Canada and in Australia. It is not crazy economics but sensible planning.

We could apply the same rate of tax on carried interest to hedge fund managers. Why are they not paying the same rates of income tax as the cleaners who clean their offices—still, on this Government's watch, seven years on? We could change business property relief, too often used to avoid inheritance tax, restricting it to small businesses and perhaps bringing in a cap of, say, £5 million, so that people do not use that to avoid taxation. We could deal with commercial real estate in cases where people are avoiding the 5% stamp duty by putting it into companies. Those are all things that could be put into clause 16 to raise money and to be fair about who is paying all the taxes that are avoided.

Clause 69 talks about gathering information. We should be dealing with the information about the debts that our communities are based around. Forty-one per cent. of consumer debt is on credit cards. Hon. Members should talk to the people in their communities who are now called zombie debtors, paying the interest but not the capital on the money that they owe. They are borrowing to stay afloat because their wages have not risen, and they are borrowing for basics—to put food on their table, to keep a roof above their head, and to put petrol in their car to get to their jobs where they are not getting the pay rise that they deserve. Nothing in this Bill will tackle the squeeze on them from that debt or help the third of people who are now in debt because they are behind on credit card repayments. Clause 69 could introduce an FCA consultation, as despite the fact it is looking at credit card debt it is not considering the lessons that Ministers could learn from the cap on high-cost credit companies. When some people are paying £2.50 for every £1 they are borrowing in this way to stay afloat, it is time to extend the cap on high-cost credit and payday loans to credit card companies. We could do that in this Bill; we could certainly gather the information on the impact it would have.

We could also look at the creditors we as a country owe. Members on both sides of the House will know of my interest in private finance initiatives and my recognition that Governments of all colours have used them and continue to use them. I note that Ministers have talked about the £23 billion they wish to invest in infrastructure and I am sad that the right hon. Member for Wokingham (John Redwood) is not in the Chamber given the concern we share about whether private finance is the best way to do that. Of the additional money put into the NHS in the spending review, 22% will leach out to PFI companies as profit, and every constituency in this country has one of these deals.

Let me give an example of the kind of money we are talking about. The company that owns University College Hospital in London has made pre-tax profits of £190 million

out of the £735 million that we as taxpayers have paid it. That is enough money to build another hospital outright. This country now owes £300 billion in PFI debts on projects that should have cost £55 billion. Nobody in this House can be smug about PFI. When PF2 is as expensive and the preferred model for how the Government intend to invest in infrastructure, Members on both sides should be asking whether their communities can avoid such contracts.

With eight companies owning 92% of the equity stakes in the hospital sector, there is certainly more work to be done to look into them. Indeed, the Bill gives an exemption to the very companies for the interest that they pay on shares. These companies signed deals with the public sector to pay a certain rate of corporation tax and to commit to paying UK taxes. Indeed, the value for money assessments of the deals was predicated on that, and I note that the Government have not updated the value for money deal to take account of this information from 2013, despite promising more than four years ago that they would.

Schedule 10 to the Bill allows those companies to claim back the interest without the cap. How can we, as a society, give these companies more money through that investment relief as we see our public sector struggling and that money being leached out of it? Surely we should change that, and I hope that Members from all parties will listen and support changes to proposed new section 439.

While Brexit is a Monty Python foot, for many of our small businesses VAT is their biggest compliance issue. Many of them trade in Europe and therefore have to reclaim VAT from other countries. The clock is ticking for us to leave the European Union and the lack of information in this legislation about how companies will manage VAT post-Brexit is alarming. In particular, articles 170 and 171 of the Council of Ministers' 2006 directive—I hope that the Minister is writing this down—are matched by section 39 of the Value Added Tax Act 1994. That allows companies in Britain to seamlessly reclaim VAT through intra-EU legislation. Those options will be gone for our companies when we leave the European Union unless we have alternative arrangements, so when the Government are making legislation through part 4 of the Bill on VAT, the lack of any correlation between the 14th directive and the importance of aligning those measures so that businesses have a seamless transition and can be confident that they can manage their VAT if they trade with other countries is very frightening.

Mel Stride: The hon. Lady's point about VAT and the arrangements that may or may not pertain when we leave the European Union will be dealt with in the upcoming customs and excise Bill.

Stella Creasy: I thank the Minister for that point, but obviously the Bill is about Making Tax Digital and the intra-EU process is digitised. That is what makes it so seamless for so many companies. When we are making legislation about making VAT a digital entity and working online, surely we should be joining these things up to make it as easy as possible for our constituents who have to deal with these issues, rather than separating it out. My point is simply that this Bill is now coming towards the House at the same time as those negotiations are happening. Our constituents deserve clarity on how these things are going to work together.

That applies particularly to our self-employed constituents. Clause 64 could help many of them who have to deal with the errors relating to their welfare entitlement and their tax entitlement. We know that 18% of self-employed people get tax credits, compared with 10% of people who are employed, yet there is nothing in the Bill to help them. I am sure that my colleague—another gentleman from the SNP, whose constituency is I am sure as beautiful as Moray but unfortunately I have forgotten what it is—would agree that we could help those people through this legislation by joining up the way in which the state works with self-employed people. Issues such as how they deal with VAT, with universal credit and with insurance will all be covered in the Bill, but there is an absence of ideas from the Government on how to help those people.

The Government also seem to be overlooking some of the poorest people in our society. I know this because, 18 months ago, I took part in the consultation on tips, gratuities and service charges—the disguised remuneration that the Government are so concerned about—yet, 18 months on, we are no further forward on finding out what the Government are going to do to prevent some of the poorest workers in our retail industries from being ripped off by employers who dip into their tips and use them to prop up their businesses. I have given examples of this to the Treasury and to HMRC, and these issues could have been dealt with in this Bill, but there is nothing there. There is nothing in the Bill to protect workers who get their tips through an electronic system or to ensure that their employers are not taking a surcharge from them. There is nothing in the legislation that even gives a legal right to a payslip—a very basic piece of information that would help to stop those people being exploited.

Those 10 ideas reflect the things we could have done, through this Bill, to help the poorest hard-working people in our communities who will be stamped on by that Brexit “Monty Python” foot. I look at the gaps in the Bill and at the ease with which non-doms will slip through the loopholes, and I see a Government who are not only running out of ideas but running out of road on Brexit. God willing, with the work that we will do, they will also run out of time soon.

5.17 pm

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): This second Finance Bill of the year brings forward measures that the House did not have time for before the general election. Without that election, I would not be standing here today to represent the people of Berwickshire, Roxburgh and Selkirk and I therefore very much welcome the opportunity to contribute to this debate. I am also delighted to speak so soon after my colleague, my hon. Friend the Member for Moray (Douglas Ross). I know Douglas from our time together in the Scottish Parliament, where he was an excellent Member, and I am confident that he will be a first-class representative in this place for the people of Moray. I congratulate him on his excellent maiden speech.

As a whole, this is a Bill that prioritises fairer taxation and economic stability—two policies that have served my constituency in the Scottish borders well. Indeed, the number claiming out-of-work benefits in Berwickshire, Roxburgh and Selkirk has fallen by more than 50% in the past five years and remains below the Scottish and

UK average. Around 200 new businesses have been created in my constituency since 2013. That means more people in work and paying tax, and 200 more businesses making contributions to the public purse and providing local jobs. This has been achieved by encouraging growth, not through more and more public spending. Our deficit is now a third of what it was, and we remain on course to have a budget surplus within the next few years. This approach can be contrasted with that of Opposition Members, who stand for more spending, more borrowing and more debt. Labour Members stood on a manifesto that was completely uncosted and fiscally irresponsible. Their spending plans have a £58 billion black hole and their planned tax rises will drive away businesses and reduce investment.

The Conservative approach in successive Finance Acts also stands in stark contrast to that of Scottish National party Members, who want to drag Scotland out of the United Kingdom. This would leave Scotland with a £13 billion black hole in its public finances. While the UK's deficit is now down to 3% of GDP, an independent Scotland would have a deficit worse than those of Spain or Greece, and one that would saddle our children, our grandchildren and probably our great-grandchildren with significant debt. Despite trying for years to get one, I have yet to hear a straight answer from an SNP Member about how they will plug that gap. That will need to be done with spending cuts, tax rises, higher borrowing or a lot of all three. To put that figure in context, £13 billion is more than Scotland spends each year on our health service. I ask: where is this money going to come from? Luckily, the vast majority of Scots seem to agree that that is not a price worth paying, which is why support for separation continues to fall.

My consideration of the Bill has given me the opportunity to reflect on my general views about fiscal matters. It will come as little surprise to Members that as a Conservative, my instinct is for taxation to be kept as low as possible. Doing so encourages growth and innovation, and it encourages the best and the brightest to move to the United Kingdom to work and do business. That view is all the more important for me because I represent the Scottish borders, so my constituents bear the brunt of different approaches to taxation in our United Kingdom. It is too easy for a business, or a higher-tax earner, to relocate south of the border if Scotland ceases to be an attractive place to do business, and I fear that that is increasingly becoming the case.

Taxation powers in Scotland are shared between the United Kingdom and the Scottish Parliament, after a considerable transfer of power to Holyrood, but the approach of the two Governments could not be more different. The Conservative Government here are backing Scottish business with lower corporation tax rates, investment in broadband and shortly, via the borderlands growth deal, significant investment in the south of Scotland. Personal taxation has been reduced by increasing the personal threshold, benefiting more than 2.5 million Scots. In contrast, the SNP has made Scotland the highest-tax part of this United Kingdom. Middle earners pay more income tax and more council tax per higher-banded property, and the large business supplement is twice the rate applicable in England. It is little wonder that Scotland has only narrowly avoided falling back into recession at a time when the UK economy is growing at a healthy rate.

[John Lamont]

I turn to the legislation that we are considering, in which there is much to welcome. My constituents will be happy with the provisions designed to crack down on aggressive tax measures, particularly the changes in part 4 that will prevent individuals from using artificial schemes to avoid paying the tax they owe. Those measures include new penalties for those who design or enable tax avoidance schemes that are later defeated by HMRC, building on the £160 billion in additional tax revenues that it has secured since 2010.

I think the time is right to abolish permanent non-dom status. It is only fair that those who have lived here for a considerable time pay tax in the same way as UK residents do. The idea that a person can move and live here for 40 years, or even be born here, and avoid certain taxes is a ridiculous way of exploiting our tax regime, and I welcome the steps to change that. I am also pleased with the introduction of a simplified corporation tax deduction for companies that make contributions to grassroots sports. For recognised sport governing bodies, the deduction will be unlimited. I know of a number of small and medium-sized businesses in the Scottish borders that will be encouraged by the measure to contribute to local sports teams.

As a Member representing a population with an above-average number of pensioners, I am encouraged by the introduction in clause 3 of a new income tax exemption to cover the first £500 of pensions advice provided to an employee. That reflects the fact that pensioners have been given greater freedom by the Conservative Government to spend their pension fund, but that with that extra freedom some might benefit from greater advice. The provision will make seeking that advice more affordable and encourage employers to offer it to their staff.

There is also a range of measures designed to make our tax system fairer for all taxpayers. Clauses 5, 7 and 8 tighten the rules over termination payments, the recycling of pension savings and incomes paid through dividends. Governments need to be responsible to all taxpayers, so it is correct to make changes that might be unpopular with the few for the benefit of the many. The measures to progress the Making Tax Digital initiative in clauses 60 to 62 are common-sense in this day and age. I am generally supportive of the Making Tax Digital programme, as well as the decision by the UK Government to slow down the pace of implementing these changes.

I am pleased that the Bill will put in place exemptions for businesses that cannot meet the requirements due to their geographical location, and I hope that the regulations will be drafted widely on this point. In my own area of the Scottish Borders, too many businesses suffer from unreliable internet connections, and I would not want them to be penalised because of local infrastructure issues. By closing the tax gap further and making taxation fairer, we will boost the nation's tax revenues—not by hiking up taxes like the Opposition parties want us to, but simply by ensuring that people pay what they ought and are due to pay.

I conclude by welcoming the Bill, and I look forward to supporting further measures to make the economy of Scotland, and of all the United Kingdom, stronger and more prosperous.

5.25 pm

Ruth George (High Peak) (Lab): It is a great pleasure to follow the two excellent maiden speeches of the hon. Member for Moray (Douglas Ross) and my hon. Friend the Member for Liverpool, Walton (Dan Carden). I will not try to expand on the points made so well by my hon. Friend the Member for Walthamstow (Stella Creasy). She gave us a masterclass in why Labour Members have no cause for shame on our economic record, whereas Government Members have many questions to answer. I look forward to hearing the replies to those questions in the Minister's response.

As a relatively new Member of the House, I must echo the concern I expressed earlier today about how a Bill is not only of such weight and length, but has been published, together with the explanatory notes, only today. The right hon. Member for Wokingham (John Redwood) said that the Bill had been written at the time of the Budget back in March, but in that case why could it not have been published sooner? Anyone would think that the Government were keen to avoid scrutiny and to prevent Members from being able properly to debate what is in the Bill. That may be why so many speeches have been not about the Bill, but about the economic record of the Labour party.

I echo the points made by Members from both sides of the House who have set out the economic challenges of productivity that are so important to making sure we have an economy that is sustainable for the long term and works in the interests of all our people. The lack of certainty that certainly exists among businesses in my constituency and across the country is leading to a downturn in the level of investment that they are able to make. As my hon. Friend the Member for Walthamstow said, household incomes are dropping, and the higher taxes on lower-income households—VAT has an impact on households with very low incomes—means that they are now paying far more tax than they did in 2010. That has an impact on the incomes that, in lower-income households, are primarily spent in the UK, not overseas. Those are the people who support our economy and our local businesses on a day-to-day basis.

The same is true of public sector workers. We heard earlier about the way in which our public sector workers have been treated, and how the Government feel that they have not managed the economy well enough to be able to give our public sector workers the pay rise they deserve. That is a shame for millions of public sector workers, who work hard—day in, day out—to help all the people of this country.

Louise Haigh (Sheffield, Heeley) (Lab): Does my hon. Friend share my concern that in today's announcement by the Home Office of a 1% rise for the police with a 1% conciliatory bonus, it recommends that police forces pay for that out of their reserves, which are dwindling in the extreme, and does she agree that that would be fiscal irresponsibility in the extreme?

Ruth George: I absolutely agree. That is not the way to treat the public finances, and it is not the way to treat police forces, which have already had a 20% drop in their budgets since 2010. In my own area of Derbyshire, there are 341 fewer police officers, and the blue line is very thin indeed. The measures announced earlier today will do nothing to incentivise our hard-working police officers.

I was pleased to receive the assurances from the Financial Secretary earlier, with the guarantee that the £30,000 of tax-free money on termination of employment would continue and that there would be no taxation of discrimination compensation payments following a tribunal. However, Ministers need to recognise the ill feeling and hurt feelings that are often caused when an employee is made redundant. Those payments can be genuine and Ministers need to look again at that matter.

We should contrast the treatment of people on low incomes and public sector workers with the treatment of non-domiciles. The Government claim to be acting on non-doms, but the limit is only 15 out of the last 20 years for someone to be deemed a domicile. Even then, as I mentioned earlier, the Government have given them a loophole of two years to transfer their money to an offshore trust. That shows the attitude the Government take towards non-domiciles and tax avoidance by people who can afford to pay it. The Government claim that they will raise £1.6 billion from that measure, but they have no idea how much will be raised because they have created a loophole that I am sure non-doms and their advisers will be all too keen to take advantage of.

The Bill increases the scope of business investment relief

“to make it easier and more attractive to potential investors to bring their money in from overseas.”

That includes investments in commercial property. Although there has been a dip in commercial property prices in the City, that reflects market forces. That dip is important to encourage new firms to come into the City. We do not want those properties to be snapped up for tax relief purposes by non-doms who are simply seeking to make a quick buck. That will push up prices, making it harder and more expensive for companies seeking to trade in the UK to create real jobs and wealth in our country. Again, there is an extension of the time limit for those non-doms to avoid any clawback of their business investment relief when a company comes to the end of its profitability or to the end of an investment.

That is not a plan for investment in viable UK businesses; it is yet another loophole for the super-wealthy. It contrasts with the Government's response to public sector workers and their entirely legitimate demands. I am afraid that that really shows whose side the Government are on.

5.32 pm

Kit Malthouse (North West Hampshire) (Con): I, too, congratulate my hon. Friend the Member for Moray (Douglas Ross) on his fantastic exposition. I know that he is a Member of Parliament, but he is obviously also an unpaid advocate for VisitScotland. I will do my best to visit his beautiful part of the country, having had a fantastic February half-term there just this year.

I also congratulate the hon. Member for Liverpool, Walton (Dan Carden), who is not in his seat, on his maiden speech. He and I were brought up about a mile and a half apart. We obviously had fairly similar experiences of the city we both come from, but we have gone different ways in politics. I am slightly older than him, so I guess that I experienced the Liverpool of the hard left and he experienced the city where the hard left had broadly been expelled and that had started to recover. Having heard his speech, I think perhaps the hard left is back, but I nevertheless welcome him to his place.

Before I start, I draw the House's attention to my entry in the Register of Members' Financial Interests. I am a small business founder and owner, and my business will be affected by some of the measures in the Bill. I am happy to say that it will no longer be affected by Making Tax Digital. I offer my thanks again to the Financial Secretary for his reasonable and sane approach to the revision of that policy.

My right hon. Friend will know that I ran a low-level campaign to advise the Government of the error of some of the measures they had put into Making Tax Digital early on. Frankly, I am pleased to see that the parliamentary system worked: the Government proposed something; Members scrutinised it and opined upon it; the Treasury Committee, on which I sat and still sit, issued a report on the policy; and the Government listened to lots of industry groups and amended the policy to one that was roundly and warmly welcomed by industry generally. That is the way things should work and I am very pleased that they have in this particular instance.

I am pleased to hear the Minister announce from the Dispatch Box that the scheme, although delayed, will now be open for voluntary participation. I assume that will also be the case for corporation tax purposes, and not just for VAT. The new measure applies only to VAT, but the Government, I think, are going to consider including corporation tax from 2020. It might be sensible to allow companies to participate on corporation tax earlier than 2020, so that the system could operate like the old self-assessment system did when it came in. That was entirely voluntary for the first few years until 60% compliance was achieved, when it then became compulsory for everybody. Notwithstanding that people always grumble about paying their taxes, the transition was pretty smooth and seamless. It is now an accepted part of the tax landscape, as I hope Making Tax Digital will be in the future.

One area the Government might think more about in the next two or three years as they move towards greater implementation of the scheme, is the notion of quarterly reporting, in particular for corporation tax. As I have said in the past, VAT quarterly reporting is a relatively simple exercise for the vast majority of businesses. They do not need advice on a quarterly basis to compile their VAT returns—it is a simple calculation. Corporation tax, however, is an entirely different exercise of deep complexity and, frankly, fear for a lot of companies. No one communicates with the Inland Revenue on corporation tax unadvised. This is where the problem exists, because the compliance cost of corporation tax, particularly for small businesses, is extremely high. The Federation of Small Businesses estimated that the compliance cost for Making Tax Digital would be about £2,500 to £3,000, even for the very smallest companies. For medium-sized companies, it can run into the tens of thousands of pounds just to make sure they get their corporation tax calculation right, because our system is incredibly complicated—about which, more in a moment. So, Making Tax Digital—fantastic. I will be an enthusiast for it on the basis that it is voluntary at the moment.

I am very pleased with the anti-avoidance measures in the Bill. Anti-avoidance is not just good for the Exchequer; it is good for all the other taxpayers. Recovering more tax from those who avoid and evade it means that the taxes for those who pay their tax on time and to regulation do not have to rise quite as high as they

[*Kit Malthouse*]

otherwise would—indeed, they could be cut. We ought to bear in mind the Government's proud record of recovering, I think, £140 billion under anti-avoidance and anti-evasion measures. That says something about how the tax system was run before they came into office. That this amount of excess was squeezed out of the lemon says something about the way previous Chancellors ran the system, and perhaps about how they would in the future.

I join my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (John Lamont) in welcoming the end of the permanent non-dom status. It seems insane to me that people who have lived in this country for decades could have a more beneficial tax arrangement than those who were born here and have lived here for exactly the same amount of time. The Government are doing the right thing in plucking the goose of non-doms enough to recover the money that they should be paying, but not so much that they migrate elsewhere.

I want to raise with the Government two areas on which I recognise that something needs to be done, but where there are wider implications for the economy. The first is the change to the nil rate band for dividend taxation. I declare an interest as a business owner who is, from time to time, in receipt of dividends. Like many small business owner-managers, I will be affected by the change. I recognise that I have to shoulder my share of the burden of dealing with our national finances. We are still running a deficit. We have massive and increasing national debts that need to be addressed at some stage and it falls to my generation of business people to help to do that. However, we have to take care in this party about what signals our taxation policy sends to people about how they should behave, what we value in society and the nature of capital.

We are incredibly good in this country at inventing things. We have the largest agglomeration of scientific research on the planet and more Nobel prizes in one Cambridge college than in Germany and France combined. In fact, Trinity College, Cambridge has more Nobel prizes than Japan, the third-biggest economy in the world. We are incredibly inventive but not very good at turning those inventions into companies. We used to put capital and idea together, under the great Queen Victoria, when we built our wealth on ingenuity and buccaneering capital, but since then we have not done it quite so well or with such frequency.

Of the top 500 companies in the world, only two were created in Europe in the last 40 years, while dozens have been created in other parts of the world in that time. Those two are both British—Vodafone and Virgin—but there should be a lot more. There are lots of 18th, 19th and early 20th-century companies in the top 500 from this part of the world but no recent ones, and that says something about the dynamism of capital in this country.

As we look towards the future economy, we know that our success is not guaranteed. It is likely that we could be squeezed between the United States, with its incredible appetite for ideas and its romping capital constantly looking to invest in those ideas, and China, with its incredible ability to spend enormous amounts of public money and its disrespect for intellectual property derived elsewhere in the world. If we cannot close this gap between idea and capital, we could find ourselves squeezed.

Stephen Kerr (Stirling) (Con): There should be a relationship between risk and reward, should there not? It is a delicate balance. What is my hon. Friend's view on whether the balance is right in the measures before us?

Kit Malthouse: I was about to come to that. The rise in taxation on dividend says something about how we treat the proceeds of risk. The argument has always been that dividends should be taxed less than income to recognise that risk. More times than not, if someone invests in a company, they lose their money. In some spheres, such as life sciences—a specialist area of mine—nine times out of 10 they lose their money. If someone invests in a drug discovery company, it is quasi-charitable giving—nine times out of 10, they are giving to the economy for the good of their health, hopefully. The notion that dividends should be taxed just like every other income starts to erode the idea that as a Government and a society we want to reward risk taking.

In future Budgets, I hope that Chancellors will find a way to re-instil the sense in ordinary working people that they should think about starting and building their own business. Sadly, over the last couple of years, the number of people contemplating starting their own business has dropped. A couple of years ago, it was about 39% to 40%; according to the latest survey, it is now only about 14%, and the single largest barrier that puts them off is access to capital—the ability to get the money to start a business.

Bim Afolami (Hitchin and Harpenden) (Con): What is my hon. Friend's view of the fact that many economists, notably the American economist Tyler Cowen, have recently discussed how innovation has been slowing down not just in Britain but in America and across the developed world? Not disregarding his point about taxation, I think that points to something more fundamental about western economies and how the economic system is working.

Kit Malthouse: That is a very good and broad point, and I could talk for a long time about it—[HON. MEMBERS: "Go on."] I wish. It is definitely my perception, and the evidence certainly shows, however, that the operation of capital is becoming more and more sluggish across the western world.

As I said earlier when I mentioned those top 500 companies, capital is incredibly sluggish, particularly in the EU. In this country it has long been said that that is partly the fault of the housing market, in which so much private capital is tied up because we like to own our homes. In other countries, such as Germany, where that is not the case, capital may be more dynamic, and there may be more capital for investment. Whatever the problem—and we think there is a problem—Governments have a role in unlocking and lubricating the capital that is out there.

I think that both the enterprise investment scheme and the small enterprise investment scheme are good and worthy. Over the last couple of years, however, I have been pressing for them to be deregulated so that it becomes easier for people to invest, and they will not need an accountant, a lawyer and pre-approval from the Revenue to achieve—in the case of the EIS—modest tax reliefs and benefits in the future. We need a scheme that recognises the quasi-charitable nature of giving.

I would like to see a system in which people who invested in a business would receive 100% tax relief up front, and then, if they ended up owing capital gains tax, would pay the tax. That would be a nice problem to have. When I have started my businesses, the last thing on my mind has been whether there is any capital gains tax to pay. What has been mostly on my mind has been raising the money, getting going, paying the staff, finding an office, and all the rest of it. I think that such a system would be simple, easy and understandable, and would encourage a great deal more investment in the drugs, therapies and technologies that we need for the future.

The Government have a patient capital review on the cards. It kicked off about a year ago under the chairmanship of Damon Buffini, who, as Members will know, is one of those much benighted private equity guys, and I shall be pressing the Government, hopefully, for its conclusion quite soon.

The second thing that we must bear in mind about the signal that we send with the change in dividend taxation concerns young people. We have talked a good deal about home ownership for young people, but their ability to access assets in general is something that should trouble us all. Those assets include shares. It might be a good idea to give young people an incentive by suggesting that it would be beneficial for them to build up small share portfolios. The Government will say, quite rightly, that they can start individual savings accounts, and of course they can. Dividends are tax-free in an ISA, and given that the ISA allowance rose to £20,000 a year in April, it is possible to accumulate huge amounts of money. The problem with ISAs, however, is that most people hold significant amounts of cash in them. There is no limit to what can be held in a cash ISA, and far too much money in ISAs is held in cash rather than being invested in the productive economy. People should be sent signals that they should be investing in companies.

Kirsty Blackman: Is not the problem that young people do not have enough money to save, rather than not enough different methods of saving? There is a lack of money in the system. Wages are not rising and inflation is increasing, and young people cannot afford to save because they are spending too much on rent and they are in precarious jobs.

Kit Malthouse: As I have said, part of the problem is related to housing. However, the Government have made huge strides in trying to increase the take-home pay of the lowest paid. There is the rise in the personal allowance, which will increase even further. There is the national living wage, which has raised wage rates altogether. There is the apprenticeship scheme, which is giving young people a route to higher-paid jobs by giving them more and more skills. There are plenty of things that can be done.

There will be no overnight solution, but once the Government manage to move young people up the income scale, and as they get older and more money accretes to them, we should encourage them to think about saving—not just about home ownership but about saving for their futures. We are doing that in the case of pensions: through auto-enrolment, we are making employers responsible for instilling in young people the idea that they should be joining pension schemes. I am trying to think in decadal terms about the signals that

we send about the operation and dynamism of capital in this country. Unless we start planting some acorns now, we will not have oaks to sell in 20 or 30 years' time, as we have been able to do in the case of all the companies that have been founded in the last couple of hundred years.

The second issue that the Bill raises in my mind is the nature of the tax system in general. This Finance Bill is incredibly thick for what is actually a relatively short Bill, because the complexity of it is incredible. In some of its measures, the Government are rightly closing loopholes, such as through the disguised remuneration rules, and when we look at them we suddenly realise that our tax system has become a game of 3D chess, whereby the Government are engaged with business and individuals in a constant cat and mouse game around what has become a Byzantine system that is choking economic growth and development and distracting entrepreneurs and others far too much from their day-to-day work of creating wealth and jobs. Most small businesspeople I know spend far too much time on compliance costs, with taxation regulations, and this Bill illustrates that in no uncertain terms.

The Bill also illustrates that it is going to become ever harder for the Government to tax the new economy. We have heard talk today of the fourth industrial revolution, and even in my working lifetime of 20-odd years the nature of work has changed almost completely, as has the way we work. My business is almost entirely cashless. There are vast corporations that operate without cash, and that trade in one jurisdiction, fulfil in another jurisdiction, bank the money in a third, and pay tax in a fourth. Chasing this money around, combined with this incredibly complicated system, is going to become harder and harder. Part of the reason for this Bill, as the Minister said, is to maintain the sustainability of the tax base. The Government are worried that it is getting away from them; it is like a wild horse straining at the leash or reins, and galloping off across the field given half a chance. *[Interruption.]* Leash or reins; I do not know what we hold a horse with.

All of this means that we are going to have to do some pretty heavy fundamental thinking over the next couple of decades about the way we tax. We often talk about how much we tax, but rarely talk about how we tax. How are we going to tax these enormous corporations that are bigger than nations? How are we going to make it fair between them and small businesses? How are we going to tax a changing economy of individuals, who might have four, five or six different jobs, with somebody in this country perhaps performing a job in another country, but doing it digitally? All of these matters raise questions, and it is perhaps becoming harder to tax in a direct way and easier to tax in an indirect way.

I have talked in this House before about the notion of getting rid of business rates—which are biased against small businesses, and certainly small retail business on the high street, and which favour the massive internet companies—of getting rid of corporation tax, which is hard to collect and for which compliance is not great, and of thinking about moving to an easy, collectible turnover tax. A huge company like Amazon, which is completely electronic and totally cashless, could pay its turnover tax every day: at the end of the day it knows how much money it has made, and the computer can tell how much tax there is and transfer the money across to the Government. That would be an enormous win.

[*Kit Malthouse*]

The advent of the cashless society means it is much easier to track people's turnover, and to take that little clip that the Government want to pay for all the services we need. In time—perhaps not in my political lifetime, but in the future—we might even move to a situation where there are no direct taxes on individuals, and where tax becomes voluntary, with people paying it as part of their spending, in the form of indirect taxes through VAT, duties and so forth. Certainly that is the tax that those at the lower end pay; the only tax those who earn less than £11,000 will pay is indirect, such as VAT, which they pay voluntarily when they spend. These are the broad themes we are going to have to think about over the next couple of decades if we are going to be able to raise the money to pay for the services the country rightly needs.

While welcoming the Bill, therefore, I would like the Minister, certainly as the Budget approaches, to think in decadal terms about the foundations we need to create now for a sustainable tax base and a vibrant economy for the future.

Mr Speaker: I hope that the hon. Gentleman feels that in the course of his comparatively brief contribution he was at least able to clear his throat.

5.54 pm

Colin Clark (Gordon) (Con): I rise to welcome the Finance Bill and to recognise the success of this Government's financial policy, and I am delighted to follow the eloquent speech of my hon. Friend the Member for North West Hampshire (Kit Malthouse). Opposition Members often endeavour to play down the United Kingdom's economic success—three million jobs have been created nationally since 2010—but my constituency has blazed a trail in the north-east of Scotland. In Gordon, which is to the north-west of Aberdeen, unemployment is at 1.6%, which is up from 0.8%, but the past few years have been painful for the big north-east employers: the oil and gas industry and the service companies that support it. Many jobs have been lost in the sector, and particularly hard hit have been the people who live elsewhere in the UK, but the green shoots of recovery are beginning to show. I am sure the Minister will join me in welcoming Oil & Gas UK's economic report, which shows that confidence and investment are returning.

I have visited the European offshore oil and gas exhibition, which is on the boundary of the Gordon constituency. The hon. Member for Aberdeen North (Kirsty Blackman) had to point out to me that it was being held just inside her constituency, but she is welcome to visit the new £400 million Aberdeen exhibition centre, which has been built in my constituency. The exhibition displays a showcase of many Aberdeenshire and Aberdeen-based companies, and the technology is breathtaking. The sector has made it a priority to be outward-looking, exporting equipment and skills to wherever there is oil and gas and, increasingly, renewables. It is imperative that oil and gas are at the heart of the Government's industrial strategy and at the top of their fiscal priorities.

A key part of our recovery is attracting investment to the UK continental shelf, and Oil & Gas UK recognises that the UK's fiscal policy puts it in the top quartile

of places to do business. Coupled with competitive corporation tax and attractive levels of personal income tax, companies and skilled professionals are choosing to operate in the UK. I thank my right hon. Friends the Members for Forest of Dean (Mr Harper) and for Wokingham (John Redwood) for highlighting the oil and gas industry in their speeches. The Government's fiscal policy is key to the continued prosperity of many areas in the UK that depend on oil and gas. Without a raft of attractive tax policies, we would risk a brain drain, and the oil industry moves rapidly, so the availability of facilities and skilled employees is essential. It is therefore disappointing that the Scottish Government's empty property rates policy has led to the tearing down of properties in my constituency.

Kirsty Blackman: I do not know whether the hon. Gentleman has seen the Finance Secretary's announcement today about the Barclay review, but it would be a good idea for him to have a look at it, particularly the part about property rates for new empty properties.

Colin Clark: I welcome that intervention. Considering how long I have been sitting here, I will have to read it after I have left the Chamber.

The UK oil and gas industry employs 300,000 people—largely well-paid workers who contribute to the Exchequer. It underpins a highly skilled workforce and invests vast amounts in training and R and D, such as at the centres that the hon. Lady and I have visited. I ask the Minister to look closely at the tax history of oil assets, their transferability, how that will affect decommissioning and how best to promote the UK to be decommissioning experts for offshore oil and gas.

SMEs are the bedrock of the UK economy, and, like my hon. Friend the Member for North West Hampshire (Kit Malthouse), I am a businessman and must declare an interest here. At £200,000 a year, the value of the annual investment allowance is significant for small to medium companies. Instead of the spending that the Opposition would have us do, the allowance encourages investment, leading to more jobs, and it is important that the Treasury concentrates on investment in our economy. I ask the Minister to consider widening the AIA to include facilities, potentially creating local construction jobs.

Finally, whisky is a mainstay of the Scottish economy and probably the most popular export—very popular in the bars of this House. My constituency is home to several distilleries and, along with the rest of the north-east of Scotland, produces malting barley, but the constituency of my hon. Friend the Member for Moray (Douglas Ross) clearly takes the title of having the most distilleries. Perhaps the Minister will look fondly on the whisky and spirits industry when sampling Scotland's greatest export, so I have a suggestion: if I invite the Treasury team to partake of the distilleries in my constituency and in those of my hon. Friends the Members for Moray and for Banff and Buchan (David Duguid), perhaps the Finance Bill will not be so painfully long.

5.59 pm

Charlie Elphicke (Dover) (Con): I was fascinated by the discussion of student loans in the opening speeches, and it is pertinent that I return to that discussion in my opening remarks. Notwithstanding the Labour party's

desire to cover and obfuscate this matter in a haze of chaos and confusion, not to mention the odd car-crash interview by the shadow Secretary of State for Education, the hon. Member for Ashton-under-Lyne (Angela Rayner), from time to time—she is no longer in the Chamber, but she enjoys giving car-crash interviews, as does the shadow Secretary of State for Justice, the hon. Member for Leeds East (Richard Burgon)—the Labour party made a very clear pledge to write off £100 billion, and that sum is entirely unfunded.

Ruth George: On the question of car-crash interviews, the Prime Minister has no room for comment following the general election performance. The hon. Gentleman talks about trying to create confusion and obfuscation in manifestos, but why did the Conservative manifesto have no costings, unlike Labour's manifesto, which was clearly costed and had no promise of a £100 billion debt write-off?

Charlie Elphicke: The hon. Lady makes a valiant attempt to gloss over a £100 billion black hole in her party's costings, which would obviously have a massive impact on the public finances. That is a key concern, and it is central to what the Finance Bill is about.

Anna Soubry: Does my hon. Friend agree it is undoubtedly the case that millions of young people were left in no doubt that if they voted Labour and then, unfortunately, a Labour Government were returned, that Government would have written off student debt? Labour Members did nothing during the general election to disabuse young people of what was undoubtedly a con.

Charlie Elphicke: My right hon. Friend makes a powerful point—she is completely correct. It is exactly my recollection that the people of Britain were sold a false prospectus by the Labour party.

Ruth George *rose*—

Charlie Elphicke: I will let the hon. Lady have another go.

Ruth George: I will make it as clear as our manifesto made it during the election campaign. We said that there would be no university tuition fees from September 2017. We made no mention in the manifesto of students who have already gone to university or of writing off their debt. In fact my own children, who are in such a position, asked me about it, because it was not in the manifesto. Our manifesto was very clear, but there were absolutely no costings in the Conservative manifesto to give any clarity.

Charlie Elphicke: I hope the hon. Lady's valiance and valour will be justly rewarded by the Leader of the Opposition in the coming days and weeks, because she makes great efforts on his behalf. Conservative Members recall the Leader of the Opposition's words in the election campaign. It was very clear that he would write off that amount and that that would cost £100 billion, which would have caused massive problems. A Finance Bill would have been needed to raise massive amounts of tax had, heaven forbid, the Labour party prospered better in the election campaign than thankfully it did. Nevertheless, despite its claims to the contrary, Labour still lost the general election.

Robert Jenrick: Being young at heart, my hon. Friend subscribes to *NME*, so will he re-emphasise the exact words of the Leader of the Opposition: "I will sort it"? What could be clearer than "I will sort it"?

Charlie Elphicke: My hon. Friend is absolutely right. The Leader of the Opposition's words were, "I will sort it." I will give way to the hon. Member for High Peak (Ruth George) for a third time, if she wants to make yet another valiant intervention, to explain what "I will sort it" means. I am sure she is able to explain that away, too. I think it is very clear.

Ruth George *rose*—

Mr Speaker: Order. Before we proceed, I suggest that a little focus on the contents of the Finance Bill might be in order.

Ruth George: If the hon. Gentleman wants to decide that election pledges were made from any sort of wording that came from any politician or any party leader, I hope he will also be looking over pledges made by those on his side, which came with absolutely no costings whatsoever.

Charlie Elphicke: At least the third go was the best of the three, but we have covered that matter and, as you rightly and gently chide me, Mr Speaker, we need to move on to the contents of the Bill.

I will therefore move on to discuss non-doms and the background to the relevant clause. Some years ago, a pledge was made by a former Prime Minister, Tony Blair, to take action on the issue of non-doms, but it was one of these things that ended up in constant reviews. Every year there was going to be review and action was going to be taken, but every year no action whatsoever was taken against this ancient, 200-year-old tax loophole. That was because of the prawn cocktail circuit and the Labour Government wanting to snuggle up to their friends in the City and in big business, rather than securing the tax system for ordinary folk. We ended up with a situation in which the person cleaning an office could be paying more in tax than their boss. That was how it was under the last Labour Government.

As colleagues will recall, in 2007 we had a change of Prime Minister—Gordon Brown took over—and proposals were made by our former Chancellor, George Osborne, to end the non-domiciled tax loophole. The Labour party wants to tell us, and wants the House to believe, that this was all Labour's idea, but it was not. We all remember that it was George Osborne who proposed ending the non-domiciled tax loophole. I remember that, because I was advising him when he was our shadow Chancellor, and I recall the Labour Government saying that this could not be done because of the US-UK tax treaty. They came up with all sorts of reasons why it could not be done. They said it could not be done because it would mean that nurses would not come to the UK, as they depended on their non-dom tax status. Labour came up with every "dog ate my homework" excuse as to why non-domiciled tax status should stay as it was. Colleagues will recall that after our party conference the opinion polls changed sharply because people loved the idea of the inheritance tax break that was to be funded by the excellent Conservative policy of ending this shameful loophole.

[*Charlie Elphicke*]

After that, partial action was taken on non-domicile tax. It is welcome that further action is being taken today, but we must bear in mind that Labour has never made the running on this issue. It has always been the Conservative party—the workers' party that we are—on the side of hard-working people and the hard-working classes that has made the running, and forced action and reform, on this 200-year-old abuse of our tax system. Labour Members, now trying to make up ground, should hang their heads in shame at the fact that for so many years they took so little action on this matter.

Some other abuses of the tax system are touched on by this Bill, although not sufficiently and they ought to be touched on more. One of those relates to image rights. For too long, footballers have been able to say that money that they earn is not taxable income but is due to their image rights, and they are able to keep that money offshore. We should look at that, and I hope that the Government will consider introducing changes in Committee or on Report to make sure that image rights are properly captured as the disguised remuneration that they are. The Government are to be commended for taking a lot of action on disguised remuneration, but further action is needed on image rights to make sure that footballers and other sports stars have proper payments and that proper dues are paid to our tax system.

Finally, let me talk about the clauses in part 3 dealing with fulfilment houses. This sounds innocuous, but it is about overseas sellers who are failing to charge VAT on online sales. Let me explain briefly what happens. Say, for example, a small businessperson in a regular county such as Northamptonshire sells sunglasses and is doing really well. They are sourcing them from the far east and importing them to the UK, doing really great trade selling them on the internet through Amazon and eBay. They are registered as a trader and paying VAT—they are paying their dues. Suddenly, they find that those sunglasses are being sold on online platforms such as Amazon, eBay and Alibaba—these platforms are all the same—for 20% less. They think, “How can that be?”, because that is less than the price at which they are able to buy them and then do business. The answer is that the person they have been purchasing from has realised that they, too, can sell sunglasses on these online platforms and, because they are overseas, they can play a game and not account for VAT at all.

The measures in the Bill to try to stamp out such abuse, which costs the Exchequer between £1.5 billion and £2 billion a year—perhaps more; no one is quite certain—are welcome, but they do not go far enough. I would like Ministers to consider going further and, rather than a registration-type scheme, having a simple rule that says there is joint and several liability on the part of the online platform—let us say eBay—such that the platform itself has to account for VAT if it is not paid by the seller. As sure as eggs is eggs, the online platform will pretty soon ensure that VAT is paid and accounted for if it is on the hook itself if the VAT is not paid. I hope Ministers will consider that, be firm, and ensure that we are not lobbied by large multinationals such as eBay, which do not exactly pay a lot of tax in this country themselves because they claim to be elsewhere.

The Government should ensure that there is joint and several liability to make sure that the money is collected, because £2 billion of tax revenue per year is at stake.

Goodness knows, we always hear Treasury Ministers, Government officials and the Treasury as a whole complaining that they find it so hard to come up with ideas as to how to raise taxes; well, here is one right before us. I urge Ministers to give full consideration to the possibility of going that bit further, tightening up the legislation and making sure that the tax is paid. It is important not only from the point of view of revenue, but from the point of view of ensuring there is a level, competitive playing field, so that small businesses in this country can compete fairly with overseas enterprises and the tax system is not tilted against the person who is working hard to make a living in this country.

6.12 pm

Neil O'Brien (Harborough) (Con): The Bill is an excellent bit of work by Treasury Ministers and officials. It is easy for politicians to say airily that we must clamp down on tax avoidance, but it is testament to the incredible amount of complex and technical work that goes into making that a reality that you now have in front of you, Mr Speaker, a Bill that is pretty much big enough for you to put your feet up on.

Several of the measures in the Bill manage the difficult double whammy of protecting the revenues on which our public services rely while improving fairness. For example, by cracking down on VAT fraud by overseas sellers, we can help our own high streets. By stopping the use of artificially high interest rates and complex arrangements to avoid corporation tax, we can level the playing field between big multinationals and our small businesses. By clamping down on disguised remuneration, we can insist that people who are doing the same work pay the same tax.

I am struck by how carefully balanced the measures in the Bill are. Ending permanent non-dom status and limiting non-dom status in other ways will maximise the amount of revenue we can extract from non-doms. Of course, the populist, easy thing to do would be to pretend that we could just sweep away non-dom status altogether, but as no less an authority than Ed Balls has pointed out, that would not be the best way to secure the most tax revenue for schools and hospitals. The Chancellor has wisely chosen the right policy rather than a cheap soundbite.

Very few of the measures in the Bill are what we would call sexy—indeed, we might say they are a bit spreadsheets, if that is now a word—but they enable important investments in our future. They enable us to have fairer funding for schools in Harborough, Oadby and Wigston. They enable us to make massive investment in technical education and to have the biggest increase in science and technology investment since 1979, so that we can have a strong economy in the future. This is serious work, and we can see what a contrast there is with the Opposition. Their basic proposition is that we can spend loads more on absolutely everything, but no normal taxpayer will have to pay anything more. I do not find that plausible. What do non-partisan institutions such as the IFS say about those Opposition plans? They say that tax levels on a national accounts basis would rise to their highest share of GDP since 1946; that plans for an offshore company levy would be likely to raise zero pounds; that there was a basic £2.5 billion mistake in the Opposition's sums due to obvious double counting; and that their plans for a dramatic hike in the tax on

small businesses and for a rise in income tax would not raise what they claim. Therefore, the Opposition's plans are not serious.

Back in the real world, we have some serious challenges to face. In the early years of the next decade, demographics will start to put increasing pressure on the public finances and whoever is Chancellor will increasingly feel like they are trying to walk up a down escalator. Globalisation will continue to put pressure on our tax base, and we must not plan again on the basis that we can abolish boom and bust; rather we should try to fix the roof while the sun is shining. This Finance Bill is another step in doing just that.

We have already raised £160 billion since 2010 by cracking down on evasion and avoidance. Compared with most other countries, we do a better job at ensuring that people pay the taxes that they are due to pay, and we have reduced the tax gap compared with when Labour was in power. Currently we have unemployment at a 42-year low and inequality at a 30-year low, the deficit down by two thirds, record increases in the minimum wage and a cut in basic rate tax by £1,000 a year. Our plan is working and this Finance Bill is another step in that plan.

6.16 pm

Robert Jenrick (Newark) (Con): It is a pleasure to speak in the finance debate today on an important set of measures that will take the economy and the public finances forward in the right direction. Like other Members who have spoken today, I wish that the Finance Bill were shorter, given the relatively small number of measures, and that the effort that had begun under the last Chancellor, George Osborne, with the Office of Tax Simplification could continue and bear fruit. Budgets are becoming too complicated and too long, and the tax code ever longer, leaving small and medium-sized businesses struggling to cope with compliance. Even our largest companies spend far too much time in their board meetings discussing compliance and far too little time on innovation and how to move forward.

I am inspired by Paul Ryan in the United States, who suggested creating a tax return on a postcard for 95% of American citizens, and I would like us to move in that direction. In truth, no Chancellor since Nigel Lawson has taken tax simplification seriously. He was the last Chancellor to say that one in, one out should be our policy for creating new taxes. Perhaps that is something that we could take forward as we gain complete control over our own laws as we leave the European Union.

There are three points that I wish to make. First, following on from my hon. Friend the Member for Harborough (Neil O'Brien), I would like to say a few words about our record on tax evasion and avoidance. There is a lot of misinformation about, and much needs to be said about how successful the Government's record really has been in this area. There has been a breakdown of trust. This is a question of trust, and the antidote to mistrust is not moralising or phoney outrage, but credible action, and that is what the Government have set out to do since 2010.

When we came to power in 2010, the tax gap was rising in almost every area, particularly in corporate taxes. Today, in almost every area, it has fallen dramatically. Corporate taxes for large companies have fallen by 50%, and for small companies by 40%. In house ownership,

stamp duty has fallen by 40%. These are significant achievements. They have been hard won by measures such as the ones in this Budget—I am talking about complex measures produced by Treasury officials who have gone to a great deal of trouble to work out how these falls can be achieved in a way that would simply never have happened under the last Labour Government. We have elevated the issue internationally—from David Cameron raising it and making it the centrepiece of the G8 summit to other opportunities—so that the UK is perceived internationally as a world leader in the area.

When the all-party parliamentary corporate governance group brought Leo Strine, the chief secretary of the Supreme Court of Delaware—the jurisdiction in which 90% of US companies are registered—to speak in the House of Commons, he said that there is no way that the state of Delaware would implement any of the major measures that we have. He particularly mentioned the most significant achievement: the creation of the world's first public beneficial register of ownership. That was a significant step forward. There were legitimate arguments against it, including the invasion of privacy, but the Government took it forward none the less. It is a real achievement, which, like the state of Delaware, no other country—certainly not our major international competitors—is looking to implement. We have the general anti-avoidance legislation. We were also the leaders in the base erosion and profit shifting project under the previous Chancellor, as we are under the current one.

The results are stark, with major decreases in the tax gap of up to 50%. Had the tax gap continued on the trajectory left by the last Labour Government, it would be £47 billion and the public purse would be £11 billion the poorer. Instead, it is at its lowest ever level and is one of the lowest in the world. The way in which we report the tax gap is certainly one of the most transparent and best documented of any major country. That is a tribute to HMRC, the Treasury and successive Chancellors. We should be proud of that record and not spread misinformation that things are getting worse. As we now see internationally, the UK truly is leading the world as a result of these changes.

My second brief point is a more direct one about the Labour party and its approach not just to the Finance Bill, but more generally. The Labour party is asking the public to worship a false god. Labour says that taxing our businesses and entrepreneurs much more will result in a higher tax yield. That is not true. The richest 1% of this country pay 27% of all the income tax collected. The richest 5% pay 45%. Until the eve of Gordon Brown's defeat in 2010, even he resisted raising the top rate of tax. He knew about getting our richest and most successful businesses and entrepreneurs to shoulder the greatest share of the burden, which they did—their share of tax rose under Labour as it has under the Conservatives—but it was precisely his hunger for more tax to spend and more money for the Treasury that led him to refuse to raise the top rate of income tax and to increase corporation taxes further.

We only have to look back within my lifetime to see the wealth creation unleashed when Nigel Lawson reduced the top rate to 40%. The Government then profited by taking a smaller slice of a much greater pie. The system that the Conservatives left to Labour in 1997 was more progressive and redistributive than the system that we

[Robert Jenrick]

inherited back in 1979 from Callaghan and Healey. In 1978-79, the top 1% of the population paid 11% of taxes, and the top 5% paid 25%. When we left office in 1997, the top 1% paid 21% of income tax—almost twice as much—and the top 5% paid 40%. The lowest 50% of the population saw the amount of tax they paid in that era fall from 20% to 11%. Lower tax rates mean higher tax yields. Higher taxes on the better off or on business for purely political reasons will not lead to a fairer tax system, even by the left's own definition.

This is the paradox: to get people and businesses to pay a higher share of tax, we usually have to lower their tax rate, and so it has been with corporation tax in our experience in the last seven years. UK corporation tax receipts have surged to a record high during the last financial year, as the main rate has fallen from 30% in 2008 to 19% today. By reducing the rate and by having a Government with a credible economic policy, we have shown that the UK is open for business, and we have attracted international businesses from around the world that wish to open their headquarters and move a greater share of their operations here. Now, with heightened uncertainty over Brexit and a possible net outflow of businesses and investment, we need this policy more than ever.

Higher taxes on companies and individuals and their homes, as proposed under a Labour Government, will mean lower tax receipts and less redistribution.

Sir Hugo Swire (East Devon) (Con): Does my hon. Friend agree that, at a time where there is uncertainty in the business community, not least because of Brexit, talking about raising corporation tax and taxation generally, as the Opposition are doing, is a mammoth disincentive for companies thinking of relocating and growing their business here at this dangerous time?

Robert Jenrick: My right hon. Friend makes exactly the point I have been advancing: not only is the approach the Opposition are taking counterintuitive, because the evidence suggests that higher corporation tax will yield less money for our public services and fewer opportunities to redistribute taxes to the most vulnerable in society, but it will send a signal that Britain is no longer open for business, which is exactly the opposite signal from the one we want to be sending to the world at this time. The point is that that is being done by the Labour party, against the evidence and for purely party political, ideological reasons.

Margaret Thatcher once said that the left would

“rather than the poor were poorer, provided that the rich were less rich.”—[*Official Report*, 22 November 1990; Vol. 181, c. 448.]

Today's Labour Members would rather that there was less money for public services, less wealth and less opportunity, so long as they could claim that they were punishing the wealthy from the comfort of their Islington townhouses.

The public should be under no illusions: the Labour party's economic plans will not bring in the tax receipts it claims they will, will not fund the commitments it claims to make, including on tuition fees, and will pose a real risk to public services. The only tax receipts that we can be certain will increase under a Labour Government

led by the right hon. Member for Islington North (Jeremy Corbyn) will be the air passenger duties levied on the businessmen and women—the entrepreneurs and innovators—stampeding to leave the country after the next general election.

Sir Oliver Heald (North East Hertfordshire) (Con): Does my hon. Friend agree that every time Labour has tried tax, borrow, spend, they have left government with the country poorer and with people earning less—the wealthy and those on lower incomes? They just do not know how to run the economy.

Robert Jenrick: I could not agree more with my right hon. and learned Friend.

The evidence I have tried to bring forward shows that under Conservative Governments—both from 1979 to 1997, and from 2010 to the present day—the money spent on public services increased dramatically while those Governments have been able to take more tax receipts from the wealthiest in society by applying a sensible, credible economic policy and not, purely ideologically, seeking to increase taxes on the rich and our business community, which is counterproductive for everybody concerned.

In closing, I want to make a simple point about Brexit and the state of the economy. The only way Brexit can be a success is if Britain charts a course towards economic liberalism. Our survival and our success outside the European Union entail Britain becoming more competitive. We must open up markets. We must find ways of building competitive advantages, of reducing and deregulating wherever possible, of getting inward investment into the country and of embracing free trade. That means encouraging enterprise above all else.

Sir Hugo Swire: My hon. Friend is making some extremely good points, but the one thing he has not mentioned, which we have to address as a matter of urgency, is productivity.

Robert Jenrick: I quite agree. Productivity is the great challenge for us. Part of making sure we are a productive society is making ourselves the most competitive society we can be. That means being willing to embrace free enterprise, to reward success, and to lower corporation taxes—perhaps even our personal taxes as well. Doing that will require the most careful management of the public finances. It will mean real, continued effort to live within our means so that our children and grandchildren can continue to deregulate, to drive competitive advantages and to have lower taxes for their companies and businesses, unshackled from the incredible burden of paying off our national debt.

We will be somewhat more exposed to the world and to globalisation when we leave the European Union—less shielded from those economic forces—so we will need to lean into the free market to secure our future. That will mean a close regard to our competitiveness and the way that we are perceived by the rest of the world. It will mean a managed but liberal immigration policy that seeks to attract the most highly skilled people that we need—a focus on who they are and the skills they bring, not necessarily on how many—and a tone that welcomes people into this country rather than repelling them.

That requires something of everybody in this House. It requires from the Conservative party a tone on immigration that shows to the world that we are open and welcoming to the best and the brightest and an approach that embraces economic liberalism, not the interventionism that we have strayed into in recent months and years. For the Labour party, it means recognising that heirloom hard-left policies will not cut it in that environment. Labour's refusal to accept that Britain's future lies in economic liberalism will not work. It will set Britain up to fail, and to fail badly.

6.31 pm

Craig Mackinlay (South Thanet) (Con): I know you have just taken the Chair, Mr Deputy Speaker, and I am afraid that we have not have heard too much good news this afternoon, so I want to bring that good news to Members.

We have closed the tax gap. We are raising more tax than ever before by closing down some of the more ambitious and egregious tax systems that Labour did nothing about over the 13 years that it was in power. We have got unemployment down to the lowest level since 1975. We are doing more to close the tax gap—it is very difficult to assess what a tax gap is; by its very nature, it is very difficult to put one's finger on—than ever before. Thirty million people are saving £1,000 in tax due to the massive increase in personal allowances from £6,500 a year in 2010 to £11,500 a year today. That is a real benefit to the lowest paid across this country. We can add to that increases in the living wage, with another £1,400 going to everybody in this country. For pensioners, we have raised the level of state pension, again adding more for those who need it.

My hon. Friend the Member for Newark (Robert Jenrick) made a very clear point about how the wealthiest in this country are now paying a higher amount of tax than ever before because we are doing what we can to close down the inefficiencies in our tax system. It is strange that Labour Members have always talked big about the wealthy not paying their share, but the Conservatives are actually making them do so. We have reduced the inequality in pay grades between the sexes. Apparently, for people in their 20s that pay inequality is now down to zero. All that is being achieved by this Government.

Lady Hermon (North Down) (Ind): If everything is going so swimmingly for this Government and they have achieved so much, why on earth should they not lift the 1% pay cap for all public sector workers?

Craig Mackinlay: We will be having a debate about that tomorrow, I believe. The fact is that we had a £150 billion per year deficit when we came into power with our then Lib Dem partners in 2010, and we have got that down to just a little over £50 billion a year. A GDP borrowing requirement of 10% in 2010 is now down to 3%. I certainly hope that as we grow this economy we will be able to look at public sector pay in a more reasonable and appropriate way in future, but that is a debate for tomorrow and for years ahead.

I was very taken by the maiden speech made by my hon. Friend the Member for Moray (Douglas Ross) and especially by his story about the previous Chancellor, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), putting a seal on that barrel of

cask whisky. Let us hope that he put a seal on it meaning that it may be opened tax free, for the benefit of all, in due course.

The statistics on what we have achieved speak for themselves. The one that bears the most fruit is that on the lowering of corporation tax. We generally tax things that are bad. We put high rates of tax on things such as cigarettes or alcohol because we want to stop their use to some extent because of their perilous health effects—particularly those of cigarettes. Why would we want to follow Labour's proposal to raise the tax on corporates? It seems to me that unless we want to suppress profit and jobs and to do entirely the opposite of what we actually want to achieve, raising tax on corporates is the worst thing we can do—and it has been shown to be the worst thing. Members should not take my word for it. The Institute for Fiscal Studies took the Labour party's spending plan to pieces before the election.

That is the good news. I am not always in favour of Finance Bills, and I am particularly not always in favour of one of this size. As I have said before, I am a chartered accountant and chartered tax adviser, and I still work as that from time to time. I am afraid that it does no good for UK competitiveness that we now have one of the most complex tax systems in the world. It now runs to 22,000 pages and 10 million words. Compare that with the entire tax system of Hong Kong, which runs to 350 pages in its entirety. In the early days of my training, in the late '80s, the tax law rewrite was being discussed. We then had the Office of Tax Simplification, run for a time by John Whiting CBE, a man I know well and a fellow member of the Chartered Institute of Taxation. It is time to do what we can to slim down legislation and make it fit for purpose.

Much of what we have been doing of late is going in the right direction. Let me canter through various parts of the tax system and give my comments thereon. On inheritance tax, the proposals to give an increasing exemption for the family home must be the right way forward. For many people, the reason their property has become of such high value is often not to do with their circumstances. It might have been caused by quantitative easing resulting from the 2008 failure and the inflation of prices. Of course, the north-south divide and the sheer desirability of London and the south-east, as well as restrictions on planning, have caused a huge asset bubble.

One area that has much to say for itself and has been discussed a lot this afternoon is the extension of inheritance tax to non-domiciles. The situation has been daft for a long time as non-doms have benefited from tax exemptions across vast parts of our tax code, but we should strike a note of caution this afternoon. Clause 33, expanded in schedule 10, deals with non-doms who use a company or trust to hold UK residential property. There is perhaps a flaw in the Bill as drafted that needs clearing up, and that could be done in Committee.

The situation as it is designed deals with non-doms who own a residential property through a foreign company. Let us say that that non-dom is a New Zealander, who owns a property portfolio through a New Zealand company. If that were the case, he could now be subject to inheritance tax on that UK property.

That in itself is not an issue, but my worry is that if an alternative non-dom had provided the financing to the non-resident company for that UK property purchase—this

[Craig Mackinlay]

could involve a vehicle that had never had anything to do with the UK—there is potential under the Bill as drafted for that loan to be caught under UK inheritance tax rules. I am not entirely sure that that was the intention. For example, a Swiss investment company owner—or even a foreign discretionary trust—providing finance for a non-dom company to buy UK residential property could find itself within the inheritance tax net even though it had never set foot in the UK. A foreign discretionary trust could even find itself facing 10-year principal charges. Again, I am not sure that that was the intention. We have done much—starting some years back with the annual tax on enveloped dwellings and the extension to stamp duty for properties purchased that way—to try to unwind corporate structures that own property in the UK. No other party has tried to make the playing field level for UK citizens in this country who are doing the right thing, but we are now rightly extending those measures to include non-doms.

I know that we have had the election, and circumstances have brought us to where we are today. There are no surprises in the Bill, and it is not retrospective, but I believe that we should avoid the practice of proposals coming into force, many of them on 1 April this year, before the legislation has been agreed in this House. For instance, if the proposals on non-doms owning a residential property through a foreign company become law, a situation could arise in which a person who had died sometime after 1 April was subject to a law that had not yet been enacted because it had not received Royal Assent. We should avoid situations such as that.

My concern about some parts of the inheritance tax extension to non-doms—I am not saying that it is not right at all—is that we need to get the balance right. My right hon. Friend the Member for Wokingham (John Redwood) highlighted the fact that there is a balance to be struck between making Britain an appealing place for business and deterring non-doms from coming here at all. Many of those who come will be spending out on improvements and jobs as well as contributing to the VAT take. There is a balance to be struck and, unlike Labour, we know where that balance is. My hon. Friend the Member for Newark (Robert Jenrick) put it rather well when he said that we would rather see more people becoming wealthy than see the poor suffering as long as the rich did too.

Pensions have gone through what can rightly be called a revolution over the past few years, starting with the pension freedoms that came into play in 2015. The way in which we took our pensions was very restrictive. We accumulated our funds, but we had no choice but to put them into annuities that could, depending on the interest rate at the time, have provided a rather poor outcome. It is therefore absolutely right that we now have pension freedoms. We can do what we like with the pot that we have accumulated. We can have draw-down income, and we can use it far more flexibly.

It is recognised that massive amounts of tax relief are available in the area of pensions. There is nothing wrong with the current annual allowance of £40,000; that is the right level. However, I do have some problem with the lifetime allowance of £1 million, because I do not think a senior nurse aged 45 to 50 in the NHS pension scheme was ever intended to be knocking on the door of lifetime allowances. If somebody with their

own self-invested personal pension or defined contribution scheme has a good fund manager and has done well during their working life, is it fair for them to be penalised by comparison with somebody who has not had such a good fund manager and whose returns have not been quite so good? I am not in favour of the lifetime allowance, but I am certainly in favour of the annual allowance.

Auto-enrolment has been one of the great successes, because I do not think that anybody is saving enough towards their pension.

Sir Greg Knight (East Yorkshire) (Con): I am reflecting on what my hon. Friend said about allowances. Is he arguing for allowances to be automatically uprated to take account of inflation?

Craig Mackinlay: There is an uprating coming into place to allow the floor to increase from £1 million in due course. There used not to be a lifetime allowance, but it started at £1.8 million some years ago and has come down to £1 million.

The flexibility of SIPP's and the success of auto-enrolment are essential if we are to rebalance our savings rates, which have been fairly poor by comparison with those of other G20 countries. I am looking forward to seeing how lifetime ISAs will plug any holes in the pension market. We have had a lot of change, and even though much of it has been to the good, we are in danger of losing stability. People become rather unsure about what will happen in the pension market and whether the changes will affect them. The last thing we want to do is to deter people from saving for their pensions.

On IR35, much has changed in the last year, particularly in terms of personal service companies that provide services to public sector bodies. It has long been known that personal service companies and the IR35 rules have been abused—that was recognised in the House of Lords' report—and so I welcomed the change that came in from April this year. It is not right that personal service companies, which are, by any other measure, a disguised form of employment, are not being taxed in the right way. I fully support what is happening, but I do think that we need greater clarity over employment status.

The rather complex process of recognition of whether a person is properly self-employed or properly employed is quite confusing for a small employer. That is still somewhat vague, and there is some gold-plating in the public sector because of worry about people's status. I regularly see people who work through a proper personal service company and who are clearly self-employed, not in an employment situation. Out of fear, the public sector is tending to move everybody who works in such a way to an IR35 status, which adds to costs in the sector. It is a very difficult balance.

Termination payments have been discussed this afternoon. My worry about them is that the £30,000 level has been in place since the early 1990s. If it were more realistically upgraded in accordance with inflation to today's values, it would be in the region of £70,000. Other changes are likely to bring more termination payments—most likely correctly—into tax.

I turn to the dividend tax changes. Dividend tax has been subject to huge change over the last few years. Just two years ago, it was announced that the first £5,000

would be completely free of tax, after which an individual enters the regime of 7.5% while they are within the basic rate band. I am concerned that we have moved so quickly to cut the allowance from £5,000 to £2,000. In doing so, we have not provided a stable playing field for people to get used to. I can certainly understand, from the Treasury's point of view, that this has been an area of tax loss. It has long been known that owner-managers probably give themselves the lowest level of salary, but then pay themselves through a dividend route. People recognise that the situation has perhaps been too good for too long and that things now have to change, but I am concerned that it did not take very long for the allowance to be reduced from £5,000 to £2,000.

I realise that much of the Finance Bill—the provisions amount to some 300 pages—concerns the corporation tax loss regime and the restriction of interest. I will canter through this as fast as I possibly can. Brought-forward losses may now be used very flexibly, which is very good for the smaller company. The one complexity that the Bill will bring in is that there will be two lots of losses: old losses, which have to be used in the old way; and new losses, arising after 1 April 2017, which will be used in the new way. For the smaller company, that will add a level of complexity that we perhaps do not need. I therefore seek from the Treasury Bench some change, if possible, to allow smaller companies some degree of exemption.

All in all, we are in a very good place with our tax system. There could be more simplification, and I have previously raised with Treasury Ministers my concerns about various aspects of the system. I hope that we can look again at one concern that turns up regularly in my inbox, which is the restriction on landlord's interest. That has been ill thought out and could be looked at again.

My hon. Friend the Member for North West Hampshire (Kit Malthouse) and I often discuss enterprise investment schemes and seed EISs. The sad fact is that the number of seed EISs, which should be a very flexible way of getting small amounts of capital into small start-ups, have not really been used as widely as they should have been. From my perspective of having tried to put them in place professionally, it is very unlikely that a smaller business can afford even the modest professional fees necessary for raising such a small amount of capital. Some flexibility is needed if we are to encourage seed EISs.

We need to continue to debate tax policy. Much was said by my hon. Friend about how we have a tax system that was designed with the 19th and 20th centuries in mind—trying to tax things or recognisable services—but the new digital economy means that the playing field is rather different. We need to think rather carefully, perhaps on a cross-party basis, about how we can tax the digital economy properly. We also need to discuss what our tax policy is trying to achieve. For too long, whenever we have tried to make a small change, it has either been howled down or the media have got involved, and I am afraid that we have become somewhat fearful of change. It is now time for cross-party working on what we are trying to achieve in raising the appropriate amounts of tax in the modern age.

Much has been said about productivity, but it is very difficult to measure—I am sorry to be so technical—especially in services, which are rather more prevalent in

our economy than in those of other OECD countries. I know, however, that I would rather have lower levels of productivity and higher levels of employment than the massively high youth unemployment seen in other countries in the EU, which—by whatever measure—have managed to have higher productivity among those actually in work. I put that down to the more laissez-faire system under which we operate in the UK, where the employment rules are slightly more liberal. In France and Germany, employers dare not get it wrong, because they have very little flexibility in getting it right when they need to shed staff.

I will leave my thoughts on the tax system there, and I look forward to supporting the Second Reading this evening.

6.54 pm

Jack Brereton (Stoke-on-Trent South) (Con): There have been a number of excellent and informed speeches today by Conservative Members and I am very pleased to follow my hon. Friend the Member for South Thanet (Craig Mackinlay).

Owing to the economic policies of the Conservatives, we have seen our national economy and the economy in Stoke-on-Trent South prosper. Nationally, the International Monetary Fund has upgraded the growth forecast to 2% from 1.5% and we have got Labour's crippling deficit under control, having cut it by two thirds. However, we must complete the job to get our finances fully back on track. Labour's plans would only lead to the deficit doubling. Labour would spend more than our constituents can afford and re-inflict the misery of its financial crisis on our constituents.

We must continue to build on the recovery of our economy by creating jobs and opportunities for the people of my constituency and by helping businesses to create better quality jobs. We have already seen 3 million more jobs nationally, many of them in areas like Stoke-on-Trent. An all-time record 32 million people are now in work nationally. That was never seen in Stoke-on-Trent under Labour. We had years of Labour Members and Labour Governments being elected to this place, and what did we see for it? Nothing—only more debt, more people unemployed and more people subjected to years of misery.

The Conservatives believe in aspiration and the ability of individuals to achieve and prosper. We help those who are just about getting on and we provide the support they need to achieve. What we are seeing in Stoke-on-Trent South is that the Conservatives are starting to address the legacy of decline left by Labour. We Conservatives have been helping businesses and making work pay. That has been key to our economic recovery in Stoke-on-Trent, as it has been nationally. Rather than leaving people dependent on benefits, as Labour did for so many years, we are ensuring that an increasing number of people are in jobs. There is growing employment and prosperity.

Instead of a life on benefits, there is now a living wage, which is improving people's quality of life. The national minimum wage has been increased from £5.93 in 2010 to £7.50 today. That is a 26% increase. That change to the minimum wage has added £3,200 per year to the gross wages of someone in full-time work on the minimum wage since 2010. At the same time, the top 1% pay 28% of all income tax—more than was ever seen under Labour—and income inequality is at a 30-year low.

[Jack Brereton]

That has incentivised more people to get into work and stay in work. No longer are people better off out of work and on benefits than in work. That, in turn, is reducing the pressures on our national welfare bill and helping to get our deficit under control.

The median tax bill in Stoke-on-Trent South fell from £2,000 to £1,520 between 2011 and 2015. That means that, on average, workers have more than £500 more in their pockets than when Labour was in power.

Kirsty Blackman: As I said earlier, median household disposable income has not increased; in fact, it is lower than before the financial crash. We have had 10 years of no increases in real household disposable income. The hon. Gentleman cannot say that just because people's tax has been reduced, their disposable income has increased. That is not how it works.

Jack Brereton: This is about keeping more of the money that people earn in their pockets, rather than it going into taxes.

It is a huge success that there are now more families in which parents are working, ensuring that our children and future generations have examples to look up to. It is a shocking indictment of Labour's failures in government that so many children were living in households where no one went to work. We are doing more to support working families. We are increasing the amount of free childcare to 30 hours per week for three and four-year-olds, as well as introducing 15 hours per week for disadvantaged two-year-olds. The success we have seen is due to Conservative Governments' financial policies. That is no more evident than from the enormous reductions in unemployment in my constituency.

Ruth George: As the hon. Gentleman is so concerned about working poverty and children in working households in poverty, what does he think of the Government's proposals for universal credit, which will cut over £1,500 a year from 2.1 million working households?

7 pm

Debate interrupted.

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith (Standing Order No. 15),

That, at this day's sitting, proceedings on the Motion in the name of Andrea Leadsom relating to Business of the House (Today) may be proceeded with, though opposed, until any hour, and Standing Order No. 41A (Deferred divisions) shall not apply.—
(*Andrew Stephenson.*)

Question agreed to.

Finance Bill

Debate resumed.

Question again proposed, That the Bill be now read a Second time.

Mr Kevan Jones (North Durham) (Lab): On a point of order, Mr Deputy Speaker. We are seeing an historic event tonight: a Government actually filibustering their own Finance Bill! I think that should have a plaque somewhere in this Chamber. I am told through the usual channels that the Conservative Whips told their Members to book hotel accommodation tonight because the Labour party was apparently going to talk the Bill long, even though Labour Members were assured by our own Whips that we would not. They have got to keep it going until 10 o'clock, so their Members can be reimbursed by the Independent Parliamentary Standards Authority. With 25 more speakers to go, and the Whips doing their best to cut down contributions, I wonder, Mr Deputy Speaker, whether you could institute a time limit to save Government Members from the incompetence of their own Whips Office. [*Interruption.*]

Mr Deputy Speaker (Mr Lindsay Hoyle): Hang on a minute. I thank the Government Whips, who have turned out in force, for their advice. I do not know what fear you have put among them, Mr Jones. However, if they were really interested in filibustering, they would have asked you speak. The fact that they did not has probably saved the House. As you well know, that is not a point of order but you have put your point on the record.

Jack Brereton: On the points made by the hon. Member for High Peak (Ruth George) in her intervention, we are simplifying the tax system to ensure that work pays for people who are in work. Under Labour, people were better off on benefits and that is not right. People should be better off when they are in work. Some of Labour's claims are not true. We on the Conservative Benches believe that the only way for people to get out of poverty and deprivation is through work.

We must monitor closely the increases in consumer debt and insolvency in constituencies such as mine. It is much lower than the 150% it was under Labour during the financial crisis, but with low interest rates making borrowing cheaper we have seen rises from 130% to 135% of income in recent years. As Conservatives in government, we must continue to ensure that lenders are not allowed to take the high levels of risk seen under Labour. Lenders need to continue to be more careful, and to ensure that mortgages and other consumer borrowing remains affordable.

It is vital that we do all we can to ensure a decent level of security for our constituents and their families in later life. Measures introduced under the Conservative leadership, such as pension auto-enrolment, have made sure that millions more are now saving enough to support themselves in retirement. It is now even more important that savers of working age access the advice they need to manage their pension investments to maximise their income once they draw their pension. Clause 3 will therefore be welcomed by my constituents. In 2017-18, the state pension is more than £1,200 higher than in 2010. For those reaching state pension age after April 2016, the new state pension introduces a single flat rate of

£159.55 per week. That means many people will receive much more than under the old system, and it is much fairer.

We have some incredible employers in my constituency. I was very privileged to visit Goodwin International and Wedgwood over the summer. Such businesses are at the cutting edge in their field. Whether it be in high-tech manufacturing, precision engineering or the creative ceramics industry, businesses are enjoying blossoming success with the fruits of better skilled jobs.

I am particularly pleased with the provisions on business investment relief, which will help businesses to continue to bring more investment to the UK and encourage more foreign investment in British companies, with investors no longer being dissuaded by excessive taxes. It is especially important that more of this investment enters areas such as Stoke-on-Trent, where we have an appetite for development, huge potential to grow and prosper and an ability to improve jobs. The provisions will expand the types of investment that can be made in UK businesses under the business investment relief scheme and so encourage greater foreign investment. It builds on the more than £1.5 billion invested under the scheme since its introduction in April 2012 and makes it easier and more attractive to bring in foreign investment that would otherwise go elsewhere.

Although I can identify examples in my constituency of the progress made nationally, we still need to go further in Stoke-on-Trent, which has suffered from years of lacklustre representation by Labour MPs who failed to deliver for the area even when their own party was in government. I have made it clear that the battle now is over skills and creating higher skilled and better paid jobs for my constituents, and critical to this is helping local businesses to grow these opportunities. We have colossal potential in Stoke-on-Trent to do this and to expand further the successes of Conservatives in government and Conservative MPs locally.

Stoke-on-Trent has been named the second-best place in the country to start a business and one of the best places nationally for business survival. Nationally, there are 1 million more businesses now than in 2010. The Government have helped business create jobs through cuts to corporation tax, which has fallen from 28% to 19% since 2010 and is set to fall further to 17%, and through the re-evaluation of business rates, which has taken 600,000 small firms out tax altogether. This is in direct contrast to Labour's often stated policy of taxing businesses and jobs to pay for its £58 billion spending black hole. These uncoded promises could be paid for only through higher taxes and debt for our constituents, and that is why I will be supporting the Bill tonight.

7.7 pm

Ms Nusrat Ghani (Wealden) (Con): It is an honour to follow the passionate and detailed speech made by my hon. Friend the Member for Stoke-on-Trent South (Jack Brereton).

I am not sure, Mr Deputy Speaker, if, like me, you were reminded on reading the Bill of the reason you sought elected office: the desire to provide security and opportunity for our constituents. The Government have a proud record of 3 million extra jobs, Labour's deficit cut by two thirds, and some of the strongest growth figures in the G7. The economy is in good shape thanks

to the sound and responsible policies implemented over the past seven years, and we are delivering a strong economy with strong public services.

The Bill delivers an alternative to Labour's black hole. It is about a fair taxation system that delivers for ordinary working families, that does not place a stranglehold on individual entrepreneurialism or burden people with tax bills they cannot afford, that is fair and robust, and that tackles tax avoidance and evasion. We have a good record on taxes, too. We have reduced corporation tax from 28% to 19%, meaning that SMEs, which are so important to our economy, including Wealden's economy, can keep more of their own money. This has generated more income for the Treasury: corporation tax receipts have increased from £37 billion to £50 billion.

One nation Conservatism is perfectly explained by the raising of the personal allowance, which has given 30 million people a tax cut of £1,000 and lifted 1.3 million out of income tax entirely. In combination with the national living wage and the freezing of fuel duty for the seventh consecutive year, this means that ordinary families are better off thanks to a Conservative Government.

By contrast, over 13 years in government, Labour failed to deliver on tax avoidance. The tax gap—the difference between the taxes owed and the taxes received—stood at 10%, and it allowed the Mayfair loophole to go unchallenged, which let hedge fund billionaires off the hook to the tune of millions of pounds. Labour was weak on tax avoidance in the Finance Bill that the House debated before the general election, demanding that the measures we are discussing today be stripped from the wash-up Bill. Labour cannot be trusted on tax avoidance. Its Members occasionally talk the talk, but they will never walk the walk.

Where Labour failed, we are delivering. The Bill contains important measures to crack down on individuals and corporations when they do not pay what they owe. Tax avoidance by larger companies and wealthy individuals not only short-changes the Treasury, but short-changes the SMEs that drive the economy, and that is a message we are sending very clearly today.

Like every other Member in the Chamber, I have many small businesses in my constituency. It is our job to stand up for those businesses in this place. They are not able to use complex tax schemes and clever accounting to shuffle their money around the world, reducing their tax bills to near zero; instead, they pay their fair share. By 2020, the contribution that SMEs make to the economy will be more than £200 billion and, importantly, they will be employing more than 15 million people.

The Bill will deliver on our promises and commitments, helping to level the playing field. It will ensure that our public finances are in order, allowing us to invest more in our public services and better preparing our economy. Above all, supporting it is the responsible thing to do, and that is why I shall support the Bill tonight.

7.11 pm

James Cartlidge (South Suffolk) (Con): I thought I would take a leaf out of the shadow Chancellor's book by bringing a red book into the Chamber to wave around in his style. It is a copy of "The Middle Way", by Harold Macmillan, written in 1938. I brought it here because I think that what is significant about the Bill is not any of the individual measures, which we all accept

[James Cartlidge]

are very technical—they are not particularly headline-grabbing or, dare I say, sexy—but the context. This is a serious point. I think many people feel that they are still living in a time when capitalism itself—in which I believe very strongly—is being questioned. It worries them that it is not seen to be fair, and they fear that our economic system is not rewarding everyone evenly.

Here we are, eight years after the credit crunch and its major impact. Macmillan wrote his book in 1938, nine years after the Wall Street crash, but, then as now, the impact of the crash was still being felt by society, and there was a drive towards populism. I believe that such a move to populism can be resisted only through sensible measures from centre parties that address the injustices of capitalism while still ultimately supporting its success and its growth.

We are very fortunate, in that when Macmillan wrote that book there was high unemployment and a deep depression. The situation was very different, but it was comparable in the sense that people on both the left and the right were turning to much more extreme alternatives. Interestingly, Macmillan's answer was a national living wage. His answer was nationalisation. His answer was making all kinds of what we might typify as socialist interventions in the economy. Since 2008, we have nationalised the banks. A Conservative Government have introduced a range of measures that could be seen as potentially hitting—dare I say—our voters.

I think that the most classic example, for which I had argued myself, is the introduction of measures relating to buy-to-let landlords. We have seen a huge surge in that area of home ownership, with people owning multiple portfolios. I know that those measures have not been popular with the few. If we were the party of the few and not the many, we would never have introduced them, but we had the guts to do so because we felt that that was right at a time when first-time buyers were struggling ever harder to get on to the property ladder.

I think that this is the key point. The sense of injustice that is out there now, and which leads people to question our economy, is about asset wealth. Yes, wages have been under pressure since the crash, but when we came out of the crash, what did we do? In order to escape the worst effects of the depression, we pumped huge amounts into the economy. Inflating assets again, the help-to-buy scheme and quantitative easing—all those measures were right at the time, and in many ways continue to be.

Kirsty Blackman: The hon. Gentleman has been talking for three minutes, but I do not think that he has mentioned the Finance Bill yet. Are we going to have a discussion about it at some point?

James Cartlidge: That was a charming intervention by the hon. Lady—is that the best she can do? I am talking about our current economic context, which is why we have introduced this Finance Bill, and I was coming on to say that its measures could be seen by some as an attack on large corporations. The measure on dividends—I have to say that I still receive dividends—will be unpopular with some of our voters, who are some of the richest people in society, but we feel at this time that we have to strike a balance, and I support the balance we are striking. We are bringing in permanent

non-dom status, but at the same time we will be encouraging non-doms to invest in this country, incentivising them to use money held legally abroad so that it comes here.

To me, that is the most important aspect of this Finance Bill: it acknowledges that there is still for the wider public what Ted Heath called the unacceptable face of capitalism—those people who are seen to be abusing the system with avoidance, evasion and all the other tactics. It is right that we are tough on those, and we have been incredibly successful in that, but the difference between us and the Labour party is that we act from a standpoint of fundamentally believing in capitalism. We believe in free enterprise, and in the idea of people standing on their own two feet, being brave, taking risks and creating businesses. We understand that in order to protect that system, just like Macmillan said, sometimes we have to take measures that can be seen to be even potentially anti-business, but the alternative is throwing the baby out with the bathwater wholesale by a party which now is fundamentally against our economic system.

There may be people who are unhappy with some of these measures, such as on dividends or the buy-to-let taxes I mentioned, but the alternative is a case of out of the frying pan and into the fire—into the arms of a Labour party whose leadership, at least, is fundamentally against the capitalist system. When those people attack with vigour the measures such as those we have taken on tax avoidance, saying we could go so much further, they do so because fundamentally they do not believe in the entire system. I do, and I think these measures are sensible. They help us to strike a difficult balance at this difficult economic time, and that is why we should support the Bill.

7.16 pm

Alex Burghart (Brentwood and Ongar) (Con): A number of measures in the Bill will be very broadly supported by my constituents as they uphold some of the values that Members have raised, such as the importance of fairness in our economy. My constituents believe in hard work and fair play, and many measures in the Bill support those values. In particular, we intend to get more money out of non-doms and will raise money for the Exchequer so that we can put it into our prized public services.

That issue matters very much to me. For many years I worked at the Centre for Social Justice, an independent think-tank that was established to alleviate poverty and to look at its root causes. One thing we saw time and again was that where there are workless households, there is despair. That despair rubs off on children, diminishes parents' mental health, and gradually eliminates people's ability to get back into work—it gets them trapped in a vicious cycle.

That is why it is so important that this Government over the past seven years have built a recovery around work. We now have record employment in this country. That has become a phrase that we just knock off, but we fail to realise the human value of the fact that we now have more people in work than ever before. I know we are political opponents, but I would appreciate it if just once I could hear an Opposition Member welcome the fact that we have the lowest unemployment in our history. I will happily take an intervention if someone wants to welcome it now.

Jonathan Reynolds: We say that all the time. We always welcome it, but we just wish it was possible for the debate to include a consideration of the situation in a huge number of households where people are in work, as child poverty rates are rising and households are in poverty. Why does the Conservative party say nothing about that phenomenon, which is a huge part of life in Britain today?

Alex Burghart: I listened to the opening remarks in today's debate and I did not hear anyone from the Opposition welcoming record employment, so I am glad to hear the hon. Gentleman do so now. If I gave him the opportunity, I am sure that he would also want to welcome the fact that inequality is decreasing and that a whole generation will benefit from growing up in households with work. It is a gift that keeps on giving. The number of children in workless households has decreased by a third since 2010, and the number of households in which no one has ever worked has fallen by 40% since the previous Labour Government were in office. In fact, we are nearly back at the all-time low that was reached under the Major Government. The gift of work enables families to get on with their lives and enables children to grow up in a home where they have the example of people in work. Those opportunities cannot be taken lightly.

I am pleased that the Government on whose Benches I sit continue to feed the economy, but we are not doing that by spending money that we do not have or by borrowing money from future generations. Instead, we are spending and living within our means. I am extremely pleased to see that essential value embodied in the Bill, which is why I shall be supporting it tonight.

7.21 pm

Rachel Maclean (Redditch) (Con): It is a pleasure to be called to speak in this critical debate. I, too, support this Finance Bill, because it is important and relates to taxation, which underpins the foundations of democracy and good government. Due to the time constraints, I will discuss only two key points that the electorate expect the Government to deliver on for the people of this country, and the first is fairness.

Opposition Members make much of our record and talk about tax avoidance, but they rarely did anything in their 13 years in government. I am proud to be a member of a party that considers such values paramount. We are tackling the abuses that the public rightly find disgusting. Small businesses cannot afford to wriggle through the loopholes that Opposition Members built into the legislation when they were in government. It has been left to a Conservative Government to end permanent non-dom status for the first time. We have seen the extraordinary spectacle of Opposition Members being on the side of the richest non-doms, and let it not be forgotten that Labour allowed the Mayfair loophole to persist, with hedge-fund billionaires paying just 10% tax on their earnings. They were happy to sit back and let tax avoiders shirk their responsibilities to pay for our NHS and other public services. Instead, a Conservative Government have tackled the issue of raising the revenue that we need, and which Opposition Members regularly call for, to fund our schools, hospitals and other public services.

I welcome the Bill because it also deals with the redistributive nature of taxation. We are building, and will continue to build, a redistributive tax system that is

fairest to those on low incomes, and I am proud to say that the richest 1% are set to pay 27% of all income tax and that the richest 5% will pay 38%. It is right that we ask the richest to pay more tax. All Members ought to be familiar with the Laffer curve. It is not a dry economic theory; it is a fact that results in more money going into the Exchequer's coffers to pay for schools and hospitals. It is ironic that we hear so much from Opposition Members about inequality when this Government have delivered the lowest levels of income inequality for 30 years.

Competence is the other element that people look for in a Government, and I want to draw Members' attention to a city that is close to Redditch. Birmingham is our nation's great second city and close to the hearts of Redditch residents, many of whom work there, play there or used to live there, and we can see there the record of the Labour party in government. It is a city in which a bin strike has been ongoing for months, with no sign of resolution. Huge, stinking piles of rotting rubbish are an eyesore on the streets, rats roam unhindered through the stench, and cockroaches and other pests scuttle all over the pavement. What a fate to inflict on the poor residents of Birmingham, who are trying to go about their daily lives and run their businesses. I never see a Labour Member for Birmingham, our great second city, speaking about this issue. If the Labour party cannot run a bin service, the public rightly question how it can possibly run a country.

The electorate deserve an approach to running the economy that delivers opportunity by growing businesses and backing jobs. We understand that by lowering taxation on small businesses we can encourage more entrepreneurs to take the giant risks to their livelihood that starting a business involves—I know all about those risks having lived through that cycle myself.

We are supporting the small businesses that make up 99.3% of all private sector businesses, many of which are in Redditch and doing extremely well. My constituents in Redditch will welcome these measures, which are fair to businesses and fair to the lowest paid, and will raise more taxation to fund public services in Redditch and the rest of the country. I look forward to voting in favour of the Bill tonight.

7.26 pm

Bim Afolami (Hitchin and Harpenden) (Con): It is a pleasure to follow so many important, thoughtful and eloquent speeches from both sides of the House. I will refer to some of them, but start by considering where the British economy is today and by recognising, as my hon. Friend the Member for Brentwood and Ongar (Alex Burghart) has just made clear, that a lot of our discussions in this debate on productivity, on trying to increase median earnings, on trying to raise wages and on getting more money into people's pockets are predicated on the lowest unemployment rate since 1975. They are predicated on the Conservative Government since 2010 finally taking action to address the deficit and the debt. We should not forget that fact, and we should realise that we stand on the shoulders of successful Conservative economic policy as we enter this debate.

This Finance Bill, as many of my hon. Friends and other hon. Members have already made clear, addresses many important issues and should be welcomed on both sides of the House. In particular, it addresses fairness.

[*Bim Afolami*]

In what ways does it address fairness? It clamps down on aggressive tax avoidance and tax evasion. In particular, it makes sure that large multinationals pay their fair share of tax, which enables us to keep taxes on SMEs and ordinary individuals lower.

What is the Conservative Government's record in this area? The tax gap is now only about 6.5%. For those Members who are unaware, the tax gap, to which many Conservative Members have already referred, contrasts the amount that a fiscal measure should yield to the Exchequer with what it actually yields. Our tax gap is one of the lowest in the OECD and is this country's lowest for many, many years.

This Finance Bill ends permanent non-dom status for the first time—that definitely never happened under a Labour Government. There are a couple of other more technical measures on interest deductibility for certain companies and on offsetting losses for large multinationals. The Bill makes it harder for certain large businesses—by all means, not all—not to pay their fair share.

It is important that we consider what the Conservative approach to the economy has been. My right hon. Friend the Member for Wokingham (John Redwood) made a powerful speech at the beginning of the debate in which he eloquently set out how, as Conservatives, we believe in a higher tax take, not higher tax rates for individuals. The higher tax take is what is significant. Following up on what my hon. Friend the Member for North West Hampshire (Kit Malthouse) said, high tax rates on certain people or companies just to make ourselves feel better can often yield lower tax revenues for the Exchequer, which presumably is not a wise economic policy, although it seems to be the one pursued by Labour.

As we have heard many times, including just now from my hon. Friend the Member for Redditch (Rachel Maclean), the top 1% pay between 27% and 28% of all income tax, which is one of the highest levels this country has ever seen. The corporation tax rate has been reduced significantly since the Conservatives came into government in 2010. In the financial year 2009-10, this tax yielded £37 billion, whereas in the financial year 2016-17, it raised £50 billion. That is the impact of Conservative economic policy, and we should not forget that our approach is about raising the tax take, rather than raising tax rates.

We should also consider where fiscal policy is now and how we should think about it in the future. It is important that the Government seek to be a little more flexible in some of their actions on fiscal policy. It is important for business confidence that they present the positive, forward-thinking growth agenda for the 21st century that we all want to see. We need to expand opportunities and incentives for people to invest in this country and for people who run businesses, or who want to set them up in Britain, to expand them and grow. My hon. Friend the Member for North West Hampshire spoke eloquently and at length about the importance of this country's difficulty in growing medium-sized companies into large ones. Let us be more ambitious in fiscal policy so that we can encourage more of that activity.

We all want to see Britain lead the world in every sector, be it tech, manufacturing or finance. I welcome the announcement at the March Budget about the

Treasury looking at how to tax tech multinationals, which are currently not taxed as much as they might be, and working internationally to do so. By doing that, we can reduce some of the taxes that hurt SMEs, such as business rates and comparatively high payroll taxes. If we can think and work internationally with our global partners on how we tax big multinational internet businesses, we might be able to bring down the level of tax for individuals and SMEs in this country.

Conservative Members have made it clear that we want to make Britain an even more exciting, attractive place in which to invest, and my hon. Friend the Member for Newark (Robert Jenrick) made an incredibly powerful speech about the importance of simplifying the tax code. I urge the Minister and the Government to look again and more seriously at that. Many Members have referred to the fact that the Finance Bill is heavy and thick. I am sure the Minister has drafted it with absolute care and dedication, but is it not a shame that it is so thick and that we cannot have a simpler tax code? I urge the Government to look again at more proactive ways in which we can simplify our tax system to make it easier for everybody, both individuals and businesses, from across the world and within this country.

Let me finish by making a few remarks on a subject that has been raised many times in this debate, productivity, which is the missing piece in our economic miracle over the past few years in this country. So many incredibly intelligent people, economists from across the country and across government, have examined the issue, yet our productivity has stubbornly been stuck below that of some of our leading European partners. We all know some of the ingredients—they include skills, infrastructure and, in certain respects, the tax system—but one thing that is not considered enough is business confidence in our fiscal policy and economic future. I urge the Government to present a more positive vision: show us how we are going to become a 21st-century economy in a more productive way. Let us show the world that we are the place to be for leaders in tech, finance, manufacturing and all the other areas of our economy. If we can do that more effectively, we will improve the capital investment from all over the world that inevitably aids productivity.

I fear that I may be wearing away Members' patience, so I shall finish. The Government have made significant strides in sorting out the country's economy; the Finance Bill builds on that work, I am proud to support it, and I commend it to the House.

7.35 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): The British economic model is “broken” and in need of “fundamental reform”. Those are not my words, but the findings of the interim report of the Institute for Public Policy Research's economic justice commission, which comprises, among others, the Archbishop of Canterbury, the global managing partner of McKinsey and the policy chairman of the City of London corporation. The report spells out in painful detail the situation that most Members see in our constituencies every week: the link between economic growth and higher living standards is broken; young people with no prospect of attaining the quality of life enjoyed by their parents; a UK with a fundamental imbalance between the south-east and everywhere else; a labour market characterised by insecurity and low pay; and inequality growing, with a third of children living in poverty, and that proportion going up.

Michael Tomlinson: Will the hon. Gentleman give way?

Jonathan Reynolds: I feel I have heard quite a lot from the Conservative party, so if the hon. Gentleman will forgive me, I shall proceed.

Today's proceedings, along with the ways and means discussion last week, have been characterised by deeply held concerns about the state of our economy. There have been many fine and noteworthy contributions in what has been a wide-ranging debate, taking us from Venezuela to the application of the Laffer curve to corporation tax. I feel that Conservative Members will find it quite difficult to cope when I point out that the average rate of corporation tax in OECD countries is 25%, or that in Germany, the strongest economy in Europe, it is between 30% and 33%—and it is even higher in America. The hon. Member for South Thanet (Craig Mackinlay), who is no longer present, even questioned the very basis of taxing companies at all, but it is a reasonably held position that companies benefit from good infrastructure, a skilled workforce and a proven legal system, and it is reasonable to balance the impact of taxation between individuals and corporate entities. I feel duty-bound to point out that the tax gap fell every year between 2005 and 2010—from 8.5% to 7%.

I wish to pay tribute to two particular contributions—

John Redwood: Will the hon. Gentleman give way?

Jonathan Reynolds: I will not give way; I have listened to the Conservative party for more than eight hours.

The first contribution to which I pay tribute is the maiden speech of my hon. Friend the Member for Liverpool, Walton (Dan Carden). It was at times funny and moving, and it captured the character of his constituency extremely well, but it also had a serious and thoughtful message about the changing nature of work, automation, and the fundamental lack of opportunity faced by young people today. He described Liverpool as one of the great cities of the world, which it undoubtedly is—perhaps not quite as much as Manchester, but we can take that outside—and he proved he will be a fine representative for it. With 85.7% of the vote at the election, I imagine we will have the chance to hear from him for some time to come.

It was also a pleasure to hear the maiden speech of the hon. Member for Moray (Douglas Ross). He was extremely articulate and gracious about his predecessors, and that came across very well. I have visited his constituency: I have been to Elgin and to Cullen, and I have tried Cullen skink, a dish every bit as tasty as his maiden speech. I congratulate him on such an assured debut.

Despite the party political nature of much of the debate, we have heard serious concerns about ailing productivity. We have heard worries about the lack of certainty in the Brexit negotiations and what that means for the public finances. We have heard Members reference the challenging demographic and technological changes that face our nation, and yet we have a Bill before us that has nothing to say about any of that.

When I was talking to residents in my constituency during the EU referendum, leave voters raised specific concerns about immigration and sovereignty, but more

than anything else it was a sense of recurrent anger and of post-industrial decline that they had witnessed and lived through that animated so many of them. My constituents told me that they were voting leave because of zero-hours contracts, because they could not get on the housing ladder, or because they had lost their job due to austerity and now had to work for less pay and poorer conditions. For me, those people were voting not to leave the EU, but to try to leave the UK. All of us, whichever side of that referendum or this House we are on, must be concerned about that. We should want to tackle that disconnection and alienation—not just paint a rosy picture of statistics and how we want to see them for our own political benefit.

I will let the House into a secret: I am jealous—I really am—of the Ministers on the Front Bench. I am jealous of the power that they have to put this right. I am jealous of the opportunity that they have to do good. However, instead of using that opportunity and that power, this Government do not even appear to see the problems. The Finance Bill before us today seems to be legislating for a completely different set of economic circumstances. It is not difficult to see why there may be frustration among those who look at these measures and feel that they are being left behind and among those who look at this Government and ask: why is there always one rule for the people at the top, and another for everyone else?

We have had an absurd set of interventions about student debt, pretending that the Leader of the Opposition had said something, which evidently he had not. It says to me that the Conservative party is still in denial about what happened in the general election—how it lost a majority despite being so far ahead in the polls. If Members think that it was down to something that they are wilfully misinterpreting, I am afraid that they will face further difficulties ahead.

The backdrop to last week's ways and means debate was a rally of nurses outside Parliament, rightly asking for redress for the 14% real terms pay cut they have endured since 2010. Yet while that was happening, this Government were proposing a resolution, which expanded business investment relief for non-doms. It was a stark reminder of where this Government's priorities lie: look after the people at the top, and the rest of us will supposedly benefit from the trickle down. It is just that on the Labour Benches, we see it the other way round.

Only this Government could pretend to flirt with the public and say that they were ending the public sector pay gap, and then, on the day that the consumer prices index comes out at 2.9%, announce rises well below that. If we end up, as is looking likely, with people like those nurses taking industrial action in protest at their treatment, public sympathy will not be on the Government's side.

As a country, we are on the cusp of huge change driven by deeper globalisation, environmental change, technology, and, most pressingly, our exit from the European Union. Brexit is now the defining issue of our generation and it brings with it significant challenges and uncertainty. Our worry is that we are approaching Brexit not from a position of economic strength, but as a rudderless ship, already taking on water and listing badly off course. The Government are failing to plan ahead for our future outside of the EU and this Bill is another demonstration of that.

[Jonathan Reynolds]

I want to refer specifically to the Government's provisions around HMRC. The Conservative party certainly talks a good game on tax avoidance, but the Government have yet to explain how HMRC will better battle tax avoidance while accommodating another £83 million of cuts. Surely this is the time that we should be investing in HMRC, not taking resources away.

One of the most pressing areas is the future of our customs system. This Bill sees the introduction of a fulfilment house registration scheme to deter VAT abuse by overseas businesses. However, experts are already suggesting that abuse may escalate faster than HMRC can keep up, particularly given the ever growing popularity of online business. More urgently, the legislation makes no reference to how this will change once we have left the EU. The scope of these measures will be altered hugely should our customs arrangements with the EU change, which they almost certainly will. There are huge implications for policing our own customs border, and for getting an IT system ready to manage customs and excise once we leave the EU, but this Government cannot even tell us what the likely transition arrangements will be, let alone start preparing for them. Surely the worst possible place to start is from a situation in which we have already lost 5,000 staff from HMRC. Time and again, we find ourselves in a situation where it is hard not to conclude that this is a Government without any substantive agenda, other than hanging on to office at all costs.

This Finance Bill, now finally coming to the end of its Second Reading after months of delay, was sadly not worth the wait. It is a damning reflection of the Tories' priorities—fiddling on the deck of the rudderless ship as it cruises straight towards the rocks. We need answers on investment, productivity, fairness and prosperity, but we have a Government who are not even willing to ask the right questions. Listening to some of the contributions today—we heard some presidential quotes in the maiden speeches—I was reminded of a line from President Obama's first campaign, when he said "it's not the magnitude of our problems that concerns me the most. It's the smallness of our politics."

Our message to the Government is that we will vote against this Bill tonight because it is not worthy of the challenges this country faces. The British people have had enough of an austerity policy that has comprehensively failed, and they are desperate for something better. If this Government cannot bring themselves to face up to the challenge of building a post-Brexit country that is fairer, more competitive and more prosperous, they should get out of the way for the people who can.

7.45 pm

The Economic Secretary to the Treasury (Stephen Barclay): The debate has been wide-ranging, covering virtually every aspect of the Bill. That is right and proper for a Bill of such importance. We have heard a number of impressive contributions, including two maiden speeches.

The hon. Member for Liverpool, Walton (Dan Carden) made a powerful and assured maiden speech in which he rightly talked about the cultural richness of Liverpool. His reference to his 85.7% share of the vote at the election is a good example of the improved performance and productivity to which all MPs can aspire. There are

not too many Members who can say to the hon. Member for Bootle (Peter Dowd) that his election result was on the low side at 84%.

My hon. Friend the Member for Moray (Douglas Ross) gave an excellent maiden speech. He spoke of the successful business growth in his constituency and his ambition for the area, particularly for its local growth deal. I am sure that colleagues in Government will work closely with him on that. I am even surer that the Father of the House will very much look forward to sharing a dram of the whisky to which my hon. Friend referred.

I will respond to the detailed points raised by Members shortly, but I first want to be clear about the purpose of the Bill, which is underpinned by principles that I hope we all share: that tax should be competitive and fair, and that it should be paid where it is due. In the weeks ahead, we will have the opportunity to scrutinise the detailed provisions in Committee. The majority of the Bill has already been subject to significant scrutiny following announcements made last year or even earlier. Consultation has been widespread. Together with the pre-election Finance Bill, the measures have had almost nine hours of debate before today.

The Opposition suggest that our strategy to keep tax competitive in some way undermines our absolute commitment to world-class public services and that lower taxes somehow mean less investment in hospitals, schools and our emergency services. But the Government know that it is only through a strong, growing and dynamic economy that we can afford the vital public services our country needs. When we help business to do well, to invest and to create jobs, we are building our tax base to secure that funding for the long term. Competitive taxes protect revenues. Look at what happened when we reduced our level of corporation tax. The private sector created 3.4 million new jobs with an additional £18 billion in corporation tax. In contrast, raising taxes—as the Opposition threaten—to what the Institute for Fiscal Studies describes as their "highest ever peacetime level" would put the brakes on our economy, drive investment elsewhere, reduce employment and, ultimately, diminish our ability to raise the funds our public services need.

Let me deal with some of the specific points raised during the debate. The hon. Member for Aberdeen North (Kirsty Blackman) once again raised the issue of termination payments. These reforms are about providing clarity in the legislation and ensuring that there are no loopholes that people can use to avoid tax. They will not affect statutory termination payments or payments arising as a result of employment tribunals. They will not reduce the £30,000 tax-free allowance that exists to protect the less well-off when they are made redundant. We have no plans to change the £30,000 allowance. In any case, that would require an affirmative statutory instrument under this Bill.

The hon. Lady raised with the Financial Secretary the issue of whether a statutory instrument on tax relief for museums and galleries had been tabled, and I am happy to reassure her that it has, as he thought, been tabled today, so it is before the House.

The hon. Member for High Peak (Ruth George) raised the issue of non-doms. Let me be clear: this Bill abolishes permanent non-domiciled status. When people live in the UK permanently, it is right that they should pay UK tax. Non-doms already contribute over £9 billion a year to the Exchequer, and we expect the Bill to raise a

further £1.6 billion over the next five years. So this Finance Bill will deliver fairness and protect revenue. This is a balanced approach, and one that has been subject to extensive consultation.

During the debate, Opposition Members criticised the provisions for offshore trusts. Let. be clear again: if funds are taken out of trusts, they will become liable for tax. As the Financial Secretary set out in the debate last week, our international agreements on the exchange of information will provide a critical boost to enforcement.

A number of Members, including my hon. Friends the Members for Newark (Robert Jenrick) and for Harborough (Neil O'Brien), raised the issue of avoidance and evasion. The Bill implements a large number of measures to tackle tax avoidance and evasion. It prevents businesses from claiming excessive tax deductions, by updating the rules around how companies claim deductions for interest expenses. It continues our crackdown on artificial disguised remuneration schemes, and it introduces a new penalty for those who enable tax avoidance.

It is this Government who are tackling tax avoidance and evasion head-on. It is this Government who have announced more than 75 measures to tackle tax evasion and avoidance since 2010. We have seen HMRC more than double the annual number of prosecutions for avoidance and evasion in that time. That is how we have secured almost £160 billion in extra tax revenue. We secured over £8 billion in extra tax from the largest and most complex UK businesses in 2016 alone. In 2015-16, we secured £900 million in tax from the wealthiest, which would otherwise have gone unpaid—more than doubling the amount secured in 2011-12.

We now have over 100 countries around the world that are exchanging financial account information so that we can track down offshore money. We have published one of the first public registers of beneficial ownership in the world.

In 2016-17, HMRC brought in £574.9 billion in tax revenue—the seventh record year in a row. We have seen the tax gap drop to a level unprecedented under the Labour Government—a level that is among the lowest in the world. There is only one party in this House that can point to a record like that on tax avoidance and evasion, and it is not the Labour party.

Members raised a wide range of points in the debate. In a powerful speech, my right hon. Friend the Member for Wokingham (John Redwood) highlighted the importance of the mobility of high net worth individuals. He also recognised the £9 billion tax contribution of non-doms and the fact that our tax take has gone up under the corporation tax changes—a hugely important point to note.

My right hon. Friend the Member for Forest of Dean (Mr Harper) brought the attention of the House to the importance of productivity if we are to deliver the sustainability we want to see in higher wages. My hon. Friend the Member for Braintree (James Cleverly), who is a doughty champion of small and medium-sized businesses, correctly highlighted the importance of the sector, including microbusiness.

The hon. Member for Dundee East (Stewart Hosie) welcomed the provisions in clauses 3 and 4, as well as the extension of a number of reliefs. He raised concerns about retrospection, but the Bill will simply ensure that measures come into effect from their originally intended commencement date.

The hon. Member for Walthamstow (Stella Creasy) spoke about her concerns at the level of debt, which is really why she should support the Bill.

My hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (John Lamont) highlighted the significant fall in unemployment in his constituency and the importance of growth in driving those jobs. My hon. Friend the Member for Gordon (Colin Clark) spoke about the importance of investment and about the distinction between investment and spending.

My hon. Friend the Member for South Thanet (Craig Mackinlay) welcomed the Bill and brought his professional insight to the debate as an accountant. He flagged a number of issues that colleagues in the Treasury will be keen to discuss with him.

My hon. Friend the Member for Wealden (Ms Ghani) spoke of the progress that the Government have made in tackling areas of abuse. My hon. Friend the Member for South Suffolk (James Cartlidge), who is always a strong defender of capitalism, spoke about its importance. My hon. Friend the Member for North West Hampshire (Kit Malthouse) welcomed the constructive way that the Government had listened to his campaign on Making Tax Digital. In his role on the Treasury Committee, there will be scope for further discussions with him on other areas where he brings his expertise, and we very much welcome that. My hon. Friend the Member for Brentwood and Ongar (Alex Burghart) highlighted the record of job creation under this Government. My hon. Friend the Member for Redditch (Rachel Maclean) spoke of her pride in the Government tackling abuses. My hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) talked about the difference between the tax rate and the tax take.

This Bill will deliver through supporting families, supporting the less well-off, supporting our public services, and ensuring a stable and dynamic economy. It will deliver by raising new finances to finance new infrastructure and technical education, putting productivity first. It will deliver by raising new revenues from those who would otherwise avoid or evade tax altogether. This Bill lies at the heart of a plan to go on building a prosperous nation.

The Opposition profess to be tough on tax avoidance and evasion, to want to tighten up the rules for non-doms, and to want to clamp down on the tax gap. The Bill before the House does exactly that. So let the question tonight be not simply whether this Bill should proceed but whether Labour Members really do wish to deliver on these principles rather than succumb to the easy place of opposition for opposition's sake—whether they wish to stand up to the avoiders and the evaders, or themselves to avoid and evade their responsibility. I commend this Bill to the House.

Question put, that the Bill be now read a Second time.

The House divided: Ayes 320, Noes 299.

Division No. 16]

[7.57 pm

AYES

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi

Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi

Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, rh Richard
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Mr Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Choje, Mr Christopher
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, Mr Geoffrey
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinanage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dockerill, Julia
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Dorries, Ms Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael

Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Mr Nigel
 Evnnett, rh David
 Fabricant, Michael
 Fallon, rh Sir Michael
 Fernandes, Suella
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Mrs Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Grieve, rh Mr Dominic
 Gyimah, Mr Sam
 Hair, Kirstene
 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
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid

Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian

Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Mr Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Vaizey, rh Mr Edward

Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Whittaker, Craig
 Whittingdale, rh Mr John

Wiggin, Bill
 Williamson, rh Gavin
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
Mrs Heather Wheeler and
Andrew Griffiths

NOES

Abbott, rh Ms Diane
 Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Antoniazzi, Tonia
 Ashworth, Jonathan
 Austin, Ian
 Bailey, Mr Adrian
 Bardell, Hannah
 Barron, rh Sir Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Blackford, Ian
 Blackman, Kirsty
 Blackman-Woods, Dr Roberta
 Blomfield, Paul
 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
 Butler, Dawn
 Byrne, rh Liam
 Cable, rh Sir Vince
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carden, Dan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Douglas
 Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Crawley, Angela
 Creagh, Mary
 Creasy, Stella

Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 Davey, rh Sir Edward
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Fellows, Marion
 Field, rh Frank
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia

Grogan, John
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hendry, Drew
 Hepburn, Mr Stephen
 Hill, Mike
 Hillier, Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Khan, Afzal
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Lee, Ms Karen
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Linden, David
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry

McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 McMorrin, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Norris, Alex
 O'Hara, Brendan
 O'Mara, Jared
 Onasanya, Fiona
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Robinson, Mr Geoffrey
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Laura

Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul J.
 Swinson, Jo
 Tami, Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Stephen

Twist, Liz
 Umunna, Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Woodcock, John
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:

**Jeff Smith and
 Thangam Debbonaire**

Question accordingly agreed to.

Bill read a Second time.

FINANCE BILL (PROGRAMME)

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

That the following provisions shall apply to the Finance Bill:

Committal

(1) The following shall be committed to a Committee of the whole House—

(a) Clause 5 (termination payments etc: amounts chargeable on employment income) and any new Clauses or new Schedules relating to the tax treatment of payments or benefits received in connection with the termination of an employment or a change in the duties in, or earnings from, an employment;

(b) Clause 15 (business investment relief) and any new Clauses or new Schedules relating to the conditions under which business investment relief in Chapter A1 of Part 14 of the Income Tax Act 2007 is available;

(c) Clause 25 (trading profits taxable at the Northern Ireland rate) and any new Clauses or new Schedules relating to the extent to which trading profits are chargeable to corporation tax at the Northern Ireland rate.

(2) The remainder of the Bill shall be committed to a Public Bill Committee.

Proceedings in Committee of the whole House

(3) Proceedings in Committee of the whole House shall be completed in one day.

(4) Those proceedings shall be taken in the order shown in the first column of the following Table.

(5) Each part of the proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

(6) Standing Order No. 83B (programming committees) shall not apply to proceedings in Committee of the whole House.

Table

Proceedings	Time for conclusion of proceedings
Proceedings committed under paragraph (1)(a) (termination payments etc)	2 hours from commencement of proceedings on the Bill
Proceedings committed under paragraph (1)(b) (business investment relief)	4 hours from commencement of proceedings on the Bill
Proceedings committed under paragraph (1)(c) (trading profits taxable at the Northern Ireland rate)	6 hours from commencement of proceedings on the Bill

Proceedings in Public Bill Committee etc

(7) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on 26 October 2017.

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

(9) When the provisions of the Bill considered, respectively, by the Committee of the whole House and by the Public Bill Committee have been reported to the House, the Bill shall be proceeded with as if it had been reported as a whole to the House from the Public Bill Committee.

Proceedings on Consideration and up to and including Third Reading

(10) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(11) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(12) Standing Order No. 83B (programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.—(Mark Spencer.)

Question agreed to.

BUSINESS OF THE HOUSE (TODAY)

Ordered,

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on the Motions in the name of Andrea Leadsom relating to (a) Nomination of Members to Committees and (b) Standing Orders etc. (Departmental Nomenclature) (Digital, Culture, Media and Sport) not later than two hours after the commencement of proceedings on the Motion for this Order; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(Mark Spencer.)

Nomination of Members to Committees

Madam Deputy Speaker (Mrs Eleanor Laing): We now come to motion 5 on the nomination of Members to Committees, which will be debated together with motion 6. Before I call the Leader of the House to move the motion, I should inform the House that Mr Speaker has selected the amendment to motion 5 in the name of Mr Alistair Carmichael. The amendment will be debated together with the main motions, and questions necessary to dispose of the motions will be put at the end of the debate.

8.12 pm

The Leader of the House of Commons (Andrea Leadsom): I beg to move motion 5, on the nomination of Members to Committees,

That notwithstanding the practice of the House in the nomination of Members to committees, the following orders shall have effect for the duration of the present Parliament:

A: SELECTION COMMITTEE

(1) There shall be a select committee, to be known as the Selection Committee, to discharge the functions of nomination to committees provided for in the Standing Orders of the House relating to public business and to carry out the functions set out in or by virtue of the provisions of this order.

(2) The Committee shall consist of nine Members, of whom three shall be a quorum.

(3) Mr Alan Campbell, David Evennett, Patrick Grady, Andrew Griffiths, Jessica Morden, Christopher Pincher, Julian Smith, Mark Tami and Bill Wiggin shall be members of the Committee.

(4) The Committee appointed under this order shall be regarded as the Committee of Selection for the purposes of motions for nomination of select committees under 15 paragraph(2)(b)(ii) of Standing Order No. 121 (Nomination of select committees).

(5) The Committee shall have the power of nomination to and discharge from general committees provided for in Standing Order No. 86 (Nomination of general committees).

(6) The Committee shall observe the conditions on nominations of public bill committees on a private Member's bill set out in Standing Order No. 84A (Public bill committees).

(7) The Committee shall have the power to nominate members to European Committees in Standing Order No. 119 (European Committees).

(8) The Committee shall have the power of nomination and discharge of members as provided for in Standing Order No. 92 (Consideration on report of certain bills by a general committee), Standing Order No. 102 (Welsh Grand Committee (composition and 25 business)), Standing Order No. 109 (Northern Ireland Grand Committee (composition and business)) and Standing Order No. 117 (Regional Affairs Committee).

(9) The Committee shall have the power of appointment provided for in, or by virtue of, paragraph (8)(a) of Standing Order No. 83J (Certification of bills etc. as relating exclusively to England or England and Wales and being within devolved legislative 30 competence), paragraph (4) of Standing Order No. 83P (Certification of instruments) and paragraph (6) of Standing Order No. 83U (Certification of motions upon which a Finance Bill is to be brought in, etc.) of two members of the Panel of Chairs to assist the Speaker in certifications.

(10) The Committee shall have powers to send for persons, papers and records in the 35 execution of its duties.

(11) The provisions of Private Business Standing Orders shall apply to the Committee established under this order as if the Committee were the Committee of Selection established under Standing Order 109 of those Standing Orders; and each reference to the Committee of Selection in those Standing Orders shall be taken as a reference to the Committee established under this order.

B. SELECTION COMMITTEE (NOMINATION TO GENERAL COMMITTEES)

The Selection Committee shall interpret paragraph (2) of Standing Order No. 86 (Nomination of general committees) in such a way that where a committee has an odd number of members the Government shall have a majority, and where a committee has an even number of members the number of Government and Opposition members shall be equal; but this instruction shall not apply to the nomination of any public bill committee to which the proviso in sub-paragraph (iv) of that paragraph applies.

C: POSITIONS FOR WHICH ADDITIONAL SALARIES ARE PAYABLE FOR THE PURPOSES OF SECTION 4A(2) OF THE PARLIAMENTARY STANDARDS ACT 2009

The Chair of the committee established under part A of this order shall, for the period that part A of this order has effect, be a position specified for the purposes of section 4A(2) of the Parliamentary Standards Act 2009, subject to paragraphs (2) to (4) of the resolution of the House of 19 March 2013 (Positions for which additional salaries are payable for the purposes of Section 4A(2) of the Parliamentary Standards Act 2009) which apply as if that position were referred to in paragraph (1)(a) of that resolution; and, for that period, the chair of the Committee of Selection shall not be a position so specified.

D: NOMINATION OF PROGRAMMING COMMITTEES

The Speaker shall interpret paragraph (2)(b) of Standing Order No. 83B (Programming committees) in such a way that the number of Government and Opposition members nominated to each such committee shall be equal.

E: NOMINATION OF PROGRAMMING SUB-COMMITTEES

The Speaker shall interpret paragraph (3)(b) of Standing Order No. 83C (Programming sub-committees) in such a way that the Government shall have a majority of the 65 members nominated to each such committee.

F: NOMINATION OF REASONS COMMITTEES

That, unless the House otherwise orders, the Government shall have a majority of the members nominated to each committee to draw up reasons.

Madam Deputy Speaker: With this it will be convenient to consider:

Amendment (a) to motion 5, leave out part B.

Motion 6—*Standing Orders etc. (Departmental Nomenclature) (Digital, Culture, Media and Sport)*—

That the following changes to Standing Orders be made:

A: Select Committees Related to Government Departments

(1) That Standing Order No. 152 (Select committees related to government departments) be amended in the Table in paragraph (2), in item 3, by inserting “Digital,” before “Culture, Media and Sport” in each place it occurs.

B. European Committees

(2) That the Table in paragraph (7) of Standing Order No. 119 (European Committees) be amended in respect of European Committee C, by inserting “Digital,” before “Culture, Media and Sport”.

Andrea Leadsom: The Government are determined to fulfil their constitutional rights and obligations towards the people of the United Kingdom. We are getting on with the task set for us by voters, honouring the result of both the EU referendum and the general election. *[Interruption.]*

Madam Deputy Speaker: Order. It is my understanding that Members are anxious to take part in this debate and to listen to the arguments. I cannot understand, therefore, why there is so much other conversation going on in here. If Members wish to speak, will they leave the Chamber?

Andrea Leadsom: Our working majority will allow us to carry out the legislative agenda as set out in Her Majesty's Gracious Speech. As all Members will be aware, a working majority can be achieved in three ways: first, through an overall numerical majority; secondly, through a coalition, like in 2010; and, thirdly, through a confidence and supply agreement, which is the current arrangement between the Conservatives and the Democratic Unionist party. This gives the Government a working majority of 13, and it is what allowed the Gracious Speech to be passed by 323 to 309 votes. If the Government have a working majority to pass legislation on the Floor of the House, the Government should also be able to make progress with legislation in Committees.

On the amendment tabled by the right hon. Member for Orkney and Shetland (Mr Carmichael) and the hon. Member for Brighton, Pavilion (Caroline Lucas), I again say that the motion is simply to ensure that the Government's working majority on the Floor of the House is reflected in Committees, which will allow legislation to be dealt with in an orderly fashion.

Ms Angela Eagle (Wallasey) (Lab): The Leader of the House is saying "working majority" an awful lot in her speech so far, but her working majority—done through the deal with the DUP—does not entitle this Government, to make life easier for them, to gerrymander the Select and Standing Committees. This was the woman who said that Parliament had to be given back control, but the only control she seems to be interested in is the Government's control of this House, which is a constitutional outrage.

Andrea Leadsom: Scrutiny by the House is of vital importance—the hon. Lady makes a very good point—and it has long been established that the Opposition must have time to scrutinise Government business, but it is also well understood that the Government of the day must have a realistic opportunity of making progress with getting their business through the House. The motion that the House is being asked to agree guarantees that the party with a working majority is able to do exactly that.

Mr Alistair Carmichael (Orkney and Shetland) (LD): The Leader of the House keeps referring to having a working majority. For the purposes of this Parliament, the Government have a working majority only for matters of confidence and supply. Matters of confidence and supply are not committed to Public Bill Committees; they are dealt with on the Floor of the House. In Committees, the Government should not have—because they do not have in this House—a working majority.

Andrea Leadsom: The right hon. Gentleman will be aware that the Government do have a working majority on the Floor of the House, and as they are extensions of the Floor of this House, it is right that the Government must be able to have a realistic opportunity of getting their business through Committees.

Mr Jacob Rees-Mogg (North East Somerset) (Con): Is it not a fundamental position in our constitution that the Queen's government must be carried on, and is it not also true that if the motion is passed, its being passed will prove that the majority is there for the Government to get their business through?

Andrea Leadsom: My hon. Friend gets right to the heart of the issue. He is absolutely right.

The Opposition tabled reasoned amendments to the European Union (Withdrawal) Bill. Had they passed last night, they would have been fatal to the Bill, and would have achieved nothing other than to frustrate the will of the people of the United Kingdom. In Committee, we cannot expect this Opposition to behave any differently. Hundreds of minor, technical changes are voted on in every Parliament through Committees, but unless this motion is passed, even these changes could be prevented. Amendments made by a handful of Opposition MPs in Committee would then have to be reversed on Report, involving multiple Divisions and many unnecessary hours spent passing through the Lobbies. This would cause lengthy delays at a time when the public rightly have the expectation that the Government will deliver their business through the House in a timely fashion.

Governments have been in similar situations before. This Chamber has seen Governments with small majorities or no majorities, and those that have lost their majorities during the course of a Parliament. Last week, the shadow Leader of the House said that this motion was unprecedented, but in fact, if Opposition Members recall their modern political history, they will find that a precedent for today's motion was actually set by the Labour party. In 1976, the late Walter Harrison, Labour deputy Chief Whip, proposed a motion on a sitting Friday, with no notice and no debate, to grant the Government a majority on Standing Committees, and this majority was retained when they soon after became a minority Government. To quote from "This House", the west end play inspired by Walter Harrison:

"We have History as our guide."

Governments in the past as well as in the present—and, I am sure, in the future, too—will need to make sure, through similar proposals, that they can deliver on their promises to the people of the United Kingdom, and that is what these measures seek to do.

8.19 pm

Valerie Vaz (Walsall South) (Lab): I thank the Leader of the House for the explanation, albeit fairly brief, of why the motion is before the House. I want to ask three questions: why, why and why? Why are the Government doing this, why is this necessary, and what does the motion say? Basically, for the benefit of hon. Members, it gives the Government an extra place on the newly named Selection Committee.

When the motion was tabled last Thursday, the Government included only eight names. They hastily added the hon. Member for Skipton and Ripon (Julian Smith) to the list. Members will note from part C of the motion that the Chair will be remunerated. The name has been changed to the Selection Committee and it feels rather like a Select Committee. If that is so, should not the whole House vote on the Chair?

Mr Mark Harper (Forest of Dean) (Con): In case the hon. Lady is unaware, under the existing arrangements the Chair of the Committee of Selection is a remunerated position, so that is not a change, but just carries forward existing practice.

Valerie Vaz: I do not know whether the right hon. Gentleman was listening, but the name of the Committee has changed from the Committee of Selection to the Selection Committee.

The Selection Committee appoints Members to the Standing Committees. The Government want the extra place on Public Bill Committees to give them the majority that they do not have. This is not about the smooth running of business; it is a power grab. It is not about allowing proper scrutiny; it is a power grab. It is not about wanting to abide by the democratic result of the election; it is a power grab. What are the Government relying on? I heard nothing from the Leader of the House on why the Government want to do this.

Mr Rees-Mogg: I wonder whether the hon. Lady could answer one question. If the situation were reversed, does she think she would be bringing forward a similar motion to the one that has been brought forward by my right hon. Friend the Leader of the House?

Valerie Vaz: There is no end to the hon. Gentleman's talents, because he has asked the question that I was just about to answer.

What are the Government relying on? Is it precedent? In 1974, the minority Labour Administration had a Government majority on the Committee of Selection, but it appointed Standing Committees with no overall majority. That is, there were Committees with equal numbers. In October 1974, there was a Government majority and that was reflected in the Committees. In April 1976, when the Government lost their overall majority, a motion was passed that stated that the Committee of Selection would appoint Committees with a Government majority only when the Government had an overall majority. That was the Harrison motion. From that point, the Committee of Selection nominated Standing Committees of equal numbers. That was a Labour Government being honourable.

In 1995, there was a Conservative Government and the Whip was withdrawn from the Maastricht rebels. Some hon. Members might be too young to remember the Major Government, but the former Prime Minister had a name for some of those people and it began with B.

Ms Angela Eagle: And it ended in s!

Valerie Vaz: Yes, there was more than one of them.

Mr Peter Bone (Wellingborough) (Con): Will the hon. Lady give way?

Valerie Vaz: No.

The motion that was agreed by the House in 1995 stated that "unless and until" the party that had a majority at the election loses it through by-elections or defections—not when the Whip is taken away—Standing Order No. 86(2) shall be interpreted

"in such a way as to give that party a majority on any standing committee."

Let us look at the Standing Orders, which could be another reason why the Government are doing this. But, oh no, Standing Order No. 86(2) states clearly:

"In nominating such Members the Committee of Selection shall have regard to the qualifications of those Members...and to the composition of the House".

The words "composition of the House" are found in other Standing Orders, too. I do not know if Members are aware, but Standing Orders are how the House does business. The Deputy Leader of the House knows that

because he is a lawyer. He will know that the civil procedure rules are there for a specific purpose, and so it is with Standing Orders. They are there so that the House can do its business in a proper and orderly way. The Government, however, have no regard for the rules of the House. Why is the Leader of the House ignoring Standing Orders? What is her interpretation of the words "composition of the House"?

Perhaps the Government are relying on democracy. That is disingenuous, because the Government did not win the election. This is a minority Government. They did not get a mandate. The British people gave us their verdict, and what they wanted was to rein back the Government, and for the Opposition to scrutinise the Government and make them accountable. Public Bill Committees are where the British people expect us to reflect the views of our constituents, business, science, the financial system, the legal system and our fundamental rights—all the things that make up this thriving democratic country, with its devolved Governments that make up the United Kingdom of Great Britain and Northern Ireland.

Many hon. Members said yesterday, "Don't worry about the powers reserved to Ministers; we can make amendments in Committee." They cannot. With this motion, Back Benchers cede the power to the Government to select Members and ensure the Government have the majority on Standing Committees. It will be impossible to amend the Bill. The Government are packing the Committees—the Whips are one step ahead of them all.

In his widely acclaimed speech on Thursday, the Shadow Secretary of State for Exiting the EU said:

"That we are leaving is settled. How we leave is not."—[*Official Report*, 7 September 2017; Vol. 628, c. 368.]

New evidence comes forward every day from the negotiations—or perhaps the lack of negotiations. Look at what happened to the party that went into coalition with the last Government: reduced in numbers, because they propped up a Government they could not control. Hon. Members will know in their heart what is right and the democratic thing to do.

Perhaps the Government are relying on the constitutional position. This minority Government are governing through a confidence and supply agreement. Who knows what will happen when the £1 billion runs out? May I ask the Leader of the House why the Government should have a majority on Committees when they do not command a majority from the country?

Lucy Frazer (South East Cambridgeshire) (Con): Will the hon. Lady give way?

Valerie Vaz: No, I will not give way.

The Government did not even try to make it work. The Opposition's names are very reasonable. My right hon. Friend the Member for Tynemouth (Mr Campbell), my hon. Friends the Members for Alyn and Deeside (Mark Tami) and for Newport East (Jessica Morden) and even the hon. Member for Glasgow North (Patrick Grady) are all very reasonable Members. I know that they would be pleased to sit down with the Government and work out a reasonable solution that would be in keeping with the constitutional position and the democratic will of the country—[*Interruption.*] This shows everybody that Government Members do not want to listen to the argument. They just want to interrupt—[*Interruption.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. If the hon. Lady does not wish to give way, she does not have to give way.

Valerie Vaz: Thank you, Madam Deputy Speaker. I do not appreciate being shouted at across the Chamber by the hon. Member for Wellingborough (Mr Bone).

Mr Bone: I ask the hon. Lady, very gently, to give way.

Valerie Vaz: I will not give way.

No party enjoys an overall majority. You will know, Madam Deputy Speaker, that the Opposition have struggled to get an Opposition day debate since January. The shadow Chief Whip and his office are incredibly upset by the suggestion that they were not ready to put forward names for the Committee when they had them ready—we were ready to go in July—and that is why the House should not give these powers away to the Government. I feel sorry for the Leader of the House. She has been sent out in a bright outfit like Ri Chun-hee, the North Korean television presenter, to tell us that everything is well when actually something really bad and dramatic is happening to our democracy. *[Interruption.]*

This is an over-reaching and overbearing Executive. The Government are taking away from Parliament powers to which they are not entitled.

Maria Caulfield (Lewes) (Con): On a point of order, Madam Deputy Speaker. Tomorrow we have a debate in Westminster Hall about involving women in politics. The shadow Leader of the House's remark about a female Member of the House was unacceptable.

Madam Deputy Speaker (Mrs Eleanor Laing): The hon. Lady and the House will fully understand—*[Interruption.]* Order. The House must at least be quiet while I am speaking. The content of the speech of the hon. Member for Walsall South (Valerie Vaz) is entirely up to her. I sometimes wish that I could comment on what people wear in the Chamber—many will be glad that I am not allowed so to do. The hon. Lady decides the content of her own speech, and I will not intervene in any way.

Valerie Vaz: Thank you, Madam Deputy Speaker. I will not dignify that point of order with further comment.

The motion is based on neither precedent, nor Standing Orders, nor the constitution nor democracy, so I ask again: why is it necessary? This is a Government by convention, not majority, and I urge hon. Members, for the sake of parliamentary democracy, to vote against the motion and to take back our sovereignty.

8.32 pm

Mr Charles Walker (Broxbourne) (Con): You will know, Madam Deputy Speaker, that as Chairman of the Procedure Committee, I am not afraid to cross swords with my Government. I have been the Chairman of that Committee for five years, and we have had several run-ins. For the record, I will go through them. We had a run-in over amendments to the Queen's Speech and the bouncing of Parliament over the election of the Speaker—a particularly raw moment in my political career. We had the impenetrable and unnecessary complexity

of English votes for English laws—although the Committee made excellent suggestions, they fell on deaf ears, as the Government chose to ignore them. We have had the Government's belligerence regarding the reform of private Members' Bills, but I shall continue in my efforts to reform that bit of nonsense. Most recently, Opposition Members will remember that I stood up and berated the Government for not giving Opposition days in a timely fashion to Her Majesty's Opposition. I said that the Government were being ungenerous and that they should be generous.

I am, therefore, no friend of the Government Front Bench. I trash them and I lash them—thwack, thwack, thwack—on a regular basis. *[Laughter.]* Have I broken with parliamentary convention, Madam Deputy Speaker? If I have, let us put it before the Procedure Committee.

Madam Deputy Speaker: The hon. Gentleman is being wonderfully dramatic; that is perfectly within parliamentary convention.

Mr Walker: Politics is show business for ugly people, and I am a frustrated actor.

Try as I might, however, I cannot work myself up into a lather about this. I would love to be furious with the Government—I really would—but I cannot be. I get angry very quickly and blow up, and I make some spectacular apologies, but I cannot get too wound up about this.

If the House will indulge me, may I go back in time and revisit the 1970s? From March 1974 until April 1979, the Wilson Government, despite being a minority Administration at times, had a majority on the Committee of Selection for all but three months of their five years in office.

Tim Loughton (East Worthing and Shoreham) (Con): The Wilson and Callaghan Governments.

Mr Walker: Of course; forgive me. I was only a small child at the time—I was in shorts.

The only time the Wilson Government did not have a majority on the Committee of Selection was when the Labour Chairman, Hugh Delargy, died. From 4 May 1976 Labour's majority on the Committee was restricted for three months, until 6 August. The majority was then restored after the House wrung out the concession that, when appointing Members to Standing Committees, the Committee of Selection would appoint even numbers.

Hon. Members: Aha!

Jonathan Edwards (Carmarthen East and Dinefwr) (PC) rose—

Mr Walker: I give way, but there is an "Aha" here.

Jonathan Edwards: The House of Commons Library has provided an excellent briefing for the debate. According to my reading of it, during that period in 1976, the then Leader of the Opposition, Margaret Thatcher, vehemently denounced the trickery of the Labour Government. Was she wrong?

Mr Walker: Lots of things are said, but we are looking at what happened, and the fact of what happened is that for the entirety of the Wilson/Callaghan Governments—well, for all but three months, so not quite the entirety—the Government of the day had a

majority on the Committee of Selection: when they were a majority Government and when they were a minority Government, at times.

It is worth hon. Members reading the motion because there is nothing to prevent the Selection Committee from choosing to have an even number of members of Standing Committees. What the motion says is that when Selection Committee decides to have odd numbers—if indeed it ever decides to have odd numbers—the balance will be in favour of the Government. However, it could well be—

Steve McCabe (Birmingham, Selly Oak) (Lab): Will the hon. Gentleman give way?

Mr Walker: I will in a moment, because I have a lot of time for my friend opposite.

It could well be that the Selection Committee, under the chairmanship, I suspect, of my hon. Friend the Member for North Herefordshire (Bill Wiggin), that noted free spirit, will decide on many occasions that the balance should be equal, so I still do not understand why we are getting so exercised about this. I now give way to the hon. Member for Birmingham, Selly Oak (Steve McCabe).

Steve McCabe: I am grateful to the hon. Gentleman. He talks about wringing out concessions. Is he suggesting that the concession we should demand is that the Selection Committee agrees to even numbers, and we can then accept that?

Mr Walker: That should absolutely be for the Committee to decide. It is not impossible that its Chairman, who will want to work with all Members, may decide that there should be an even number of Members on Bill Committees. That cannot be ruled out, and it is entirely possible.

Let me say, in conclusion, that there is a lot of sound and fury around this issue. I know the Opposition Chief Whip, and I think he is a genius, but he is a—with a small “c”—conservative Whip. I suspect that some of my exotic plans to reform private Members’ Bills have been thwarted by not just my own side but the Opposition Chief Whip. I merely say that, I suspect through a half smile, the Opposition Chief Whip entirely understands why the Government are doing this, and can accept it.

Lady Hermon (North Down) (Ind): Unfortunately, a serious point was not picked up by either the Leader of the House or her shadow: the published deal between the Conservative party and the DUP is confined exclusively to confidence and supply. The serious issue for people in Northern Ireland, and for the House, is that the insistence of the Leader of the House that the Government have a majority on the Floor of the House gives rise to speculation that secret side deals have been done with the DUP. Surely the hon. Gentleman should be insisting that those deals are revealed to the House.

Mr Walker: The hon. Lady knows that that is far above my pay grade. I do not think that secret deals have been done, but I do know this: the Government have commanded a majority in the House on the basis of the 17 votes connected with Government business.

I have been good-natured this evening, because I want the debate to be good-natured. I take being Chairman of the Procedure Committee incredibly seriously, and if at any time I felt that the Government were doing something untoward, I would hold them to account, as I have done time and again in the House. I say genuinely to Opposition Members that I really do not understand what the upset is.

Mr Carmichael: May I presume from what the Chairman of the Procedure Committee says that he will join us in the Lobby to support my amendment? If it were passed, the Government would of course still have a majority on the Selection Committee, but would just have to use it in accordance with the procedures of the House as they have always been accepted. Why is that objectionable?

Mr Walker: Nothing that the right hon. Gentleman has said is objectionable. I will not be joining him in the Lobby, but not because I find what he is proposing objectionable—I just happen to disagree with it.

Sammy Wilson (East Antrim) (DUP): Let me make it clear to the House what the deal between our party and the Government is. First, there are no side deals; it is a confidence and supply agreement. The important point for this debate is that the purpose of the confidence and supply agreement is to ensure stable government over the period of this Parliament, and that requires the Government to be able to get their Bills through and to have the requisite numbers on Committees as well.

Mr Walker: I am glad this debate is providing us with an opportunity to revisit the agreement. I suspect that I would not be in order if I were to respond to that intervention, so I think the best thing for me to do is to thank you, Madam Deputy Speaker, and the House for being so generous, and to sit down.

8.41 pm

Pete Wishart (Perth and North Perthshire) (SNP): So there we have it: “Great power grab 2”, the sequel, the return—“Then they came for our Committees.” This is an incredible, totally undemocratic power grab from a Government who do not command a majority in this House.

Mr Nigel Evans (Ribble Valley) (Con) *rose*—

Pete Wishart: I will make a little progress, and then give way to the hon. Gentleman.

Not content with giving themselves unprecedented powers under the repeal Bill, the Government are now trying to manipulate the Committees of this House in their favour. The nation should be very worried about what is going on, because this Government are showing nothing other than contempt for democracy in their desire to ignore and circumvent the democratic verdict of this country.

Mr Evans: I say to the shadow Leader of the House, the hon. Member for Walsall South (Valerie Vaz), that this is how it is done: a Member seeks to intervene and that is granted, and they rise to speak and then sit down. That is what a debate is all about.

[Mr Nigel Evans]

It has just been said that this is undemocratic and a power grab, but we are in the Chamber of the House of Commons with a motion before us. We are going to have a vote; if the Government do not have a majority in the House, they will lose that vote. If the Government win the vote, they have a majority in this House of Commons. So let us not beat around the bush; let us get to the vote.

Pete Wishart: I am almost grateful to the hon. Gentleman. Yes, the Government with their grubby £1 billion deal with the Democratic Unionist party have a confidence and supply arrangement on the Floor of the House; what they most definitely do not have is a majority on the Committees of this House, which are determined by the country and how the people voted.

This minority Conservative Government have 317 Members out of the 650 Members available in this House; that amounts to 48.7% of the membership of this House. What they are therefore entitled to is 48.7% of the membership of the Committees of this House. But that is not the case for this Government; for them, democracy is a mere impediment as they grimly hold on to power and ensure they get their way in everything they try to undertake. This is a Parliament of minorities, and the structures and arrangements of this House must reflect that reality and that fact.

Mr Rees-Mogg *rose*—

Pete Wishart: I give way to the hon. Gentleman; how could I not?

Mr Rees-Mogg: I am grateful to the hon. Gentleman, whose speeches are normally compelling, but on this occasion there is one flaw. If this motion is passed, it is the democratic will of the House of Commons that Standing Orders be amended, and therefore that has democratic backing. For him to say it is not democratic is simply wrong.

Pete Wishart: The Government will pass this tonight; they will get their way because they have the DUP in their £1 billion pocket, but that does not make it right or democratic. They have 48.7% of the membership of the House; they should not have any more than that proportion in terms of Committees.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The hon. Member for North East Somerset (Mr Rees-Mogg) talks about democracy, but it would seem that democracy in this place cost £1.5 billion, and we face probably the greatest constitutional crisis that these islands have seen since 1922. We might also reflect on 1974, but if we really want to get a grip on the notion of how Committees are selected, we need to live with the present experience, not that of 1974, and face the constitutional crisis that we have today.

Pete Wishart: I am grateful to my hon. Friend. I want to move on to what happened in the 1970s, because it is very instructive and there are real lessons that the House could learn from that experience.

We now know why this Government have been so lax in putting together the normal functioning arrangements of the House. I raised this matter on the

day we came back to Parliament, and I always feared that we would reach the stage when a motion such as this would be presented to the House. All this nonsense about Select Committees and why they were delayed was mere collateral damage resulting from the Government's intention to control the legislative Committees. Now, at last, the rest of the House and the media are alert to the dangerous path that this Government are taking us down.

This House is determined by parliamentary arithmetic, and the day that we play fast and loose with that arithmetic and the verdict of the British people is the day that we start to walk down a murky, anti-democratic path. Our membership of the Select Committees is based on the number of Members that we secure. That allows us our membership on Select Committees, and it allows for our speaking rights and for all the other arrangements. These orders do not reflect the numbers of the House. We know that because the Clerks were charged with coming up with the formulae that allowed us to determine the Committees of the House. When it came to the Select Committees, the Clerks went away and crunched the numbers and then came back and presented the results to the parties. It was expected that there would be five Conservative members, five Labour members and one from the other parties, and everybody accepted that because it reflected the arithmetic of the House.

The Clerks also said that the Government should not have a majority on Standing Committees because they do not have a majority in this House. When it came to even-numbered Committees, they agreed with the Government that there should be no majority. That was fine, and everybody agrees with that. The Clerks did the numbers and the Government accept that. For Committees with an odd number of members, however, the Clerks said that there should be an Opposition majority. Remarkably, according to the Clerks, the Government only have a majority on Committees of 13 members. If we disregard the information supplied by the Clerks of this House—the people responsible for arranging the arithmetic, crunching the numbers and coming up with the formulae—we are again entering some seriously dangerous territory.

Mr Harper: I hesitate to start talking about spreadsheets on the Floor of the House, but the hon. Gentleman has tempted me. It is true that the Conservative party does not have a majority by itself—[*Interruption.*] That is not a revelation. But the Government command a majority because they have the support of a smaller party. If we take those two together, which is all that we are talking about, we do have a majority. The official Opposition party does not command a majority in the House either, but the hon. Gentleman is suggesting that that should be the case.

Pete Wishart: The House is going to get sick and tired of that argument because it is a feeble fig leaf that does not for a minute cover the fact that this minority Conservative Government do not command a majority in the House. They have their murky arrangement with the DUP—they have them in their pocket—and they command that majority on the Floor of the House, but we have to do what is right and what reflects the reality. We must respect the verdict of the people of this country, but we are not doing that.

Mr Mark Francois (Rayleigh and Wickford) (Con): Although the Conservative party has the support of one minor party, if we do not have a majority in the House of Commons, how did we pass the Queen's Speech?

Pete Wishart: That is the Government's problem. If we are democrats, we tend to accept the verdict of the people—they are charged with putting us in this place, and they did not give this Government a majority. For some reason, the Conservative party just cannot respect that reality, which is bewildering.

Nigel Huddleston (Mid Worcestershire) (Con): Is not this synthetic indignation a bit rich coming from a party that does not respect referendum results and another party whose leader does not even command the respect and confidence of 80% of his own Back Benchers?

Pete Wishart: Let me tell the hon. Gentleman about my party, and maybe he will listen. Between 2010 and 2015, the Scottish National party had a majority in the Scottish Parliament, and with that majority we had a majority on the Committees of the Scottish Parliament. Unfortunately, we lost that majority last year by one seat. We had a much bigger percentage share of the vote than this Conservative Government have. What was the first thing we did when we accepted that result? We gave up the chair and the majority on each of the Scottish parliamentary Committees without a sigh of protest. That is how to respect parliamentary democracy and the outcome of the people, so I will take no lessons about the example set by my party.

Lucy Frazer: Does the hon. Gentleman accept that, if legislation that would otherwise go to Committee went instead to the Floor of the House, it would be passed because the Government have a majority to pass it? If that is true, is it not to be accepted that the Government have a majority?

Pete Wishart: Parliamentary democracy, and I say this candidly, is sometimes messy. There are sometimes issues and difficulties, but the way to do our business is enshrined in centuries of tradition and convention. We have a Second Reading, we send a Bill to Committee and then it comes back on Report. We then have a Third Reading before sending it to the unelected cronies down the corridor. That is how we do business in the House. Sometime it does not work out quite perfectly, and we have to accept that.

David Linden (Glasgow East) (SNP): I caution my hon. Friend not to take lectures from the Government on democracy. I remind him that he won his election and that his opponent has been stuffed into the House of Lords, so he should take no lectures from the Conservative party.

Pete Wishart: Some of my Scottish colleagues were not deemed sufficiently proficient to fill the post of Parliamentary Under-Secretary of State for Scotland, so the Government had to ennoble someone to fill it—someone I defeated in the election.

Several hon. Members *rose*—

Pete Wishart: I want to make some progress. I have given way on countless occasions, and I will try to give way as I progress through the next 45 minutes of my speech.

The history is quite compelling, and I am fascinated by the previous examples:

“he said that in future Committees must reflect the numbers in the House of Commons? Is the Prime Minister repudiating that?”—[*Official Report*, 29 April 1976; Vol. 910, c. 551.]

Those are not my words but those of Margaret Thatcher when she railed against the injustices of the then minority Labour Government's attempted power grab. If this parliamentary jiggery-pokery was an injustice for Margaret Thatcher in the 1970s, it should be an injustice for the sons and daughters of Margaret Thatcher in the 2010s.

Tim Loughton: I am intrigued by the hon. Gentleman's new-found enthusiasm for the blessed Margaret Thatcher, but are there not two solutions to the problem he is trying to set out? One is to have an Opposition majority on Standing Committees, which would inevitably lead to Government legislation being completely chopped up and returned to the Floor of the House in different form, and the second is to decide every piece of legislation in Committee of the whole House. Both those solutions would cause chaos. Is that what he actually wants?

Pete Wishart: All these great concerns about chaos and arrangements that will lead to this and that are an indictment of the Members of this House. They say, “If we were to respect parliamentary arithmetic when it comes to this, all it would lead to is chaos.” That says something about the membership of this House. More critically and crucially, it goes against the advice of the Clerks on the membership of Committees. I say to the hon. Gentleman: have a look at what the Clerks determine as to how these Standing Committees should be established. The fact that this House is prepared, in this vote, to overlook the good advice of the Clerks on a matter they are obliged to determine is a shame on this House.

I want to come back to Margaret Thatcher. I never thought I would be quoting her in the House. It is a novelty, and I do not think I will ever get used to it or be comfortable with it. Let me get back to what I was saying about the 1970s and to what Conservative Members are asking us to do here. They are saying that just because the Labour party did something rotten in the 1970s, we must do something rotten too, in order to address this. That is totally unacceptable to Scottish National party Members who say, “A curse on all your houses. Deal with the parliamentary arithmetic. Accept the realities and get on with it.”

I will make two points about the 1970s, and again I was intrigued when I looked into this. The Harrison amendment was introduced in the most despicable way to this House, by subterfuge and sleight of hand, but the amendment created this set of conditions for a couple of months. At that point, the Labour Chair of the then Committee of Selection died and it stopped; we went back to the normal arrangements and for the rest of that Labour minority Administration, the parliamentary arithmetic of the House was respected. The second thing about that minority Labour Administration was that it became a minority Labour Administration—that Labour Government actually won

[Pete Wishart]

an election. The current Conservative Government never experienced that a few months ago, so we will take no lessons on this.

Let me deal with this “chaos” thing. Sometimes democracy is not all that convenient and it throws up strange results. Sometimes we just have to get on and deal with it. What you do not do is try to circumvent democracy; what you do not do is table motions like this one, which is so disrespectful to the people who voted in the election.

Mr Nigel Evans *rose*—

Pete Wishart: I have given way to the hon. Gentleman before and I want to make some progress.

What you do is respect the way that the people would do this. The most ridiculous and audacious thing in all the anti-democracy that these guys are up to right now is this new Committee of Selection. As a Select Committee of this House, it should be subject to the formula determined by the Clerks, but the Government want to give themselves an inbuilt majority. They will determine the numbers on Committees with this, so on anything contentious—anything that we are likely to object to—they will determine that an odd number will be used and so they will get their way. This is absolutely disgraceful.

I want to say something to my friends in the Democratic Unionist party, because it is important. I have heard quite a lot about this working majority issue, and I want to explore it a little. I say to them that we used to campaign together for the rights of minority parties in this House, as we all were then. I hope that they reflect on that when they vote tonight and do not just give that crowd over there a majority in these Committees. I hope they remember the campaigns that the hon. Member for East Antrim (Sammy Wilson) and I fought together to ensure that the smaller parties in this House were properly represented in these types of Committees. We fought long, hard fights together, and it is shameful to think about completely giving this over to the Conservatives.

There is another aspect to this: if DUP Members vote with the Government tonight, it will leave questions about their Opposition status and raise further questions about their entitlement to Short money. It would have to raise those questions because it would look like the Government are paying a rival political party. It is also worth noting that a High Court ruling is coming up soon about the whole grubby DUP deal.

Joanna Cherry (Edinburgh South West) (SNP): My hon. Friend is making a powerful speech. As a result of the threat of the legal action he has mentioned, we found out earlier this week that the Government say that they need parliamentary approval for this £1 billion bung that they want to pay to the DUP. Does he therefore agree that until such time as that vote takes place, even on their own terms of a “working majority” the Government do not have one until the deal is in place?

Pete Wishart: Absolutely. If DUP Members are going to vote with the Government, they should go to that side of the House and end this pretence of being an Opposition party. If DUP Members are going to vote for this and betray all the things we worked for in the

past 15 to 20 years, they should just go and sit with the Tories. This Government have failed to respect their new humbled position as a minority Administration; instead, we are beginning to see some unsavoury elements in almost acquiring the status of some sort of parliamentary dictatorship. This House should not accept this proposal tonight for a minute, and I urge the House to reject it and ensure that we continue to honour parliamentary arithmetic.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before I call the next person to speak, it will be obvious to the House that a great many people wish to speak this evening—I have indications from more than 20—and we have one hour of debate left. I hope Members will act in a courteous fashion and keep their speeches short.

9 pm

Sir Oliver Letwin (West Dorset) (Con): I certainly do not want to detain the House for long, but I do wish to take seriously the interesting speech by the shadow Leader of the House, the hon. Member for Walsall South (Valerie Vaz). I shall comment on its logic and the motive that it betrays, and thereby try to set the debate in its proper context.

Let us observe the logic of the hon. Lady's remarks. She argued that it was improper for the Government to seek to establish a majority on the Committee of Selection with a view to having either equal or superior numbers in Committee, because, she implied, that would enable the Government to pass legislation that they might not be able to pass on the Floor of the House because, she argued, they do not actually have a majority on the Floor of the House. Let us take that proposition seriously and suppose she is right; let us suppose that my right hon. Friend the Leader of the House is wrong and we do not have, for the purpose of many Bills, a working majority. Incidentally, there is no evidence so far of that proposition being true: as far as I am aware, the Government have managed to pass all their business so far in this Parliament in good order—indeed, with rather larger majorities than the supply and confidence agreement would imply.

Nevertheless, let us suppose that in general the shadow Leader is going to be proved right. If she is right, when it comes to the Report stages of all the Bills in question, she and her colleagues will have the delight of being able, one by one, to reverse all the amendments against which they voted in Committee. Therefore, if her own argument is correct and she actually holds the majority, she cannot have any reason of substance for caring whether there is a majority for the Government upstairs in Committee. According to her own argument, she has in her hands the power to take such steps as to ensure that the Bills come out as she wants them.

Manifestly, that is not her view. Her view, which was displayed passionately by her desire to prevent the Government from taking a majority on Committees, is that she is at least not sure—in fact, I suspect that she strongly suspects she does not have a majority on the Floor of the House. That leads me to the question of motive. If, actually, she does not believe that there will be any substantive difference one way or the other—indeed,

she cannot believe that there is, because it is a clear matter of plain fact that whoever holds the majority on the Floor of the House will prevail in the end—we have to ask why she put the argument she did. What is her motive? We know what it is, because it is the same as the motive of the former Prime Minister, Margaret Thatcher, who was quoted earlier. It is the traditional motive of Oppositions and it is a perfectly respectable position for Oppositions to take.

What are Oppositions in business to do? Incidentally, I do not know whether it makes sense to have a parliamentary system as opposed to a Congress and so forth, but it is the system we have so, in that system, what is the purpose of an Opposition? First, it is to hold the Government to account by causing trouble in the House of Commons; secondly, it is to seek to destabilise the Government; and thirdly, it is to put themselves in a position of having appealed to the people sufficiently so that when the Government are destabilised, the Opposition can win a general election and take power. That is the legitimate role of an Opposition under our constitution. It therefore always falls to the Government of the day—as it did to the Labour Government under the conditions about which Mrs Thatcher was complaining and as it does now to our Government—to seek to assert the principle that Her Majesty's Government should be able to take the steps necessary to pass their legislation, and not merely in substance but in good order and at a reasonable pace. It is the Opposition's duty to seek to disrupt that, which is, of course, what is going on here.

The Labour party wishes to achieve not a substantive change in the outcomes of legislation but the delicious prospect of their being able to make it well-nigh impossible for the Government to get any sizeable amount of business through the House, which is, despite all the ritual shakes of the head that are going on at the moment, exactly what any respectable Opposition would seek to do. I congratulate them on it, but there is not the slightest reason why people on the Government Benches should be beguiled by this, any more than the Callaghan and Wilson Administrations were beguiled by Mrs Thatcher's asseverations at the time. This is a ritual dance that will always occur under circumstances such as those that we now face. We should continue in exactly the way that the Government are doing in order to deliver what the people of this country want, which is the smooth process of Her Majesty's Government. That is what is in the interests of the people of the country and that is what should guide us.

9.5 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD): I rise to speak to the amendment standing in my name and in the name of the hon. Member for Brighton, Pavilion (Caroline Lucas).

It is a pleasure to follow the right hon. Member for West Dorset (Sir Oliver Letwin), as he is a man whom I hold in very high regard. I served with him in the coalition Government for five years as a Minister. Indeed, for part of that time, I sat beside him at the Cabinet table. Therefore, with substantial regret, I say that what he has just given us was not his finest contribution. What he described was some sort of parliamentary game-playing or sport. When he spoke about the functions of Opposition, he missed out the most important one. The most important job that we as Opposition Members

of this Parliament have to do is scrutiny, which is why the composition of the Committees to which we commit Bills upstairs matters. That is why it is, in fact, a matter of quite fundamental principle.

I think that we might all acknowledge that, from time to time in this House, we indulge in a little bit of hyperbole, occasionally even straying into polemic. I think of some of the matters that the right hon. Gentleman and I opposed during the years of the Blair-Brown Government. One example is when they tried to extend detention without charge to 90 days. I remember also the passage of the Legislative and Regulatory Reform Bill. He and I and others described them then as constitutional outrages—it was a “power grab” and an “affront to democracy”. I may even on occasion have indulged in a small measure of hyperbole and rhetoric myself. [HON. MEMBERS: “No!”] We all do it. I am reminded that when Paddy Ashdown was leader of my party, it was a joke popular among other parties—obviously not to me or the media at the time—that the message on his answering machine was, “Thank you for calling Paddy Ashdown. I am not able to take your call. Please leave your message after the high moral tone.” We have all done it, but the difficulty that is caused by relying on rhetoric and hyperbole is that it is difficult then to know what to say when we come across a proposal such as that which the Government bring to the House today. I can describe it as others have done as a “constitutional outrage”. I can say, as others have done, that it is an affront to democracy. However, to say that suggests that that is somehow just the same as those measures that we have previously described in those terms, but it is not. It is much worse. It is an obnoxious measure for which I know of no precedent in my time in the House.

In this country, we do not have a written constitution. We proceed much of the time according to the process of convention and principle, and so it is also for the ordering of our proceedings in this House. Here, too, we often rely on the process of convention and precedence. It is a delicate system of checks and balances. I am certainly not saying that it is one that is incapable of improvement. I have supported many improvements to it over the years, but we have to approach these matters in a rather more holistic manner than is being taken by the Government tonight. Once we start removing these checks and balances, we risk at least one of two things.

First, we can bring the machinery of Parliament to a grinding halt, and tonight the Government risk breaking our machinery beyond repair. The alternative prospect is that we raise the possibility of other parts of the system reacting in a way that is designed to compensate for our breaking of the checks and balances. It is known in this House, surely, that their lordships in the other place proceed on the basis of the Salisbury convention. They respect our right to be the superior Chamber because we have the democratic mandate from the voters. Now, if we are not going to demonstrate respect for the democratically reached decision of the voters, how can we expect their lordships at the other end of the building to do so?

Mr Rees-Mogg: Quite a number of peers, including Liberal Democrat peers, have questioned whether the Salisbury-Addison convention applies. Lib Dem peers have said that they do not feel bound by it as they had nothing to do with it when it was agreed in the first place.

Mr Carmichael: That is indeed the case. My party was not party to the discussions that resulted in the convention and have not felt themselves to be bound by it. But it remains the fact that it is something on which the majority within their lordships' House have proceeded until this time, and which continues to be the case to this day.

It is a fundamental principle of this House that the composition of Committees should reflect the composition of the House. That means that if the Government have a majority in the House, they will have a majority in Committees. It goes beyond that. On matters where we decide things by way of a free vote and the matter then goes upstairs to a Public Bill Committee, the composition of that Committee reflects the vote of the House here. That is the most fundamental principle that we have, and I use these terms advisedly. It is not a convenience, nor something that is just here to be discarded when it becomes difficult or messy. It is absolutely fundamental to the way in which we do and have always done our business.

The Prime Minister went to the country. She asked for a bigger majority. She was denied it. She was returned as the largest party and that offered her a number of different options: she could have sought to govern as a minority; she could have entered into a coalition and got a majority that way; or she could have entered into a confidence and supply arrangement. She chose to take the latter approach. As a consequence, she has a majority on the Floor of the House for matters of confidence and supply. Matters of confidence and supply do not go upstairs to Public Bill Committees. They are dealt with on the Floor of this House. So it is simply wrong for the Leader of the House to assert—as she has done tonight along with others on the Treasury Bench and Government Benches—that the Government have a working majority. Beyond confidence and supply matters, they do not.

Mr Harper: I do not like disagreeing with the right hon. Gentleman, but he is just wrong. I have looked at the agreement. It does not just cover confidence and supply. This is rather pertinent given how much legislation there will be. It also covers matters pertaining to the country's exit from the European Union and legislation pertaining to national security. So the agreement is much wider, and Brexit will be a big chunk of the legislative agenda of this Parliament.

Mr Carmichael: The right hon. Gentleman will also be aware that constitutional matters such as the question of the future of our membership of the European Union are also dealt with on the Floor of the House, so although the agreement may go slightly further than that which is normally understood by the terms of confidence and supply, it is not a comprehensive deal that gives the Government a majority on the Floor of the House. If it were, the Democratic Unionists would not be on the Bench behind me; they would be on the other side of the House on the Government Benches.

There is no direct precedent for this. There has been talk in this debate about the position that pertained relating to the Labour Government from 1974 to 1979. The clear distinction—this is an important point, of which the House should not be ignorant—is that, on that occasion, when the country was asked to choose a Government, it chose a Labour Government by a very

narrow majority. That Government started with a majority—something the present Government simply do not have. I do not like what the Harrison motion did. My party opposed it then, as we oppose this measure tonight, but let us not pretend that it is somehow the same thing.

That takes me back to my quarrel with the right hon. Member for West Dorset. Surely, in advancing a change as profound as this, there has to be something more substantial by way of argument to support it than, "They did it when they were in government."

Sir Oliver Letwin: As the right hon. Gentleman says, we have had a long period of co-operation, and he was a fine Minister. However, did he not notice that my argument was actually that this proposal is necessary for the smooth conduct of business, subject to a clear check on the Floor of the House on Report? Does he not agree that, under those circumstances, it is perfectly reasonable for a Government to seek to govern the country smoothly?

Mr Carmichael: Of course it is reasonable for a Government to seek to govern the country smoothly, but the right hon. Gentleman seems to think that what happens in Committee is just some administrative inconvenience. It is not; it is much more fundamental than that. It is the job of this House—not just the Opposition—to hold the Government to account. That is why I say to right hon. and hon. Members on the Government side, many of whom I hold in high regard, and many of whom I regard as personal friends, that they know that what they are doing tonight is wrong. They also know that if it was being done to them, they would oppose it root and branch.

We know why the Treasury Bench—the payroll—will support this measure, but those on the Back Benches have a duty that is higher than their duty to their party: it is their duty to their constituents and to this House—their duty to democracy. I ask them to consider that duty before they go into the Lobby this evening.

9.17 pm

Mr Mark Harper (Forest of Dean) (Con): Rather than repeating arguments, let me go through the arguments that have been raised so far and comment on them as I think fit, which I hope will be of assistance to the House.

The Leader of the House made an admirably short speech—I do not know what the shadow Leader of the House was moaning about. Normally everyone moans in this House that people go on for too long, but the Leader of the House crisply enunciated the purpose of the motion and set it out very clearly. That was an admirable thing for her to do.

I listened to the shadow Leader of the House very carefully. She moaned about references to the Selection Committee rather than the Committee of Selection. I am afraid that reminded me—we have already mentioned Monty Python once in the debate today—of the argument about the People's Front of Judea and the Judean People's Front. I do not think that what the Committee is called is significant. *[Interruption.]* It is just not important—arguing about what the Committee is called is not important. In addition, the Chair of the existing

Committee of Selection is already paid, so the current proposal is not a change, and there is no sinister aspersion the shadow Leader of the House can cast on that. So I did not think that those arguments really had any great weight.

The substance of the hon. Lady's argument was driven through precisely by my right hon. Friend the Member for West Dorset (Sir Oliver Letwin), who put his finger on the issue: if we pass this motion this evening, it will demonstrate again—as have all the votes we have had since this Government were formed—that we actually command a majority in this House. The hon. Lady's only possible motivation for not wanting to agree to the motion is that she wants to gum up the works.

The hon. Lady invited us to look at the Opposition Members being put forward for the Committee and to assess their reasonableness, and I do not necessarily quarrel with that—they are very reasonable people. I would argue that the Government Members who have been put forward to serve on the Committee, including the Chair, are very reasonable people. However, if we want to look at the Opposition's approach to reasonableness and the progress of business, we do not have to go back very far; we only have to go back as far as yesterday, when the Opposition were faced with the decision of the British people to leave the European Union. They knew it was necessary to have the European Union (Withdrawal) Bill and to pass that legislation, but they chose to oppose it. If they had got their way, they would have frustrated the will of the British people. Rather than abstain and try to improve the Bill in Committee, as a number of my right hon. and hon. Friends chose to do in saying that they support the principle of the Bill but it needs improvement and they have tabled amendments—the Lord Chancellor has indicated that he is going to discuss those amendments in a constructive and appropriate way—they chose to vote against the Bill to try to vote it down. A number of Opposition Members spotted the inconsistency between that approach and the referendum result and called them out on it. That betrays the hon. Lady's real motive.

Mr Nigel Evans: Does my right hon. Friend find it somewhat bizarre that representatives of the Scottish National party and the Liberal Democrats are saying that Conservative Members are trying to circumvent democracy, and yet although on 23 June 2016 the British people decided to vote, by a margin of more than 1.3 million, to leave the European Union, on every piece of legislation we have brought before this House, those Members have voted against the democratic wishes of the British people?

Mr Harper: My hon. Friend makes a strong point very well, but I think my right hon. Friend the Member for West Dorset put his finger on it.

I listened very carefully to the arguments made by the hon. Member for Perth and North Perthshire (Pete Wishart). I should just counsel him that he wants to be a bit careful quoting Margaret Thatcher. While she is held in high regard by Conservative Members, I note that the leader of his party, the First Minister of Scotland, says that her entire political mission to get independence for Scotland was driven by Margaret Thatcher, so if he starts quoting her in this House with approbation,

he may be putting his own future in his own party at great risk—and Conservative Members would not want to see that.

The hon. Gentleman's arguments did not hold much water. Again echoing my right hon. Friend the Member for West Dorset, if we win the vote on this motion, we will have demonstrated that we command a majority. As I said in an intervention, he is entirely right to point out that the Conservative party on its own does not have a majority in this House, but the Government do. The Opposition cannot command a majority either.

Neil Gray (Airdrie and Shotts) (SNP): Does it not boil down to this? Up until now, the Government have managed to garner the support of the DUP on the issues that have been brought before the House, but they do not garner its support on all issues, hence they foresee problems and want to bring forward this measure. The measure is quite convenient for the DUP because it means that it keeps hold of its Short money, so it suits everybody. Is not that the nub of the issue?

Mr Harper: Not at all. As I said to the right hon. Member for Orkney and Shetland (Mr Carmichael), the confidence and supply arrangement is quite wide. *[Interruption.]* No, it does not cover everything, but it covers legislation pertaining to Britain's exit from the European Union, and that is going to be a significant proportion of what the House considers during this Parliament.

Neil Gray *rose*—

Mr Harper: Let me finish responding to the hon. Gentleman before he intervenes again. If it is the case—this is where my right hon. Friend the Member for West Dorset put his finger on it—that the DUP does not support the Government on a particular matter, then whatever happens in a Public Bill Committee or a Delegated Legislation Committee, when that matter returns to the Floor of the House, Opposition Members will get their way. There is therefore nothing for the hon. Gentleman to worry about. It will not be possible for Conservative Members to force through our wishes if we do not command a majority in the House. That is the democratic check that my right hon. Friend explained very well.

Alex Chalk (Cheltenham) (Con): Is not the other point that if the Government can command a majority in this place on the ground floor, it would be utterly bizarre if they lost it on the first floor, where the Committees take place? People outside Parliament would perceive that as perverse and illogical.

Mr Harper: My hon. Friend makes a good point. The shadow Leader of the House talked about the British public being outraged about what was going on in Public Bill Committees. I have to say—I do not know whether my constituency is particularly typical—that if I went out into the street and spoke to 100 people, I doubt that more than two or three of them would even know what a Public Bill Committee was. I do not think she is accurately characterising what the British people think. What they think was described by my right hon. Friend the Member for West Dorset: they had an election, they had a referendum, they had another election,

[Mr Harper]

and we have a Government who got a considerably larger number of seats than the main Opposition party. The people want us to get on with governing the country, making decisions and delivering a smooth exit from the European Union as well as to deliver on important domestic matters. That is what they want us to do and we are well aware of that responsibility.

In conclusion, this is a reasonable measure. It is about ensuring that the Government can conduct their business in a reasonable way but there is always a check and a balance. Ultimately, if a measure is brought forward in a Committee that does not command majority support on the Floor of this House, this House will have its way, not the Committee. There is a democratic check and balance in place, so Members should have no trouble supporting the motion when it is put to a vote in a short while.

9.25 pm

Helen Goodman (Bishop Auckland) (Lab): I had not intended to speak in the debate, but I was so appalled by the remarks of the Leader of the House that I felt that I had to. I feel that the Leader of the House has not understood her role. Her job is not to represent the Government to the House but to represent the House in the Government. She spoke about her constitutional responsibilities, but I should have thought that her constitutional responsibilities would include defending parliamentary democracy, which this motion patently does not do.

Government Members are not being logical. They say that the Opposition are not, but the loss of logic is on their side. If the Leader of the House was right to say that she has a majority, she would not need to change the rules of the game. It is because she does not have a majority that she needs to do so. Government Members are talking as though we are in a world of two-party politics, but we are not any longer. Nobody is saying that the Members of the other parties—the SNP, the Liberal Democrats, the DUP or Plaid—should not have seats on Committees. Under the formula interpreted by the Clerks, they will get their fair share of the seats. They will be represented properly. This is not just a Labour-Tory game, and the Leader of the House does not seem to have taken that into account.

Furthermore, the point made by the right hon. Member for West Dorset (Sir Oliver Letwin) is incomplete in the extreme. He was in the House yesterday and was present during all the debates about the Delegated Legislation Committees. He knows as well as we do that when statutory instruments are produced and go to Committees upstairs, or when we use the negative procedure, they do not come back to the House. He knows that perfectly well. He also knows that schedule 7 of the European Union (Withdrawal) Bill, which we were debating yesterday, proposes to put whole stacks of delegated legislation through those Committees.

Every single Member who has spoken and mentioned Brexit has revealed that that is the Government's game plan. They have become so obsessed with getting a hard Brexit—not the Brexit that the British people voted for, but a hard Brexit—that they are proposing to suspend the normal rules of this House. I am very disappointed that a number of hon. Gentlemen—

Sir Oliver Letwin rose—

Helen Goodman: The right hon. Gentleman promised to let me intervene and then refused, so I do not feel I need to give way to him.

Just to make another point about the remarks made by the right hon. Member for West Dorset, he has been saying that it does not matter if we do not agree with all the clauses in the Bill—if we agree with the principle of the Bill, we should vote for it. That would be like a person going into a restaurant and saying, “I didn’t like the soup, and I didn’t like the beef, and I didn’t like the apple pie, but I thought it was a great meal.” The right hon. Gentleman seems to be making completely absurd speeches these days. Anyway, the central point is that the Government’s game has been revealed by what has been said. It is all about getting a hard Brexit through. It is not about the consensus building that the Secretary of State for Brexit has been promising us for the past 15 months. The tail is wagging the dog in the Conservative party. I am sorry to tell Conservative Members that they are not taking the country with them on this. The general public are quite clear that this motion is about packing Committees. We have all had endless letters from our constituents, and I am not going to vote for the motion tonight.

9.30 pm

Mr Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the hon. Member for Bishop Auckland (Helen Goodman), although I do not agree with her interpretation of the motion before us tonight. I would be the first one in the No Lobby tonight if the arguments made by the Opposition held water. It was weird that the shadow Leader of the House would not take any interventions. I think that that was because the Labour Opposition do not actually know what they are talking about on this matter: it is a lot of hot air—

Nic Dakin (Scunthorpe) (Lab): You’d know all about that!

Mr Bone: Certainly. Of course.

As I understand it, the Opposition are saying that when a Bill goes into Committee, the Members on the Committee always vote in the way the party Whips tell them to. That is just not the case. I have seen Government Members in Bill Committees who are absolutely opposed to something the Government are proposing because it is not right. That is what the Committee system is about. It is about improving Bills. I am reluctant to say that I agree with my right hon. Friend the Member for West Dorset (Sir Oliver Letwin) on this issue, but he is quite correct. The check and balance is the Report stage. If, as the Opposition claim, they have the majority in this House, they will be able to reverse anything that is passed in Committee.

Helen Goodman: Will the hon. Gentleman give way?

Mr Bone: No. I am taking a leaf out of the shadow Leader of the House’s book.

Mr Carmichael: Will the hon. Gentleman give way?

Mr Bone: Of course.

Mr Carmichael: The hon. Gentleman misrepresents the case that is being made on this side of the House. We are not saying that this side of the House has a majority; we are saying that his side of the House does not.

Mr Bone: I am grateful to the right hon. Gentleman for making that point. I was surprised that the official Opposition had not tabled an amendment to the motion, which I could have supported and I think he could have supported. I do not agree with his amendment because it simply removes part of the motion. A sensible amendment would have instructed the Selection Committee to ensure parity on all Public Bill Committees. What the Bill actually says is that if a Committee has an even number of Members, there will be parity. The simple answer would therefore be to ensure that all Committees had an even number of Members, but Labour did not table such an amendment.

Mr Carmichael: The effect of my amendment would be perfectly simple. It would allow the Government to have their majority on the Selection Committee but thereafter to use the rules that we have always used. Why does the hon. Gentleman think he should be allowed to change the rules simply because they do not suit him?

Mr Bone: That is somewhat unfair, Mr Speaker, because you know that that is not what I would do if I thought the House was being done down by the Executive. In fact, I would be the first one to complain about it. It seems to me that the result of the election means that we should have parity on Public Bill Committees, and that could have been achieved by a simple amendment, which I would have supported. That did not happen, however.

Steve McCabe: As a great democrat who obviously has massive influence over his right hon. Friend the Leader of the House, why does the hon. Gentleman not urge her to accept such a sensible course of action?

Mr Bone: The hon. Gentleman is making my speech for me. I spent a lot of time talking to the Clerk of the House, and I am grateful to the Leader of the House for the time she allowed me to go through this to ensure that I was absolutely right. The motion states that if a Public Bill Committee has an even number of Members, there is parity, and that is great. I urge the Selection Committee, when it comes into being, to make sure that Public Bill Committees have an even number of Members so that there is parity. That seems a very fair way forward, so I was a little surprised that the Labour party and the shadow Leader of the House, for whom I have a great deal of respect, did not seem to want to engage in the debate today. I think that the motion is perfectly fair and reasonable, and I hope that the Selection Committee will listen to this debate and interpret the rules in such a way as to make the situation fairer.

9.35 pm

Patrick Grady (Glasgow North) (SNP): As we like to say in Glasgow sometimes, “Where’s your parliamentary sovereignty now?” Over the past two days, I have listened to Conservative Members talk about how they were

taking back control as a result of the European referendum, but all that will happen is that control will be taken straight from the hands of the hated Brussels bureaucrats and handed straight to the minority Executive and the mandarins in Whitehall.

Mr Rees-Mogg *rose*—

Patrick Grady: If the future Prime Minister from North East Somerset wants to intervene already, I am happy to let him.

Mr Rees-Mogg: I would be delighted to be the Prime Minister of North East Somerset when it makes a unilateral declaration of independence. The hon. Gentleman does not realise what parliamentary sovereignty means. What it means is that this House can make its internal rules of operation, and that they cannot be challenged by any court in this country or abroad. This is parliamentary sovereignty in action.

Patrick Grady: This is verbal gymnastics in action, and I have thoroughly enjoyed watching the Brexiteers contort themselves over the past couple of days. How anyone who believes in the parliamentary sovereignty that they claim to believe in—anyone who believes in the democratic mandate that we have as Members of this House—can vote for tonight’s motion is absolutely beyond me.

The Government do not have a working majority in this House. It says so on the House of Commons website, which states “Government Majority 0”, with a small star to indicate that there is a confidence and supply agreement. If the Government had a working majority, the DUP Members who are sitting behind me would be sitting opposite me on the Government Benches. DUP Members are not part of the Government. If they were, this motion would not be a necessity because the Government would have the majority that they claim to have.

The reality is that we are a Parliament of minorities, and the Government should live up to the rhetoric that we keep hearing from them about wanting to work with everyone, work across the aisle and work for different parties.

Lucy Frazer: Will the hon. Gentleman give way?

Patrick Grady: I am conscious of the fact that there is not very much time. The Government should instead use the Committees for precisely what the hon. Member for Cheltenham (Alex Chalk) suggested. We saw plenty of Government Back Benchers yesterday voting reluctantly for the second reading of the Brexit Bill, because they wanted that Bill to be improved up the stair in Committee. If the Government reflect the balance of power in the House in Committees, parties will genuinely be able to work together to improve legislation that is dealt with in Committee.

Sir Oliver Letwin: I am very sorry to delay the hon. Gentleman, but because he has repeated something that some Labour Members have said, I think it is important to note for the record that the entire Committee proceedings on the Bill to which he refers will be on the Floor of the House, not in a Committee room.

Patrick Grady: I accept that point. The Government do not have a majority here on the Floor of the House either, and Bills are improved in Committee. The whole point of Committees is that parties are supposed to work together.

As my hon. Friend the Member for Perth and North Perthshire (Pete Wishart) has pointed out, the situation is not difficult or unprecedented; it is exactly what happens in the Scottish Parliament, and it has happened on a number of occasions over many years. The Scottish Government at the moment are a minority Government, and they are in a minority on most, if not all, the Committees. Therefore, there has to be genuine cross-party compromise, and the Scottish Government have to respect the will of the electorate. Perhaps that is the fundamental difference, because in Scotland our tradition is one of popular sovereignty. The people have always had the right to choose and, if necessary, to dispose of their Governments. Of course, that is what happened to the UK Government in June this year. They were stripped of their majority, and so they should be listening to our views.

The Leader of the House cited as a precedent what happened in the 1970s, but, as we have heard from my hon. Friend the Member for Perth and North Perthshire, the hero of the Brexiteers, Margaret Thatcher herself, stood at the Dispatch Box and opposed the very kind of motion that the Government are now trying to drive through. The shadow Leader of the House spoke about the Maastricht rebels who voted to protect parliamentary sovereignty from the power-grabbing of Brussels. They morphed into the Brexiteers, but they are not rebelling any more. At least the DUP get their £1.5 billion and get to keep their Short money. I am not sure what the parliamentary sovereigntists are getting out of this. The hon. Member for Wellingborough (Mr Bone) stood on the Floor of the House earlier this afternoon and quoted, with some approval, what David Cameron said about the progress of a Bill in the House:

“The Bill limps through. Then it goes to the Standing Committee. Their duty is to look at the details clause by clause. But it’s packed full of people that the whips put there. So, surprise, surprise, the Government rarely loses the vote on any of the individual points of detailed scrutiny.”

This same Member who stood here to propose handing power back to this House will now meekly follow his Whips through the Lobby.

Mr Bone: That is a complete misrepresentation. I said that the Committees should have parity. Will the hon. Gentleman acknowledge that that is what I said? *[Interruption.]*

Patrick Grady: I heard the hon. Gentleman say that, but—as my hon. Friend the Member for Perth and North Perthshire says from a sedentary position—that is not what this motion will do, and that is why we will support the amendment in the name of the right hon. Member for Orkney and Shetland (Mr Carmichael).

Members on this side of the House will get to go home with our heads held high, because we know that we are standing up for our constituents and respecting the result of the election. I sometimes think Members on the other side of the House think we are kidding when we say people from Scotland are paying close attention to what goes on here and what their MPs are

doing, but we are not kidding. They are paying attention, and they see this place for the archaic institution that it is. They see the power grabs of a desperate minority Government, and they may begin to think, wonder whether and sense it is perhaps time to invest all their sovereignty in a different Parliament—one 400 miles up the road—and to complete the journey that started with the devolution referendum 20 years ago.

9.41 pm

Mr Marcus Fysh (Yeovil) (Con): This has been a very entertaining debate in many ways. It is quite germane because, although a lot of people around the country may not understand the niceties of statutory instruments, secondary legislation and the myriad different things we do in this place, they want us to govern efficiently in their name.

Mr Carmichael: Will the hon. Gentleman give way?

Mr Fysh: I will not give way at the moment because we are short of time.

The reality is that if the Opposition were to succeed in gumming up the system completely using legislation that they do not agree with, we would not have time in this place for all the other ambitions that the people of this country have. That is why it is absolutely in their interests and the public interest for this motion to be passed this evening.

I want to say on behalf of the people of Yeovil—the right hon. Member for Orkney and Shetland (Mr Carmichael) mentioned the high moral tone of a previous MP for the area—that they have ambitions other than Brexit, but they also want the Brexit vote to be respected, rather than for the system to be gummed up. That, in short, is why I will vote for the motion.

9.42 pm

Christian Matheson (City of Chester) (Lab): If the Leader of the House and Conservative Members are so confident about having a majority on the Floor of the House, as they have told us tonight, they should use that majority to overturn on Report any amendments that they do not like. They certainly do not need to start fiddling the system.

Sir Oliver Letwin *rose—*

Christian Matheson: I have only just started. The right hon. Gentleman must give me a moment.

That is actually part of the problem, because this is not a one-off situation. This is the latest in a series of measures that this Government have taken since 2015 to move the goalposts, change the rules and fiddle the system in one way or another in aid of their own party advantage when they find they cannot get around this in any other way. There was the example—

Sir Oliver Letwin: Will the hon. Gentleman give way?

Christian Matheson: Oh, go on, just the once.

Sir Oliver Letwin: The hon. Gentleman is very generous in giving way. Has he calculated how much extra time would be spent on each Bill if the Government had to

reverse on the Floor of the House all the amendments made in Committee? How smooth a process of government would we then have?

Christian Matheson: I have not calculated that, but my advice to the right hon. Gentleman would be to win a general election with a proper majority next time and then he would not have that problem.

Last night, we saw a power grab. We know there was a power grab with the so-called Henry VIII powers and with the Government giving themselves the authority to pass any order on any matter. However, that was only the most recent aspect of the twisting of the rules.

We saw the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, which required charities not to get involved in politics and potentially prevented them from scrutinising the activities of this Government. It did not apply to corporations or to newspapers, which are so keen to tell us how to vote, but only to charities and trade unions.

We saw the Trade Union Act 2016, which fundamentally altered the structure of the relationship between trade unions and the Labour party, thereby cutting funding for opposition to the Conservatives, even though there was no call for that from within trade union membership, and even though funding was not denied to any other political party. We saw the length of the Session doubled by the Leader of the House, but she has not doubled the number of Opposition days—and nor the number of private Member's Bill days—to provide for scrutiny of the Government, including by Back Benchers. We have seen proposals to alter the number of constituencies, with very tight limits being given to the Electoral Commission. Apparently, that would give 30 extra seats to the Conservatives. Once again, they were changing the rules in the same way they are seeking to do tonight.

There is a clear authoritarian streak in what the Government propose—an anti-democratic streak. They seem to be running scared.

Mr Francois: Will the hon. Gentleman give way?

Christian Matheson: I will not give way to the right hon. Gentleman, because I thought he was a little too aggressive in his interventions on my hon. Friend the shadow Leader of the House. Oh, go on then!

Mr Francois: I would just say, as the hon. Gentleman has just referred to this, that the fact that the shadow Leader of the House consistently would not give way suggested to the House that she did not have confidence in the case she was making.

If the hon. Gentleman thinks that the proposals are so outrageous, why did the Labour party not table an amendment with an alternative?

Christian Matheson: Because the proposals are so outrageous that they deserve to be knocked down completely, so we will vote against them. I say to the right hon. Gentleman and others that there is a real sense that having not won the election and having lost their majority, the Government are clinging to power by any means necessary.

Lucy Frazer: Will the hon. Gentleman give way?

Christian Matheson: I will not, because other Members wish to speak.

There is a sense—dare I say it—of two fingers being put up to the electorate in a contemptuous manner. The Government seem to be putting party before politics. These are the wrong proposals tonight. As the right hon. Member for Orkney and Shetland (Mr Carmichael) said, there are good Members on the other side of the House whom I like and respect. When they go through the Lobby tonight, they will know that what they are doing is wrong and anti-democratic, and I hope they think long and hard on it.

9.47 pm

Lucy Frazer (South East Cambridgeshire) (Con): In June, there was a vote to leave the EU. Both the Labour and Conservative parties committed in their manifestos to deliver that, so we have a duty to deliver it. The question that arises is how we do it. How do we fulfil the promise to deliver it? There are a number of practical issues that we need to overcome. There are thousands of pieces of legislation that need to pass into our law. Many are technical changes, but we need to ensure that our laws are certain so that businesses are able to be clear about their future.

I listened carefully during the two-day debate to speeches made by Opposition and Conservative Members, by leavers and remainers. Well-respected Members on both sides of the House recognised the importance of ensuring that there are practical solutions to avoid our country's legislative process becoming gridlocked. My right hon. and learned Friend the Member for Beaconsfield (Mr Grieve) said that we cannot get rid of EU legislation overnight “without leaving enormous gaps.” The right hon. Member for Leeds Central (Hilary Benn) said that the task was “Byzantine in its complexity” and recognised the need to ensure that Ministers have

“latitude and flexibility to do what needs to be done”.—[*Official Report*, 7 September 2017; Vol. 628, c. 381.]

The method that this Government have put forward is not unprecedented for two reasons. First, as we have heard, the Labour Government in 1976 were in the minority and passed similar motions to ensure that they had a majority on Committees.

Pete Wishart: Will the hon. and learned Lady tell us what the sainted Margaret Thatcher thought about that arrangement in the 1970s?

Lucy Frazer: We can talk about what was said in the debate, but the outcome was that Labour secured a majority in Committee when it did not have one on the Floor of the House.

Yesterday, the hon. Member for Vauxhall (Kate Hoey) said that the previous Labour Government actually doubled the number of statutory instruments that introduced new laws, so if legislating through Committee is accepted, as it has been for many years, as a means of government, and if ensuring that the governing party has a majority was accepted by the Labour party when it was in power, it is inappropriate for Labour to object to that when it is proposed by Conservative Members.

Mr Paul J. Sweeney (Glasgow North East) (Lab/Co-op): Does the hon. and learned Lady not agree that a vital component of any legislature is check and balance

[Mr Paul J. Sweeney]

through a committee system that will deliver quality legislation? Will extrapolating an artificial majority not simply dilute that ability to deliver quality scrutiny of legislation? This is, in effect, a power grab.

Lucy Frazer: The hon. Gentleman makes a valid point. In every sitting, whether in the Chamber, the other place or in Committee, it is vital that there is scrutiny. The hon. Gentleman, however, is suggesting that Members in Committee do not scrutinise when they are on one side or the other. He will know, as I do, that that is simply incorrect. There is scrutiny at every stage of the parliamentary process.

I now come to the key point. It is right that this motion is passed, because the Conservative party is the single largest party. It was elected with 13 million votes. It has 56 more seats than the next largest party. As Labour argued in 1976, it is simply inappropriate to lump together all the Opposition parties and treat them as one party when they have different interests and perspectives. We cannot say, when we lump them all together, that they hold the balance of power—they simply do not.

Helen Goodman: The logic of the hon. and learned Lady's position is that were the Conservative party to have 251 seats and the Labour party 250, with the other seats held by a variety of parties, it would still be right for the Conservative party to have a majority on every Committee. That is the logic of her argument. Is that what she is saying?

Lucy Frazer: What I am saying is that we need to assess the situation. At the moment the Conservatives have a significant majority. In fact, we have more seats than the Labour Government had in 1976 when they proposed such a measure.

As I said, the country voted in a referendum. The Labour party and this Government committed in their manifestos to deliver Brexit. We now need to do so. We need to deliver the democratic decision of the British people, and we need to do so in a way that is practical and expedient, while preserving the ability to scrutinise and debate. The motion will achieve that. As the hon. Member for Blackley and Broughton (Graham Stringer) has said, at the general election three months ago, the Labour party said it would implement its manifesto. It needs to do so, and to stop putting obstacles in the way of respecting the wishes of the British people.

9.53 pm

Matt Warman (Boston and Skegness) (Con): I entered the Chamber this evening thinking, like my hon. Friend the Member for Broxbourne (Mr Walker), that this was a lot of hot air—that this was a fuss about nothing because, self-evidently, the Conservative party has a working majority on the Floor of the House of Commons. Not only has the Conservative party won every single vote in this House since the election and demonstrated a working majority, but it has won each vote by more than the number of additional supporting votes we garner from the Democratic Unionist party. There can therefore be no question but that the Conservative party has a working majority on the Floor of the House of Commons. If that is the case, there can be no question

but that, in the eyes of the public, the Conservative party would be expected to have a working majority upstairs in Committee.

What are those of us on the Government Benches arguing for this evening? We are arguing against a Labour proposal that would turn every Committee decision back to this Chamber, gum up this Parliament, and throw a functioning Government into a state of paralysis on the Floor of the House. Yet the Labour party argues that we are seeking to do something undemocratic. It argues that a paralysed Government who can do no business on Brexit or anything else is somehow more democratic than the working majority that this Government have demonstrated every week in Parliament.

We have to ask ourselves what is the aim of opposing tonight's motion. Is it some pretence of outrage about protecting democracy, or is it in fact an attempt to make sure the Government grind to a halt? There can be no question that Labour is seeking to grind the Government and the whole country to a halt, and that cannot be a democratic or sensible way for us to respect the wishes of the people who voted in the general election in June. The hon. Member for Perth and North Perthshire (Pete Wishart) said there was something about democracy that was not always convenient. We could not have a better case of the pot calling the kettle black, because if we voted against the motion, democracy and the Government would be frustrated at every level. The idea that this is anything other than a naked power grab by an Opposition seeking to frustrate Brexit and this Government is absurd. Who is it who is seeking to frustrate democracy? Is it a Government who have a working majority here simply seeking one upstairs, or is it an Opposition party seeking to grind us to a halt?

Mr Charles Walker: This entire debate is a dead letter because the best the Opposition could hope for is an equal number on a Bill Committee, and in the event of a tie, which most votes would be, the Bill would remain unamended anyway, so none of their proposals would be carried.

Matt Warman: I want to agree with my hon. Friend that we should not get too wound up and should just carry on, but I cannot when we are being accused by Opposition parties of seeking to fundamentally subvert democracy. What subverts democracy fundamentally are Opposition parties of whatever flavour that want to use this as a pretext to grind the process of leaving the EU to a halt and to grind the Government's entire business to a halt. I dare to say to my hon. Friend that Government Members should not be so relaxed as to not make a fuss about this. We should be passionate about getting the will of the British people through, both in Committee and on the Floor of the House. We should be passionate about the Government getting their business done, with the will of the people as expressed in the referendum reflected, and that is what the motion seeks to do.

9.58 pm

Mr Jacob Rees-Mogg (North East Somerset) (Con): This is not some great constitutional crisis; it is within the thread of our constitution. The great Duke of Wellington's guiding constitutional principle was that the King's Government must be carried on. In older

age, he changed it to the Queen's Government. That is the situation today. Since 1881, when, Mr Speaker, your illustrious predecessor, Speaker Brand, brought debate to a close, it has been recognised that the rules of the House must ensure that business can be proceeded with efficiently. That has been put into Standing Orders, and Standing Orders have been consistently amended and altered, suspended or changed, to ensure that the Government of the day can get their business through. It is very straightforward: if the Government of the day do not command a majority, a vote of no confidence is tabled and the Government fall. That is the fundamental principle of our constitution.

After that, what we are dealing with is purely administrative, not highfalutin constitutionalism. We know, because the Queen's Speech was carried, that in the House there is a majority for the Government's programme. It is therefore legitimate for the motion for an amendment to Standing Orders to be passed tonight, to ensure that that which has already been established on the Floor of the House applies in Committee.

The absurdity of the Opposition's position is that the Committee of Selection, when there is an odd number on a Committee, should always give that odd number so that the Government can be defeated. How does that represent either the result of the general election or the combination of seats in the House? It is clear that with an odd number, the majority must belong to the governing side, with the support of our friends in the Democratic Unionist party who voted for the Queen's Speech.

When the numbers are even, the result in the Bill Committee will of course be determined by the vote of the Chairman, who, by convention, will vote for no change. That will mean no change in the Bill passed on the Floor of the House, which will mean that both Government and Opposition amendments will fail in Committee if it is even-numbered, and will be tabled again on Report. Any Bill must have been presented by a Government who have a majority, and who have not been overturned by a vote of no confidence. It must be the case that the Bill has been given a Second Reading, and therefore, in principle, commands a majority in the House. On Report, any changes made in Committee can be overturned, so if we lose the support of our friends in the Democratic Unionist party, any proposal that is disliked can be stopped. Then there is the final stage, Third Reading. At every stage, the will of the House will be respected.

The speech, of great elegance, that was made by the hon. Member for Walsall South (Valerie Vaz), and the speech—of equal elegance—that was made by the hon. Member for Perth and North Perthshire (Pete Wishart), had the great virtue of enormous and gloriously synthetic anger. Their fundamental good nature shone through. We saw that they knew that if they were in the Government's position, exactly the same motion would be before the House. We know that in 1976, such a motion was snuck before the House on a quiet Friday when no one would notice. There is tradition for this; there is precedent for this; and it is the right thing for the party, the House, the Government and the nation.

Mr Speaker: I call Mr Kevin Foster.

Mr Foster was on the list, but he has obviously taken himself off the list. In that case, we will have the joys of Mr Eddie Hughes.

10.3 pm

Eddie Hughes (Walsall North) (Con): Thank you very much, Mr Speaker. My contribution will be very short, but hopefully mildly insightful, because I think I know why the hon. Member for Walsall South (Valerie Vaz) did not take any interventions during her speech.

I am familiar with the hon. Lady's constituency. We are constituency neighbours, and I frequently make incursions across the border, either for a curry or a pint, or to deliver leaflets. *[Laughter]* I often take the opportunity to speak to her constituents—I do not think I need to declare that to her before I nip over there for a pint—and I know that they will be utterly bewildered by what is going on this evening. They know, when they look at the TV, that we have a Conservative Prime Minister. They know that when they voted in the referendum, they voted for Brexit. They are looking at this Chamber and thinking, "Come on, chaps, just get on with it!" The hon. Lady knows full well that if she were to go back to Darlaston and explain this evening's proceedings, they would say, "You are bonkers. Just get on with the job: that is why we elected you."

10.5 pm

Wendy Morton (Aldridge-Brownhills) (Con): How on earth do I follow the contribution of my constituency neighbour? I will do it my way.

We just need to remind ourselves of one or two things. In the 2016 referendum, the majority of the British public voted to exit the EU. In June this year, we had a general election, and we have a Conservative Prime Minister; the Conservative party won the general election with 318 seats, 56 more than on the Labour Benches. The Queen's Speech has already been passed, setting out the legitimacy and programme of this Government. My constituents are probably equally bewildered by what is going on this evening, but I am fairly certain of one thing: they want us to get on with the job of being in government and delivering Brexit, but also delivering for our country.

Stewart Malcolm McDonald (Glasgow South) (SNP)
rose—

Wendy Morton: I am going to continue because the hour is late, and I hope another Member or so will have a chance to make a small contribution.

We have a working majority in this House, and for me and those on our side of the House, a working majority on a Committee is a logical extension of that, so I will be backing the Leader of the House this evening. I will be backing the Government because I want to deliver for my constituency.

10.6 pm

Tom Pursglove (Corby) (Con): Mr Speaker, I just want to make a number of very pithy points.

First, I am infuriated by the argument that the Government do not have a working majority. We should look at the numbers. On Wednesday 6 September, 317 votes played 276, 320 played 287, and 320 played 249; yesterday, 318 played 296, 326 played 290, and 318 played 301; and tonight we won the last vote by 21 votes.

[Tom Pursglove]

I sat on a number of Committees of different sorts in the last Parliament, and I can reveal that a number of Members opposite very regularly did not turn up, and not many of them spoke. So the baulking that we hear tonight rings very hollow with me. I tried to intervene on the shadow Leader of the House and would be delighted if she were to tell me that Members opposite were turning over a new leaf and were going to turn up and participate, because that would be good for our democracy and for the quality of scrutiny in this House.

We will do a disservice if we do not carry through on this tonight. I heard a Labour Whip last week complain about the fact that we have not made sufficient progress on Brexit. The bottom line is we cannot have it both ways. The fact here is that this is not unprecedented, so let us test the will of the House tonight.

10.8 pm

Alex Chalk (Cheltenham) (Con): I will confine myself to some brief observations. I enjoyed very much the excellent speech of my hon. Friend the Member for Walsall North (Eddie Hughes), but it is interesting that back in 1976 there was a Labour Member for Walsall North, and he was called John Stonehouse. People may recall that, having been exposed as a Czech spy and having tried to fake his own death, he then crossed the Floor and defected from the Labour party. At the point when he did so, Labour lost its majority. But interestingly, at that point, Labour did precisely the same as now: the then Leader of the House, Mr Hugh Delargy, noted that the Labour party had a majority of 39 over the Conservatives, and in seeking to justify his position further he said:

“Combining those parties”—

the opposition parties—

“as though they were one united group is wrong...and saying they are a united Opposition is simply a wild and crashing confusion of thought.”—[*Official Report*, 3 May 1976; Vol. 910, c. 985.]

So it is a wild and crashing confusion of thought to suggest that this Government do not have a working majority today, because it has been eloquently demonstrated time and again that they do. The proof of the pudding will be in the eating, because if this motion does not pass, we will know. My constituents and constituents from around the country will find it odd indeed if the Government have a majority on the ground floor of this Parliament, but somehow loses it on the first floor. They would perceive that as perverse and illogical. Finally, there is a democratic longstop on Report, when the Opposition can reverse everything, so this is sound and fury that ultimately signifies nothing.

10.10 pm

Robert Courts (Witney) (Con): Let us be quite clear about one or two things. First, contrary to what has been said, it is quite clear that the Conservative party did not lose the election. With 56 more seats than the Labour party, the Conservative party quite clearly won the election. Secondly, while the Conservative party does not command an overall majority on its own, the Government quite clearly command the confidence of the House with a majority. That being the case, the people of this country expect the Government to be able to govern and to carry out its legislative programme.

They also expect constructive and sensible Opposition from the Labour party, but that is not what they are seeing tonight. It is a party that has decided above all—

10.11 pm

Two hours having elapsed since the commencement of proceedings on the Business of the House (Today) motion, the Speaker put the Questions necessary for the disposal of the business to be concluded at that time (Order, this day).

Amendment proposed: (a), Leave out part B.—(Mr Alistair Carmichael.)

Question put, That the amendment be made.

The House divided: Ayes 300, Noes 320.

Division No. 17]

[10.11 pm

AYES

Abbott, rh Ms Diane	Crausby, Sir David
Abrahams, Debbie	Crawley, Angela
Alexander, Heidi	Creagh, Mary
Ali, Rushanara	Creasy, Stella
Allin-Khan, Dr Rosena	Cruddas, Jon
Amesbury, Mike	Cryer, John
Antoniazzi, Tonia	Cummins, Judith
Ashworth, Jonathan	Cunningham, Alex
Austin, Ian	Cunningham, Mr Jim
Bailey, Mr Adrian	Dakin, Nic
Bardell, Hannah	Davey, rh Sir Edward
Barron, rh Sir Kevin	David, Wayne
Beckett, rh Margaret	Davies, Geraint
Benn, rh Hilary	Day, Martyn
Berger, Luciana	De Cordova, Marsha
Betts, Mr Clive	De Piero, Gloria
Blackford, Ian	Debbonaire, Thangam
Blackman, Kirsty	Dent Coad, Emma
Blackman-Woods, Dr Roberta	Dhesi, Mr Tanmanjeet Singh
Blomfield, Paul	Docherty-Hughes, Martin
Brabin, Tracy	Dodds, Anneliese
Bradshaw, rh Mr Ben	Doughty, Stephen
Brennan, Kevin	Dowd, Peter
Brock, Deidre	Drew, Dr David
Brown, Alan	Dromey, Jack
Brown, Lyn	Duffield, Rosie
Brown, rh Mr Nicholas	Eagle, Ms Angela
Bryant, Chris	Eagle, Maria
Buck, Ms Karen	Edwards, Jonathan
Burden, Richard	Efford, Clive
Burgon, Richard	Elliott, Julie
Butler, Dawn	Ellman, Mrs Louise
Byrne, rh Liam	Elmore, Chris
Cable, rh Sir Vince	Esterson, Bill
Cadbury, Ruth	Evans, Chris
Cameron, Dr Lisa	Farrelly, Paul
Campbell, rh Mr Alan	Fellows, Marion
Carden, Dan	Field, rh Frank
Carmichael, rh Mr Alistair	Fitzpatrick, Jim
Champion, Sarah	Fletcher, Colleen
Chapman, Douglas	Flint, rh Caroline
Chapman, Jenny	Flynn, Paul
Charalambous, Bambos	Fovargue, Yvonne
Cherry, Joanna	Foxcroft, Vicky
Coaker, Vernon	Frith, James
Coffey, Ann	Furniss, Gill
Cooper, Julie	Gaffney, Hugh
Cooper, Rosie	Gapes, Mike
Cooper, rh Yvette	Gardiner, Barry
Corbyn, rh Jeremy	George, Ruth
Cowan, Ronnie	Gethins, Stephen
Coyle, Neil	Gibson, Patricia

Gill, Preet Kaur
Glendon, Mary
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh David
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana

Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O'Hara, Brendan
O'Mara, Jared
Onasanya, Fiona
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pidcock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruane, Chris
Russell-Moyle, Lloyd
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula

Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Jeff
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Stringer, Graham
Sweeney, Mr Paul J.
Swinson, Jo
Tami, Mark
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Mr Graham
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory

Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, rh Keith
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:

**Tom Brake and
David Linden**

NOES

Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dockerill, Julia
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan

Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Mrs Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Gyimah, Mr Sam
Hair, Kirstene
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, Truddy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Little Pengelly, Emma
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
May, rh Mrs Theresa
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menzies, Mark
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, Penny
Morgan, rh Nicky
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Neil
Offord, Dr Matthew

Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Philp, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Julian
Smith, Royston
Soames, rh Sir Nicholas
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark

Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Mr Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Vaizey, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David
Warman, Matt
Watling, Giles
Whately, Helen
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
Andrew Griffiths and
Mrs Heather Wheeler

Question accordingly negated.

Main question put.

The House divided: Ayes 320, Noes 301.

Division No. 18]

[10.27 pm

AYES

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben

Bradley, rh Karen
 Brady, Mr Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dockerill, Julia
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Dorries, Ms Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Mr Nigel
 Evennett, rh David
 Fabricant, Michael
 Fallon, rh Sir Michael
 Fernandes, Suella
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Mrs Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Gyimah, Mr Sam
 Hair, Kirstene
 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
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg

Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Liddington, rh Mr David
 Little Pengelly, Emma
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannan, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Mr Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevellick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, Sammy
 Wollaston, Dr Sarah

Wood, Mike
Wragg, Mr William
Wright, Mr Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Andrew Griffiths and
Mrs Heather Wheeler

NOES

Abbott, Mr Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, Mr Sir Kevin
Beckett, Mr Margaret
Benn, Mr Hilary
Berger, Luciana
Betts, Mr Clive
Blackford, Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Bradshaw, Mr Ben
Brake, Mr Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, Mr Liam
Cable, Mr Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, Mr Alan
Carden, Dan
Carmichael, Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, Mr Yvette
Corbyn, Mr Jeremy
Cowan, Ronnie
Coyle, Neil
Crausby, Sir David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, Mr Sir Edward
David, Wayne

Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fellows, Marion
Field, Mr Frank
Fitzpatrick, Jim
Fletcher, Colleen
Flint, Mr Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glendon, Mary
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, Mr David
Hardy, Emma
Harman, Mr Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, Mr John
Hendrick, Mr Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike

Hillier, Meg
Hobhouse, Wera
Hodge, Mr Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, Mr Norman
Lammy, Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, David
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, Mr John
McFadden, Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, Mr Edward
Monaghan, Carol

Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O'Hara, Brendan
O'Mara, Jared
Onasanya, Fiona
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pidcock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruane, Chris
Russell-Moyle, Lloyd
Ryan, Mr Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, Mr John
Starmer, Mr Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Stringer, Graham
Sweeney, Mr Paul J.
Swinson, Jo
Tami, Mark

Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, rh Keith
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine

Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Noes:
Thangam Debbonaire and
Jeff Smith

Question accordingly agreed to.

Ordered,

That notwithstanding the practice of the House in the nomination of Members to committees, the following orders shall have effect for the duration of the present Parliament:

A: SELECTION COMMITTEE

(1) There shall be a select committee, to be known as the Selection Committee, to discharge the functions of nomination to committees provided for in the Standing Orders of the House relating to public business and to carry out the functions set out in or by virtue of the provisions of this order.

(2) The Committee shall consist of nine Members, of whom three shall be a quorum.

(3) Mr Alan Campbell, David Evennett, Patrick Grady, Andrew Griffiths, Jessica Morden, Christopher Pincher, Julian Smith, Mark Tami and Bill Wiggin shall be members of the Committee.

(4) The Committee appointed under this order shall be regarded as the Committee of Selection for the purposes of motions for nomination of select committees under 15 paragraph(2)(b)(ii) of Standing Order No. 121 (Nomination of select committees).

(5) The Committee shall have the power of nomination to and discharge from general committees provided for in Standing Order No. 86 (Nomination of general committees).

(6) The Committee shall observe the conditions on nominations of public bill committees on a private Member's bill set out in Standing Order No. 84A (Public bill committees).

(7) The Committee shall have the power to nominate members to European Committees in Standing Order No. 119 (European Committees).

(8) The Committee shall have the power of nomination and discharge of members as provided for in Standing Order No. 92 (Consideration on report of certain bills by a general committee), Standing Order No. 102 (Welsh Grand Committee (composition and 25 business)), Standing Order No. 109 (Northern Ireland Grand Committee (composition and business)) and Standing Order No. 117 (Regional Affairs Committee).

(9) The Committee shall have the power of appointment provided for in, or by virtue of, paragraph (8)(a) of Standing Order No. 83J (Certification of bills etc. as relating exclusively to England or England and Wales and being within devolved legislative 30 competence), paragraph (4) of Standing Order No. 83P (Certification of instruments) and paragraph (6) of Standing Order No. 83U (Certification of motions upon which a Finance Bill is to be brought in, etc.) of two members of the Panel of Chairs to assist the Speaker in certifications.

(10) The Committee shall have powers to send for persons, papers and records in the 35 execution of its duties.

(11) The provisions of Private Business Standing Orders shall apply to the Committee established under this order as if the Committee were the Committee of Selection established under Standing Order 109 of those Standing Orders; and each reference to the Committee of Selection in those Standing Orders shall be taken as a reference to the Committee established under this order.

B. SELECTION COMMITTEE (NOMINATION TO GENERAL COMMITTEES)

The Selection Committee shall interpret paragraph (2) of Standing Order No. 86 (Nomination of general committees) in such a way that where a committee has an odd number of members the Government shall have a majority, and where a committee has an even number of members the number of Government and Opposition members shall be equal; but this instruction shall not apply to the nomination of any public bill committee to which the proviso in sub-paragraph (iv) of that paragraph applies.

C: POSITIONS FOR WHICH ADDITIONAL SALARIES ARE PAYABLE FOR THE PURPOSES OF SECTION 4A(2) OF THE PARLIAMENTARY STANDARDS ACT 2009

The Chair of the committee established under part A of this order shall, for the period that part A of this order has effect, be a position specified for the purposes of section 4A(2) of the Parliamentary Standards Act 2009, subject to paragraphs (2) to (4) of the resolution of the House of 19 March 2013 (Positions for which additional salaries are payable for the purposes of Section 4A(2) of the Parliamentary Standards Act 2009) which apply as if that position were referred to in paragraph (1)(a) of that resolution; and, for that period, the chair of the Committee of Selection shall not be a position so specified.

D: NOMINATION OF PROGRAMMING COMMITTEES

The Speaker shall interpret paragraph (2)(b) of Standing Order No. 83B (Programming committees) in such a way that the number of Government and Opposition members nominated to each such committee shall be equal.

E: NOMINATION OF PROGRAMMING SUB-COMMITTEES

The Speaker shall interpret paragraph (3)(b) of Standing Order No. 83C (Programming sub-committees) in such a way that the Government shall have a majority of the 65 members nominated to each such committee.

F: NOMINATION OF REASONS COMMITTEES

That, unless the House otherwise orders, the Government shall have a majority of the members nominated to each committee to draw up reasons.

STANDING ORDERS ETC. (DEPARTMENTAL NOMENCLATURE) (DIGITAL, CULTURE, MEDIA AND SPORT)

Ordered,

That the following changes to Standing Orders be made:

A: Select Committees Related to Government Departments

(1) That Standing Order No. 152 (Select committees related to government departments) be amended in the Table in paragraph (2), in item 3, by inserting "Digital," before "Culture, Media and Sport" in each place it occurs.

B. European Committees

(2) That the Table in paragraph (7) of Standing Order No. 119 (European Committees) be amended in respect of European Committee C, by inserting "Digital," before "Culture, Media and Sport".—(*Andrew Stephenson.*)

Mr Speaker: I feel sure that hon. Members will wish to listen intently to the petition from Mr Tommy Sheppard, but in the extraordinary eventuality that colleagues do not wish to hear about Mr Sheppard's petition, perhaps they can do us all the courtesy of leaving the Chamber quickly and quietly so that the hon. Gentleman can speak briefly to it.

PETITIONS

System of obtaining Permanent Residence Certification

10.42 pm

Tommy Sheppard (Edinburgh East) (SNP): I rise to present a petition relating to the system of obtaining permanent residence certification in the United Kingdom.

[Tommy Sheppard]

This petition signed by my constituents and a similar petition signed by another 200 of my constituents express concern at the difficulties many EU citizens living in the UK face in obtaining permanent residence. I wish to record, in particular, the efforts of Uta Rosenbrock in bringing this matter to my attention and that of the House.

The petitioners request that the House urges the Government to change the procedures for obtaining permanent residence, and they detail seven specific reforms that would improve the process, which I invite Members of the House to study in detail.

The petition states:

The petition of residents of the UK,

Declares that the current system of PR discriminates against many groups of EU/EEA residents and their non-EEA spouses/civil partners; further that this reform will facilitate EU/EEA nationals to obtain Permanent Resident Certification/Card (PR), currently mandatory to become UK citizens (for those who wish to do so).

The petitioners therefore request that the House of Commons urges the Government to ensure that British spouses/civil partners to be considered as sponsors or their EU/EEA spouses/civil partners in PR applications; further to scrap Comprehensive Sickness Insurance as PR requirement for EU/EEA students, homemakers, carers, retired and disabled people or applicants self-sufficient through other income, including their non-EEA spouses/civil partners; EU/EEA nationals, their spouses/civil partners, their children, who have exercised treaty rights for less than 5 years, to complete their journey to PR; further that parents/carers of British citizens to obtain PR automatically; further that spouses/civil partners of UK service men/women to acquire PR without proof of residency; further that PR to be protected under UK law; further that type of residency evidence, currently accepted for PR/ILR, to be accepted for UK citizenship; further that leaders are urged to act now to reform the system of obtaining Permanent Residence Certification/Card (PR).

And the petitioners remain, etc.

[P002051]

Glenfield Children's Heart Unit

10.44 pm

Neil O'Brien (Harborough) (Con): On 28 September, NHS England will decide on the future of the Glenfield children's heart surgery unit in the east midlands, which is currently at Glenfield Hospital. It is a very high-performing unit, with some of the best outcomes in the entire country, and I have been privileged to see its amazing staff at work. Without it, the east midlands would be the only region in the country without such a unit, and parents would have to travel a very long way to see their children.

Some 130,000 people have already signed one petition against closure, and as we approach the final decision on the future of the unit, I present this parliamentary petition as a reminder of how strongly my constituents feel about keeping this brilliant unit.

The petition states:

The petition of residents of Harborough, Oadby and Wigston,

Declares that the petitioners want Glenfield Children's Heart Unit to be retained; further that this is a high performing unit and it is vital to retain such a service in the East Midlands.

The petitioners therefore request that the House of Commons urges NHS England to keep Glenfield Children's Heart Unit open.

And the petitioners remain, etc.

[P002055]

Access to NHS Dentists

Mr Speaker: Order. Before we start the Adjournment, it might be for the benefit of the House if I explained—because a lot of people do not seem to realise this, including sometimes Members who have been in the House for quite a long time—what the rules appertaining to participation in the end-of-day Adjournment debate are. Any Member can seek to intervene on the person whose Adjournment debate it is. Equally, the Member whose debate it is not obliged to accept the intervention, though he or she can. That process does not require any involvement by the Chair or the Minister. If, however, a Member wishes to make what he or she might call an intervention but what we would regard as a speech of two or three minutes or more, that is permitted only if the Member whose debate it is agrees, the Minister agrees, and the occupant of the Chair agrees.

I thought it might be useful to make that point at the outset of this Parliament, because I have often come across very experienced and sometimes distinguished Members who do not seem to be aware of the distinction between intervening and making a speech in such circumstances. I hope that is helpful to colleagues.

Motion made, and Question proposed, That this House do now adjourn.—(Andrew Stephenson.)

10.46 pm

Judith Cummins (Bradford South) (Lab): In today's NHS, the word "crisis" is sadly all too commonplace. Week in, week out, crisis grips our NHS. We see it played out across our front pages: in our money-strapped and creaking social care system, in our overflowing A&Es, and in the ever longer delays in accessing even basic procedures such as knee and hip replacements. For health professionals right across this country, it must be beyond frustrating that where the Government are concerned, it takes nothing less than a full-blown crisis before a Minister is willing to sit up and take notice.

What we see unfolding in NHS dental practices in communities right across this country is yet another crisis. The British Dental Association agrees. A BBC investigation last week revealed that of 2,500 dental practices listed on the NHS Choices website, half were not willing to accept new adult NHS patients—half of all practices.

Paula Sherriff (Dewsbury) (Lab): I have raised with the Minister and his predecessors for over two years now the terrible dental services in Dewsbury, and we have not yet reached any resolution. Does my hon. Friend agree that while looking at this issue we must try to achieve a resolution for the whole of West Yorkshire?

Judith Cummins: Absolutely.

More disturbingly, 40% of practices were unwilling to take children as NHS patients. Millions of people each and every year are being left without access to an NHS dentist. The human cost of this crisis is huge. Families, parents and young children are suffering horrific, lifelong and extreme damage to their teeth and to their oral health. Stories of people resorting to pulling out their own teeth are increasingly commonplace. Images of young children—toddlers—with mouths full of rotten teeth are less and less of a rarity.

Tracy Brabin (Batley and Spen) (Lab/Co-op): Does my hon. Friend agree that it is deeply worrying that 29% of five-year-olds in Kirklees have decayed, missing or filled teeth, and that in March 2017 NHS Digital told us that one in three children in Kirklees have not seen an NHS dentist for the past 12 months?

Judith Cummins: I certainly do. I thank my hon. Friend for that intervention.

The physical damage is visible—it is easily understood—but just focusing on this physical damage would be to underestimate what we are facing in this country. Much of the damage is much less visible, as it is emotional, psychological and hidden beneath the surface, with a generation hobbled by insecurity and embarrassment. At a time when mental health parity receives the personal endorsement of the Prime Minister, I despair that so many, mainly young people, are facing emotional disorders for an entirely preventable reason.

It is difficult enough for adults left with irreparable damage, but when our children and young people are left embarrassed, deeply under-confident and self-conscious, the true scale of what is happening reveals itself.

Dr Philippa Whitford (Central Ayrshire) (SNP): Is not the underlying problem that there is no preventive dental contract in England? That means that people are going when they are in crisis and dentists are unwilling to take them on. England needs something like the Scottish Childsmile scheme, which takes children right through childhood.

Judith Cummins: I thank the hon. Lady for that intervention.

As children and young people are starting off in life, with their careers, social lives, and everything else ahead of them, they are being left damaged for entirely avoidable reasons. Sadly, identifying a crisis in our health services is not a rarity, but what we see in this crisis is that it is unfairly hitting the least affluent the hardest—those who are struggling to make ends meet, and those living in working-class areas.

The BBC interviewed a Bradford resident, Nazreen Akhtar, a mother of two children. She said it had taken her five years to find a dentist who would accept both her children.

Imran Hussain (Bradford East) (Lab): My hon. Friend will be aware that in Bradford 40% of people do not have an NHS dentist. Many of them have applied unsuccessfully. Does she agree that it is unacceptable that only one in 20 practices has its doors open to new patients?

Judith Cummins: It is an absolute disgrace.

In the meantime, Ms Akhtar's son had suffered chronic pain. His adult teeth had grown over the top of his milk teeth. I can only imagine the distress in having to watch your child facing chronic pain day in, day out, powerless and abandoned.

Low-income families face a double whammy: they are unable to find local NHS dentists with open lists, and more to the point, they are unable to afford the high cost of private treatment. That double whammy has left working-class areas hardest hit. Over the past

seven years, the Government's unspoken policy has been to force dental practices to rely increasingly on patient fees, and, more insidiously, to force dental practices to rely even more on patients who pay privately. Revenue from patient charges has grown by 66% over the last decade and totalled £783 million in 2016-17. Meanwhile, direct state investment has been in steady decline.

The British Dental Association analysis also reveals that the Government have only commissioned enough dentistry to treat around half the adult population. That is an absolute disgrace.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on securing this debate. Does she feel that the Minister and the Government should set aside the idea of patients per practice and set extra money aside so that more dentists can take on more patients?

Judith Cummins: I absolutely do.

Dental practices in working-class areas, facing spiralling overheads and a decline in their income, are struggling to stay afloat. In better-off areas, dental practices have been able to cushion themselves through extra revenue from privately paying patients. That extra income makes a difference. In working-class areas, the realities of life are hugely different. After many families have paid their rent or mortgage, covered day-to-day essentials and put food on the table, a visit to the dentist has now become one of life's luxuries.

Research by the BDA supports that idea. Figures reveal that four in 10 patients have delayed a dental check-up because of fears about the high cost of treatment. That is understandable when we realise that the patient charge for treatment in the highest band—such as crowns or bridges—is £244.30. Working-class people, such as those in Bradford, are being hit the hardest. They have been abandoned by the Government, and they suffer failing oral health and chronic pain day in, day out. Worst of all, they are powerless to do anything about it because they find it difficult to access an NHS dentist. There is a clear human cost of poor dental health, which affects every part of a person's day-to-day life.

The BBC spoke to a Mr Oldroyd during their investigations. Mr Oldroyd, a middle-aged man, has been trying to find an NHS dentist for four long years, during which he had suffered from chronic pain caused by his terrible tooth decay. He told reporters:

"The state of my teeth has made me depressed and I've literally begged to be taken on by an NHS dentist, but every time I've been turned away."

Mr Oldroyd told reporters that his pain became so unbearable that, in the end, he resorted to self-extraction. He pulled out his own teeth. This is simply unthinkable. Mr Oldroyd believes that his poor dental health has contributed to him being out of work. As he puts it:

"The tops of my teeth are gone. I'm on benefits and trying to get a job, and when someone sees my teeth they just think I'm another waster."

This crisis has been a long time in the coming. It has not crept up on the Government; it has been visible and in plain sight. The Government were put on notice when they came to power in 2010. There have been repeated warnings from dental professionals working in the sector, from within Parliament, and from the British Dental Association. All have warned that inaction is not an option, but sadly that is what we have seen.

[*Judith Cummins*]

It was not long ago that I, and many other Members, spent the afternoon right here in the Chamber in a Back-Bench business debate about health inequalities. During my remarks I set out a number of simple, uncontroversial steps that promised to improve access to NHS dentistry. First among those steps was to expedite reform of the NHS dental contract. Time and again when challenged about the reform of this contract, the Government have done little more than lay the blame at the door of the previous Labour Government. With respect, if that excuse was ever persuasive, it is now threadbare following seven years of a Conservative Government, two Conservative Prime Ministers and three general elections.

Reform of the contract is critical, as it promises to spend taxpayers' money more effectively. The current dysfunctional contract sets quotas on patient numbers, fails to incentivise preventive work, including effective public information campaigns, and implicitly places an ever-growing reliance on dental practices to pursue private charging as a means of staying afloat. This Government are forcing dentists to make a terrible decision: either to stop providing NHS services altogether and go private, disregarding those who have less ability to pay, or to provide overstretched NHS dental treatment to their patients—or a combination of the both. That is a toxic choice for the dental profession.

Since first being elected in 2015, I have campaigned for more funding for Bradford. The city has among the worst oral health outcomes in the country, despite the hard work of local public health officials. We have received additional funding, to the credit of the previous Minister, the right hon. Member for North East Bedfordshire (Alistair Burt), but frustratingly this was only temporary. Despite my efforts, the Government still have not announced whether any permanent funding will be put in place. That is simply unacceptable. Official figures reveal that a five-year-old in Bradford is four and a half times more likely to suffer from tooth decay than a child in the Health Secretary's constituency of South West Surrey. According to figures, a third of children in Bradford have not seen a dentist for more than two years. Children should be given a check-up every six months.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): Will the hon. Lady give way?

Judith Cummins: I am really sorry; I cannot give way because of the time.

One of the most shocking figures reveals that the number of children admitted to hospital for tooth extractions has risen by a quarter over the past four years. Some may think that tooth extraction is simply a part of growing up—a rite of passage for children. Some may recount their own personal memories of visiting the dentist. If anyone still holds that sentimental view, they should pause for a moment and rethink. The tooth extractions I am speaking of, which have gone up by a quarter in the last four years, mostly involve a general anaesthetic. A recent freedom of information request to Bradford hospitals sets out the scale of the crisis. In the short period from April to December 2016, 190 children were admitted to hospital to undergo a

tooth extraction under general anaesthetic. What was also shocking about this request was the hospital's admission that those figures were not available prior to April 2016. The hospital did not consider that the procedure warranted reporting.

Dr Whitford: Will the hon. Lady give way?

Judith Cummins: I am sorry, I do not have time.

One core theme that emerges time and again, as borne out by Bradford hospitals' admission, is that the Government are paralysed by inaction when it comes to oral health and NHS dentistry. They are indifferent towards even the simple task of requiring a countrywide collection of the most basic statistics on how many children are being subjected to the dangers of general anaesthetic. Time and again, the only sensible conclusion that can be drawn is that this Government are paralysed by inaction. Oral health and dentistry services truly are the Cinderella service of our NHS.

Across our country, tooth decay remains the leading reason for hospital admissions among young children, despite being almost completely preventable. The Government should be ashamed of the fact that almost 40,000 children were admitted to hospital to have multiple teeth extracted under a general anaesthetic because of tooth decay in the last year alone. On the Department of Health's own figures, the average cost of a tooth extraction is £834. Overall, the NHS is calculated to have wasted more than £50 million on tooth extractions. This crisis is wasting the NHS millions upon millions of pounds each and every year in tooth extractions for our children. As the saying goes, prevention is better than cure. That was never truer than in oral and dental health. The Government should be ashamed of the fact that, on their watch, tooth extractions are up by 25%. It is beyond doubt that that £50 million would be better spent on prevention activities. Spending the money in that way would free up scarce NHS time and limited beds, while saving tens of thousands of our children from the trauma of hospital admission and general anaesthesia.

I want to touch upon the real scandal at the heart of those 40,000 hospital admissions. NHS dental treatment is free for our children and young people. Every child and young person should be receiving good quality NHS dental treatment, but recent figures published by the Royal College of Surgeons faculty of dental surgery reveal that 42% of children did not visit an NHS dentist in the year prior to 30 June 2017, and a staggering 80% of children between the ages of one and two did not visit a dentist at all. That may perplex some Members. Why are so many of our children and young people not receiving the treatment that they are freely entitled to access under our NHS? A recent survey published by the BDA reveals the truth. The survey found that 25% of parents did not know that routine dental check-ups were free for their children. More to the point, seven in 10 parents were not aware that treatment for their children would also be free of charge.

In theory and in name, we operate an NHS dental system for our children and young people—one that is based on need, not on ability to pay. It is free at the point of need and free at the point of delivery. In reality, however, when seven in 10 parents are not aware that treatment for their children is free; and when, on the

ground, 40% of NHS dentists are unwilling to take on children as new NHS patients, I ask this question: can we really say with any certainty that we continue to operate a free NHS dental system for our children in this country? Is it not true that, following seven years of inaction, the Government have, de facto, displaced our NHS dental system with a burgeoning private system?

Although the working class are, beyond doubt, being hit the hardest, the crisis in dentistry transcends social class, ethnicity and age. Although the people in my home city of Bradford are being hit hard by the lack of access to an NHS dentist, evidence from the profession, patients and the British dental association makes it clear that the crisis is a national one, which is hitting all areas of this country. Therefore, I ask the Government to get on with dental contract reform and, more broadly, to bring forward a coherent strategy to tackle the inadequacies and inequalities I have set out this evening. Indifference is not an option; Government need to act now to stop this crisis.

11.3 pm

The Parliamentary Under-Secretary of State for Health (Steve Brine): I congratulate the hon. Member for Bradford South (Judith Cummins) on securing the debate, which has come significantly earlier this evening than perhaps we had expected. I am sure that that is one of the reasons for the increased turnout, but the main reason is that this is a very serious and important subject, which affects lots and lots of our constituents. I thank Members for being here.

Of course, everyone should have access to a dentist, and those who want it should have access to an NHS dentist. It is a fact that the two main dental diseases—dental caries or decay, and periodontal or gum disease—can be almost eliminated by the combination of good diet and correct tooth brushing, backed up by regular examinations by a dentist. Let me acknowledge from the outset, therefore, the vital role that dentists play in maintaining and improving the oral health of all our constituents.

As hon. Members may be aware, NHS England has a statutory duty to commission services to improve the health of the population and to reduce inequalities. The hon. Lady spoke passionately about that, as she always does. In this instance, NHS England's statutory duty is to commission primary NHS dental services to meet local need. I appreciate that, as she has highlighted, there are of course areas with access difficulties—to put it mildly—such as her constituency of Bradford South, as well as those represented by other Members in the Chamber, but overall access continues to increase.

The January to March 2017 GP patient survey results were published in July, and I looked at them today. They showed that 59% of adults questioned had tried to get an NHS dental appointment in the past two years. Of those trying to get an appointment, 95% were successful. Looking, as I did today, at the latest figures for patients seen by NHS dentists, I can tell the hon. Lady that 22.2 million adult patients aged 18 and over were seen in the 24 months ending 30 June 2017. This equates to 51.4% of the adult population. The number of adults seen by an NHS dentist had increased by 19,000 compared with the period ending June 2016. To prove that I have indeed swallowed the numbers box, let me put it on the record that 6.8 million children were seen in the 12 months

ending 30 June 2017. This equates to just over 58% of the child population. Again, this was an increase of 75,000 compared with the period ending June 2016.

Dr Whitford: It is not just a matter of seeing children if they are simply being seen for caries and fillings or other remedial work. The payment structure means that a dentist is paid only for a check, not for advice, cleaning or fluoride sealant, and the problem is that that structure does not drive prevention.

Steve Brine: I absolutely agree with the hon. Lady, and if she will bear with me, I will come on to that point.

Dr Caroline Johnson: As a doctor, I have seen the distressing circumstances in which children as young as two come in for teeth extractions. Children sometimes have all the milk teeth in their mouth extracted. Does my hon. Friend agree that there is more to preventing caries and such extractions than just dental treatment and having more dentists? The answer, particularly for the very youngest children, lies in extra education about oral care, as well as good diet and not drinking fizzy drinks and the like.

Steve Brine: Yes, there should be a package, and I will come on to mention one or two of those points. This is as much about self-care as it is about interaction with the dental profession.

To conclude the point I was making, at a regional level in the period to 30 June, the north of England saw the highest percentage of patients seen—56.8% of adults and 63% of children. Although these access numbers are encouraging, I know that the hon. Member for Bradford South will not be sitting there thinking, “That’s all okay, then.” I know that more needs to be done to reduce the remaining inequalities in access, including in areas such as Bradford South, which she represents, and NHS England is committed to improving the commissioning of primary care dentistry within the overall vision of the five year forward view.

There are a number of national and local initiatives in place or being developed that aim to increase access to NHS dentistry. Nationally, the Government remain committed to introducing the new NHS dental contract, which the hon. Lady rightly referred to often in her speech. It is absolutely crucial to improve the oral health of the population and increase access to NHS dentistry.

A new way of delivering care and paying dentists is being trialled in 75 high street dental practices. At the heart of the new approach is a prevention-focused clinical pathway. It includes offering patients oral health assessments and advice on diet and good oral hygiene, with follow-up appointments where necessary to provide preventive measures, such as fluoride varnish, that can help the prevention agenda. Importantly, and this is of most relevance in this debate, the new approach also aims to increase patient access by paying dentists for the number of patients cared for—let me restate that: cared for—not just for treatment delivered, as per the current NHS dental contract. Subject to the successful evaluation of the prototypes, decisions will be taken on wider adoption. The prototypes are being evaluated against a number of success criteria, but let me be clear that they

[Steve Brine]

will have to prove that they can increase dental access before we consider rolling them out as a new dental contract.

I appreciate that this is taking a long time. It is as frustrating for me as it is for right hon. and hon. Members and for the profession, but Members will understand that rolling out a new dental contract is complicated and complex. We have to make sure that it is right and that what we put in place is better than what was there before.

Dr Whitford: I am very grateful to the hon. Gentleman for giving way again. Has he looked at the Childsmile project in Scotland? It covers dental care from zero to 18, including advice and education in nursery and in school, and therefore provides a whole package. It has reduced dental caries in Scotland—frankly, we have much worse teeth than you—by 24% and saved £5 million. That information is already there and it might help in the assessment of the Government's plans for England.

Steve Brine: I thank the hon. Lady for that. No, I have not looked at that, as I am still relatively new to the brief, but I will certainly do so. I will make some progress and then conclude because time is limited.

Imran Hussain: Will the Minister give way?

Steve Brine: Okay, but then I must make progress.

Imran Hussain: I welcome the review of the system, in particular the dental contract prototypes. As the Minister has outlined, one issue is that many of the contracts, as in Bradford, are ancient contracts that have not taken account of the demographic changes over time. Some of the most disadvantaged areas are hit the worst by that. Can he give a definitive time by which the prototypes will be completed and he will have the report that we have awaited for over a year?

Steve Brine: I cannot give the hon. Gentleman an exact time. I know that is annoying and I am sorry, but I cannot. It will happen ASAP—as soon as possible—and I will let the House know when it does.

Let me wrap up my speech by covering the other points that I need to make in response to the debate. We are about to launch the much anticipated and much discussed Starting Well programme, which is aimed at children under five. I think that it borrows from some of the stuff that is going on north of the border.

Children's oral health is better than it has ever been, with 72% of five-year-old children in England now decay free. However, vast inequalities remain, as we have heard today. To tackle those inequalities, NHS England has been leading the Starting Well programme, alongside Public Health England—I was in Warwick today, speaking to its annual conference—the British Dental Association and, of course, colleagues at the Department of Health. The overall aim is to improve the oral health of children under the age of five who do not currently visit a dentist in 13 identified high-priority areas. The areas that have

been selected will be confirmed shortly. My officials will have heard a passionate bid from Opposition Members today.

I am sure that the House will welcome the initiative. The intention is to reduce the unacceptable oral health inequalities that exist for children in this country. We know that visiting a dentist early in a child's life can help lay the foundations for a lifetime of good oral health.

Locally to the hon. Member for Bradford South, I am aware that NHS England ran an initiative to tackle the dental access issues in west Yorkshire. The aim of the dental access pilot was to improve access to primary care NHS dentistry in the Bradford City, Bradford Districts and North Kirklees clinical commissioning group areas.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Will the Minister give way?

Steve Brine: I will not because we are almost out of time.

The initiative was for patients requiring routine or urgent treatment who approached 111 to access a dentist. Patients were triaged by Local Care Direct according to need. Twenty-five practices participated in the pilot: nine in Bradford City, eight in Bradford Districts and eight in North Kirklees. In March 2017, an additional practice in Dewsbury was recruited into the pilot; the hon. Member for Dewsbury (Paula Sherriff) is in the Chamber.

The pilot began in January 2017 and was due to end in March, but it was extended to the end of June 2017. Over the duration of the pilot, almost 7,800 appointments were made available for new patients. NHS England across Yorkshire and the Humber is currently reviewing the learning from the pilot and considering how it can improve access to NHS dentists in a number of areas across the region. I know that it would welcome representations from the Opposition Members who are present if they wish to feed into that process.

In closing, I would like to reiterate the commitment we made in our manifesto

“to support NHS dentistry to improve coverage and reform contracts so that we pay for better outcomes, particularly for deprived children.”

I hope that by setting out, in the very limited time we have for this Adjournment debate, the work being undertaken by the Department of Health, NHS England and Public Health England, I have been able to assure the hon. Lady and the House of the commitment we have and that I have personally. I hope there is no question but that this is a huge priority for me. I want to improve access to NHS dentistry and I want to improve the oral health of our children, especially in England, and of the population for the future. That is in all of our interests.

I thank the hon. Lady for bringing this debate to the House. I am certain that this conversation will continue.

Question put and agreed to.

11.15 pm

House adjourned.

Westminster Hall

Tuesday 12 September 2017

[JAMES GRAY *in the Chair*]

Foreign Direct Investment 2016-17

9.30 am

Michael Tomlinson (Mid Dorset and North Poole) (Con): I beg to move,

That this House has considered foreign direct investment into the UK in 2016-17.

It is a real pleasure to serve under your chairmanship, Mr Gray. You might be forgiven for thinking that foreign direct investment is rather a niche subject for a Tuesday morning, but it is vital, particularly in the context of Brexit and of course international trade more generally. I am delighted to have secured this debate. The timing is especially apt after last night's vote on the European Union (Withdrawal) Bill and our consideration of the Finance Bill later on today and into this evening.

FDI refers specifically to cross-border investments made by residents and businesses from one country into another and—importantly—with the aim of establishing a lasting interest in the enterprise that is operating in a foreign economy. I hope that this debate will focus on inward investment into this country—into UK companies—by foreign companies and enterprises. I will explore several main themes, including investment in the UK in the context of Brexit. I will give specific figures on FDI and statistics for 2016-17, and describe how FDI is spread across the regions, which is certainly important for me as a Member of Parliament from the south-west. I shall also discuss opportunities for FDI after Brexit and put some specific questions to the Minister.

First, let me talk about investment in the UK generally. As *The Economist* points out this week, many people warned of a slump in our economy following last year's EU referendum. The expectation was that investment would decrease and that FDI itself would dry up, but that has not happened. Companies such as Google, Nissan, Toyota, Amazon and even Snapchat have shown that Britain is still a great country in which to invest.

Toyota recently announced an investment into the UK of more than a quarter of a billion pounds for its plant near Derby. Nissan is increasing its production in Sunderland by a fifth, doubling the amount of parts that it sources from within the UK and stepping up production by about 20%. Importantly, as we look to the future and electric vehicles, Nissan is investing strongly in this country, particularly in Sunderland. Google has invested £1 billion in 3,000 more jobs, and Amazon recently announced that it was taking over 15 storeys and 600,000 square feet of a new building in Shoreditch, which is even more than it originally promised back in 2014. That shows that London really is the capital of research and development, certainly for Amazon, which is also increasing the number of jobs.

Stephen Kerr (Stirling) (Con): I congratulate my hon. Friend on securing this debate on a vital subject. He mentions London, but I would like to mention my home turf of Scotland. I am sure he is aware that Scotland was recently voted the most beautiful country

in the world by the readers of a certain travel publication, but is he also aware that for the last five years in a row, Scotland has been the top location in the UK outside London for FDI? In fact, despite the warnings of naysayers and prophets of doom, 2016 was a record year, with 122 FDI deals done in Scotland during that year, which was up from the previous year. Does he agree that an industrial strategy with an emphasis on education and skills, combined with proactivity on the part of the Department for International Trade and business-friendly taxes, can help to make all the nations and regions of the United Kingdom irresistible to foreign investors? Should we not all be very positive about our future outside the European Union?

Michael Tomlinson: I completely agree that we should be positive about our future outside the EU. The whole purpose of the opening part of my speech was to show that, even after last year's EU referendum result, the situation has not been all doom and gloom. I will talk about Scotland and the regions a little later in my speech, but my hon. Friend is absolutely right.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I congratulate the hon. Gentleman on securing this debate. Even though we are all a little tired after last night, many of us have turned up here today because this is an important subject.

I urge the hon. Gentleman not to be too optimistic. During my career in Parliament, I have spent a long time as chair of the all-party group on manufacturing and I have tried to encourage investment in this country. At the moment, proposals from Japan, China and America are very tentative. They think that, as we go through the Brexit process, some sensible solutions will be reached regarding our access to the European market, but nothing is definite yet. There are lots of things hanging. I have just come back from New York, and what I find is that nobody in financial services in New York will accept or even apply for a job in London at the moment—

James Gray (in the Chair): Order. The hon. Gentleman is a very experienced Member and he knows very well that that intervention was too long. The previous intervention was from a new Member, the hon. Member for Stirling (Stephen Kerr), and he can be excused both for its being rather lengthy and for reading it, which is not something one would normally expect. I remind Members that interventions should be short, and they should be direct questions, not mini-speeches.

Michael Tomlinson: Thank you for that reminder, Mr Gray. I am grateful to the hon. Member for Huddersfield (Mr Sheerman) for his intervention. Last night was a late night and we can anticipate that tonight will be a late finish as well, but this is an important debate and I am very grateful that he is here in the Chamber this morning.

The hon. Gentleman is right—I am a glass-half-full, optimistic kind of person. However, we must not take a rose-tinted view, and I will say later that we should anticipate where there will be bumps in the road ahead. It is right that we do that, but where FDI is still happening in this country—even though the doomsayers said that it would not happen—that is a good early sign. Nevertheless, he is right that we have to look out for bumps ahead, and I will talk about the south-west region in particular.

[*Michael Tomlinson*]

Amazon is creating 450 new high-tech jobs in the UK, in addition to the 5,000 Amazon jobs that are already here. That is a real demonstration that Amazon and other companies believe that this is a good country in which to do business. I do not know whether you are on Snapchat yourself, Mr Gray—

James Gray (in the Chair): Of course.

Michael Tomlinson: If you are, perhaps we should all get on to Snapchat. It has opened its new global hub right here in London, which again shows that it believes in this country in a post-Brexit world. There may well be bumps ahead, but let us look at the facts and the evidence of what has happened so far, while also being cautious about the future.

Having looked at the general picture, let me give some specific details of FDI. The latest report on inward investment results from the Department for International Trade, which is from 2016-17, showed that there were more than 2,260 inward investment projects in the UK. The good news is that that is up by 2% on the previous year and the investments secured over 75,000 new jobs, which is a huge number. However, there is one reason to be cautious, on which I specifically challenge the Minister. We are told that the jobs figure is down by 9% from 2015-16, so I invite him to explain why that is. Obviously the number of projects being invested in is still rising, but why are the jobs figures not quite as high as before? Of course I welcome the jobs that are being created and retained; in the south-west region alone, there have been nearly 3,500 new jobs and I very much welcome them.

Let me turn to the specific regional figures. As one would expect, London and the south-east is the region of the UK that attracts the most FDI. My hon. Friend the Member for Stirling (Stephen Kerr) mentioned Scotland, which receives the next largest amount of FDI. Again, that shows the strength of the whole United Kingdom, which is good for our United Kingdom. However, I challenge the Minister specifically about the south-west, my own region—other speakers will no doubt champion their own region. Although I welcome the 3,500 new jobs in the south-west, I invite the Minister to ensure that there is sufficient FDI in the regions outside London and the south-east.

David Simpson (Upper Bann) (DUP): The hon. Gentleman will know that Northern Ireland has a land border with the Republic of Ireland, where corporation tax is 12.5%. We hope to neutralise that and have corporation tax at the same rate. Does he agree that although there is a lot of FDI in Northern Ireland, as we move forward after the vote last night, we will remain part of the United Kingdom out of the EU and the future is bright?

Michael Tomlinson: I am very grateful for that intervention. I will mention Northern Ireland in relation to the “Britain is great” project. The hon. Gentleman is absolutely right. As I said earlier, I am optimistic about the future of our country in a post-Brexit world.

Foreign direct investment is important for a number of reasons. It is important for job creation, which I have touched on, and for growth. Businesses in receipt of

FDI have been shown to be more productive. All those things raise living standards, and they are why I challenge and invite the Minister to ensure that all regions across the United Kingdom—the south-west in particular—benefit. It is right and proper that London and the south-east attracts FDI—it is to be expected that our capital city should be the largest recipient of FDI—but I ask the Minister to ensure that all regions are attractive.

I declare an interest as chairman of the all-party parliamentary group on youth employment.

Mr Alister Jack (Dumfries and Galloway) (Con): Although foreign direct investment into Scotland has been increasing, the Scottish National party’s constant pursuit of a second independence referendum creates economic uncertainty, and businesses are loth to go into such an environment. Does my hon. Friend agree that if the SNP were to drop that desire, we would see more inward investment into Scotland?

Michael Tomlinson: My hon. Friend is absolutely right. We are always hearing about business certainty. What do businesses want? They want to be able to anticipate what is going to happen, to know about the future, and the prospect of another referendum hanging over Scotland creates uncertainty. We have heard comments in exactly that vein from businesses across Scotland, so I am grateful for that intervention.

Hannah Bardell (Livingston) (SNP): Picking up on the point about a second referendum, the hon. Member for Dumfries and Galloway (Mr Jack) will be aware of the comments made by First Minister Nicola Sturgeon with regard to that, but he might also be aware that many businesses, including the London Insurance Group, to which I spoke recently, were looking favourably upon Scotland and the opportunity it offered because of Brexit and the threat it posed. He might also be aware that Mark Harvey, a senior EY partner in Scotland, said that according to recent research,

“the EU Referendum vote and its aftermath may be having an influence on global perceptions of...the UK”.

So Brexit, not a Scottish independence referendum, is the greatest threat to the UK’s competitiveness.

Michael Tomlinson: I beg to differ. In my speech I have shown that, even after the referendum, FDI and investment more generally are still coming into this country. What I heard in the intervention by my hon. Friend the Member for Dumfries and Galloway is that businesses in Scotland want the certainty of remaining part of the biggest single market which, as far as they are concerned, is the United Kingdom and not the European Union.

Before changing portfolios, the hon. Member for Livingston (Hannah Bardell) served briefly on the all-party parliamentary group on youth employment. Each month we track the job figures, and month by month in recent years they have looked very good. The youth unemployment figure is now 12.2%, which is within touching distance of record lows, and the global employment rate is at its highest since comparable records began.

Hannah Bardell: I welcome those figures, which are great news for youth employment across the UK. Does the hon. Gentleman know and welcome the fact that

Scotland's youth unemployment figures are also at a record low? In my constituency, there is only 8% youth unemployment. Is that not something to celebrate?

Michael Tomlinson: I completely agree, and I very much welcome the hon. Lady's intervention. The figures are a sign of strength in the United Kingdom, not in the separatist agenda that she and her party would pursue. I of course welcome all record levels of youth employment, whether in Scotland, London or my own region. I appreciate the short time that the hon. Lady spent on the all-party group on youth employment. I invite the Minister to consider how we can pull out all the stops to ensure that the figures keep going in the right direction. That is the challenge as we near full employment, or as full as we might be able to reach.

One of the most popular measures for boosting FDI are enterprise zones, in which companies receive preferential tax, planning and other financial incentives. That measure is most popular among non-UK companies, which have constantly advocated the creation of such zones. I am delighted that the Dorset Green Technology Park, just outside my constituency, was recently announced as an enterprise zone. Such zones promise the creation of engineering excellence, and this one will generate 2,000 new jobs and 20 new employment units as the result of a massive £2.5 billion investment. Although the park is just outside my constituency, I firmly believe that it will benefit the whole of Dorset, bringing an extra opportunity for attracting FDI into the region.

Northern Ireland was mentioned, and I want to hear from the Minister about his Department's "Invest in Great Britain and Northern Ireland" campaign. As we look forward to the challenges and opportunities this country faces, the whole of the United Kingdom must go forward together. I invite particular attention to be paid to regions such as the south-west—and of course other regions represented by Members here today—where there is a risk of their being left behind or slipping behind.

I end on this point: to foreign investors, the United Kingdom is an attractive place in which to invest and with which to do business, but I strike a warning note for the Labour Front-Bench team. Foreign investors, just like domestic businesses, like our low rate of corporation tax. They like our country for a number of reasons, but one of them is the corporation tax rate, which at 19% is the lowest in the G7. That has not resulted, as some argued it would, in our having to compromise on the tax take, which is so important. In fact, the tax take in 2016 was £6.6 billion higher than in 2010. So we must also keep an eye on that and ensure that businesses keep investing in this country.

Much of the Brexit debate is about how we divide up the national cake. This discussion about foreign direct investment is about ensuring that our cake is even bigger in the first place. I firmly believe in the importance of FDI and the opportunities that Brexit can present to us, and I look forward to hearing from other hon. Members and the Minister in due course.

9.47 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Mid Dorset and North Poole (Michael Tomlinson) on delivering such an excellent

and comprehensive speech. Like he, I am a glass-half-full person, who looks optimistically towards the future, and the facts, as I hope to illustrate, will indicate that things are very bright. If we try to be positive and look forward we can find solutions and see the good things. It is not always good to dwell upon the negative things; it is good to be aware of them but not to dwell on them.

Northern Ireland, as such a small country, is somewhat reliant on foreign investment and it is clear that we have the expertise and knowledge to attract investment from all over the world. I want to give a Northern Ireland perspective, because the hon. Member for Mid Dorset and North Poole referred to the United Kingdom of Great Britain and Northern Ireland. I say that often; I have said it every day since I came into this House back in 2010, to emphasise that we are very much part of the United Kingdom and that we are all together—Scotland, Wales, Northern Ireland and England.

Northern Ireland secured 33 foreign direct investment projects during 2015-16—as the Minister knows, we have some good stories—which created more than 2,000 jobs. Despite the usual Brexit warnings that scream that FDI will be affected by our leaving the EU zone, I read a piece by an economist that states:

"From a Northern Ireland perspective, the type of inward investment we have been winning has been back office functions, which may not need the access to the single market, if its function is to serve a parent company. Investor motives for investing here would back that up, with a strong majority of investors citing the skilled workforce as the main reason for investing here."

Backing that up, figures in yesterday's press indicate that the region of the United Kingdom with the strongest growth rate is Northern Ireland. So there is an indication that we are growing and that Northern Ireland is, for once, leading the way.

Mr Sheerman: Before the hon. Gentleman gets carried away with all these good feelings about the future, he would surely agree that our productivity is absolutely awful, looking carefully at UK performance. Many people who would like to invest in this country are worried about low productivity rates. Productivity is much higher in Yorkshire, which has a much bigger population than Northern Ireland and some of the places he has mentioned. We are doing very well and manufacturing is still alive and well. People would be much better off investing in manufacturing in Yorkshire than coming to Northern Ireland.

Jim Shannon: I am always happy to receive an intervention from the hon. Gentleman. He is definitely an optimist as he is a Huddersfield Town supporter, and that is an indication of optimism at its highest. I wish him well, although on Saturday I hope Leicester beat them. I digress slightly, but there are ways of doing better and we need to address productivity.

Michael Tomlinson: The hon. Gentleman is making an excellent point about Northern Ireland, but it has been shown that as foreign direct investment comes into companies, that in and of itself helps to improve productivity, which is a great benefit.

Jim Shannon: I will illustrate that point in some of my comments about Northern Ireland and how our economy, productivity and employment grow. In Northern Ireland, we have a skilled, dedicated workforce. Regardless

[*Jim Shannon*]

of our place inside and outside of Europe, the fact remains that people are interested in investing in Northern Ireland and across the United Kingdom. The fact that we are world-renowned for our research, our cyber-technology and our skilled workforce means that we can attract the investment that we so need. We are already playing above our level in Northern Ireland. We lead the world with some of the technology we have developed, and some of that skill can be found in the constituency of my hon. Friend the Member for East Londonderry (Mr Campbell).

According to the figures, foreign direct investment projects into Northern Ireland were down 62% to just 15 in 2015, but at the time, the economic development agency Invest Northern Ireland claimed that the figures did not reflect the full picture. Invest NI said that the full picture is that there were 35 direct investment projects in that tax year, but because those projects had not started, they were not part of the figures. The original figures were wrong and gave the wrong indication. The new figures show that the investment, new jobs and new projects are significant.

No matter the predictions that come our way from economists one way or the other, our duty is to promote our abilities and industries and attract that inward investment. I seek to do that, and my colleagues and Members from all parties travel worldwide seeking to do that. Many from Northern Ireland do the same.

Mr Gregory Campbell (East Londonderry) (DUP): Does my hon. Friend agree that as we reach the era of the post-Brexit vote, where there will hopefully be less uncertainty, some of the regions of the UK—particularly Northern Ireland—will need to be able to avail themselves of the advantages that access into the EU as well as access beyond the EU provide? That is particularly so with the land border with the Irish Republic.

Jim Shannon: My hon. Friend concisely puts the issue into perspective. We need to have cognisance of our special relationship with the Republic of Ireland, but we also have to look at the advantages we will have elsewhere across the world. We are most effective when we are attracting investment in partnership with the Department for Business, Energy and Industrial Strategy and other Departments. It is always good to see the Minister in his place, and we look forward to his response to the points we are making. Will he touch upon some of the facts with Northern Ireland as well?

It is useless to brush over the changes that Brexit will bring. There will be changes, but the changes need not be bad. Opportunities exist in the new markets emerging in Asia—opportunities that my constituents, such as Lakeland Dairies and Glastry Farm ice cream, are already making use of. Lakeland Dairies had a meeting with the Minister about those opportunities at the end of July. It is trying to secure another contract for milk products and milk powder in China. We and the Minister are working hard, and we are moving forward. Such companies are successfully casting their net to the middle east, and our local economy is reaping the dividends.

The question we must ask ourselves is whether we are doing all we can to aid companies and support them in their quest to secure jobs and enhance their businesses.

On Thursday last week, Glastry Farm ice cream, which is based in my constituency—it is a small firm that started as a farming enterprise, but is now up and running—secured a new contract with Heathrow and another contract in Dubai. It is moving into the middle east, which is real progress for a wee firm from outside Ballyhalbert on the Ards peninsula, and it has been helped by Government policy in this place and by the Minister responsible back in the Northern Ireland Assembly.

We cannot go into panic mode due to the uncertainty of Brexit and the way the Europeans will treat us as they continue—I say this respectfully—in unhelpful mode. We must focus on what can be achieved. We can secure and capitalise on other forms of foreign direct investment. The parliamentary briefing outlines that for UK investment abroad, the EU accounted for 43% of the total UK FDI stock in 2015, compared to 23% for the USA and 34% for all other countries, yet net investment flows from foreign investors into the UK were £21.6 billion in 2015, up from £15 billion in 2014. That shows the trend, success and positivity, and goes back to my comment about the glass being half full. The facts back that up, and that is what we want to say. Inward FDI flows from the United States were £20.1 billion, the highest recorded value since 2011. That is another positive fact. Inward FDI flows from Europe fell, with a disinvestment of £12.1 billion in 2015, compared with a disinvestment of £8 million the year before. Again, that is positivity. Net direct investment earnings generated in the UK by overseas investors were £47.9 billion in 2015, down slightly from £48 billion in 2014. The EU accounted for £18.8 billion of that, and the USA accounted for £17.5 billion.

I am aware that while the figures illustrate the issues, they are not the whole picture. There are a lot of figures out there, and they show me that as per usual we give more to Europe than we get out of it. We need to focus on our relationship with the USA and other trade partners. We need to look towards Asia, Australia, New Zealand, Africa, the middle east and South America, which have potential and possibilities. I have said it before, and I will say it again: the sky will not fall down because we leave Europe. It will not all be darkness and gloom, but it is our job in this Chamber to ensure that we play our part in securing investment from those who wish to invest and can do so. We have the skills, expertise and workforce, and that speaks a great deal more globally than saying we are a member of the EU.

9.57 am

Rishi Sunak (Richmond (Yorks)) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) on securing this important debate. He made an excellent speech surveying the issues before us today.

We have already heard that, a year after Britain chose to leave the European Union, FDI into our country is higher than it has ever been. The good news is that that is not just the case this year: Britain is consistently one of the world's leading destinations for inward investment. While the UK accounts for just 3% of global GDP, we are able to attract up to 15%—five times as much—of the world's foreign direct investment. We must always remember, however, that foreign direct investment is not just some financial statistic on a piece of paper. FDI creates

real jobs—some 70,000 last year alone, of which 70% were outside London. FDI raises productivity with new management practices. FDI drives innovation, which fuels our future prosperity.

Having spent my professional life before politics working with and investing in businesses from California to India, I know that while our future trading relationship with the EU will of course influence FDI decisions, it is important to put that one factor into proper context. The pages of the *Financial Times* may talk of little else these days, but it turns out that only 20% of FTSE 100 annual reports even mentioned Brexit this year.

Mr Gray, imagine yourself in the shoes of a CEO of a global company deciding where to make your international investment. When you look at all the factors that drive that company's investment decisions, you will soon see that Britain is excelling in almost all the areas relevant to you.

Mr Jack: My hon. Friend makes a valid point. When businesses look to relocate, they pay attention to corporation tax, but they also think about the tax that their employees will pay. Does he agree that it is a mistake for Nicola Sturgeon to make Scotland the most overtaxed society in the United Kingdom?

Rishi Sunak: I could not agree more with my hon. Friend, who makes an excellent point. I am about to come to the various factors that drive such decisions. A competitive tax regime, particularly for employee taxation, is a key part of that.

When it comes to human capital and a research base, Britain is home to four of the world's best 10 universities. When it comes to a competitive corporate tax regime, our corporation tax rate of 19%, as we have heard, is the lowest in the G7. When it comes to supporting entrepreneurs, our enterprise investment scheme, seed enterprise investment scheme and entrepreneurs' capital gains tax relief are second to none. When it comes to the regulatory costs facing companies, Britain is ranked by the World Economic Forum among the best large economies in the world. When it comes to getting a company the finances it needs, Britain boasts the most liquid capital markets anywhere in the world.

Lastly, when it comes to a legal framework that people can rely on to protect their investment, a third of the world's population lives under the security of the English common-law system. Those are the key drivers of foreign direct investment, and I am proud to say that on every measure a Conservative Government have delivered, ensuring our universities are well funded, reducing corporate tax rates while increasing tax revenues, creating the SEIS and EIS programmes to fund hundreds of thousands of new businesses, and cutting pages and pages of unnecessary red tape. We can look at the outcome of all of that. Today, almost half of Europe's billion-dollar start-ups were founded here in the United Kingdom, and the World Bank ranks Britain as the best major economy in the world to do business in: better than in the United States, Germany and France.

Although taking Britain out of the EU on the best possible terms is, of course, an important task, more important still will be the task that lies beyond it. Just as Britain never owed its success to Brussels in the past, we cannot expect Brexit to guarantee our success in the future. Staying at the world's cutting edge will require

constant dynamism from the Government. From my own experience, I point Ministers to three areas. First, at 1.7% of GDP, our research and development investment is still below the OECD average of 2.4% and half the rate found in Germany. Secondly, our nation's infrastructure, from mobile telecoms to runways and airports, has not kept pace with the growth of our prosperity, and, according to the World Economic Forum, deters investment. We rank very low among large growing economies.

Lastly, our skills base lacks enough young adults with technical qualifications. Only 10% of adults hold such a qualification, putting us towards the bottom of the OECD league table. It is a shame that, among 16 to 24-year-olds, literacy and numeracy are no higher today than they are among people in their late 50s and 60s. I am confident that the Government understand those three challenges. Their new industrial strategy has the potential to keep Britain on the cutting edge.

However, I remind the Minister that we do not live in a static world. Everywhere we look, countries are innovating and looking at ways to attract human and financial capital and corporations to their shores, and we ourselves must constantly innovate. We need to look at smart regulations and infrastructure decisions that hold things up. We must continue, in spite of the current climate, to support free enterprise, for it is the best way to ensure our nation's future prosperity, raise living standards and pay for the public services that we value.

The \$250 billion that overseas businesses invested on our shores last year were not brought here by Brussels decree. That capital came because international investors know that our citizens' ingenuity, our Government's leadership and our nation's world-class institutions will always provide them with a return. I am confident that, under this Conservative Government, that will continue to be the case for many years to come.

10.5 am

Hannah Bardell (Livingston) (SNP): It is a pleasure to serve under your chairmanship, Mr Gray. I welcome the debate secured by the hon. Member for Mid Dorset and North Poole (Michael Tomlinson) and the opportunity to discuss foreign direct investment from a Scottish perspective. It has been a record-breaking year, as it has for the UK. I hear much positivity about post-Brexit, but we must remember that nothing has actually happened yet and things are very much in a state of flux.

The hon. Member for Richmond (Yorks) (Rishi Sunak) mentioned universities. I do not know whether he is aware that last week Scotland was ranked as having five of the top 200 universities in the world, which is a huge achievement.

Rishi Sunak: I welcome that fact, but does the hon. Lady agree that the Scottish Government could do more to improve access to those universities? She will be aware that students from poor and disadvantaged families are twice as likely to go to university in England as they are in Scotland, and that is something the Scottish Government should focus on fixing.

Hannah Bardell: I thank the hon. Gentleman very much for that intervention. He knows that the scrapping of tuition fees in Scotland has meant access not only to university but to employment and to college. That has

[*Hannah Bardell*]

been welcomed across the board. A university place is not always the full picture. Youth employment in Scotland is lower than anywhere else in the UK because of the SNP Government's investment in a youth employment Minister—the first in these islands—and making sure that students do not leave university with tens if not hundreds of thousands of pounds'—worth of debt.

Mr Jack: Will the hon. Lady give way?

Hannah Bardell: If the hon. Gentleman does not mind, I want to make some progress.

Scotland has performed well in terms of FDI, so I will indulge in talk about some of Scotland's unique opportunities. The combination of natural resources, a highly skilled labour force and a long-standing reputation for innovation make Scotland a prime destination for foreign direct investment. The SNP Scottish Government have taken action to grow our economy and ensure that Scotland remains an attractive destination for business, boosting investment to record levels. As a result, 2016 was a record-breaking year, and, outside of London, Scotland is the best place in the UK for FDI. Places such as Aberdeen, Glasgow and Edinburgh are in the UK's top 10 cities for attracting FDI. Our attractiveness to international investors is recognised through investments in recent years from the US, with 43 projects; France with 14 projects; and Germany with seven.

The latest annual survey on the attractiveness of locations to international business by Ernst and Young shows that Scotland now takes more than one in 50 of all investment projects based in Europe. That is a clear indication that Scotland in Europe is vital, and that Scotland is firmly established as a location of choice for global investors.

Jim Shannon: Does the hon. Lady accept that the strategy directed by central Government at Westminster has to take some of the credit for what is happening across all the regions? It is important to acknowledge that.

Hannah Bardell: I think we have to acknowledge that the Government are taking Scotland out of Europe against its will, which will be a wrecking ball not only to Scotland's economy, but to the rest of the UK's economy. When we have these debates and discussions in one or two years' time, I will be interested to see where we are. It is important that Governments work together on things such as foreign direct investment. That is not to say that there has not been support from the UK Government—of course there has—but we also have to recognise the flipside of the coin. The hon. Gentleman spoke about his own constituency in Northern Ireland. He must surely recognise the challenges and issues that will come down the line for Northern Ireland as we go through the Brexit process, especially as Northern Ireland relies so heavily on foreign direct investment. Recent research suggests that people will look less favourably on the UK because of the message it has sent as a result of Brexit. That is surely a concern for him.

Mr Jack: The wrecking ball was not the Brexit referendum; in Scotland, where the hon. Lady and I live, the wrecking ball was the independence referendum. Law firms went out of business, conveyancing stopped,

the housing market slowed dramatically and businesses stopped moving to and investing in Scotland. I know people who were planning to come to open branches of their business who stopped immediately. People do not like the uncertainty and they see our being part of the United Kingdom as a strength, not a weakness.

Hannah Bardell: I thank the hon. Gentleman for that intervention, but he will not be surprised that I completely disagree. The Scottish independence referendum in 2014 was one of the most open and engaging democratic processes that Scotland has ever gone through, in complete contrast, unfortunately—I know we digress, Mr Gray—to the Brexit referendum process, which was squashed into a short time period, with no proper engagement and no proper information. I am now talking to businesses across my constituency and across Scotland that are increasingly turning to the notion of Scotland as an independent country within Europe, because of the mess that this Government are making of the Brexit process, and the absolute devastation that it will cause to the Scottish and UK economy.

Global professional services firm Genpact plans to create more than 300 jobs in Glasgow over the next five years, following a decision to expand its European operations in Scotland. Those roles will encompass digital solutions, risk management, insurance claims, business process transformation and customer services. I recently met members of the insurance sector who were extremely concerned that, if they cannot remain in the single market and customs union and retain the ability to passport their services, services such as aviation and even household insurance will be under threat. Unless we have clear detail from the Government about their plans for a transitional arrangement, there is a real threat to the insurance sector, which will have a significant knock-on impact on businesses and sectors across the UK.

Welcome news on FDI comes with the caveat that many of those decisions were taken up to three years before last summer's vote to leave the EU. A senior EY partner in Scotland has voiced caution over the longer-term outlook, saying:

"The research suggests that the EU Referendum vote and its aftermath may be having an influence on global perceptions of the UK's medium to long-term attractiveness. Western European investors are twice as negative as Asian and North American investors."

That should be of concern to us all. He continued:

"Decisions on the majority of investments made in 2016 would have been made up to three years ago, which helps to explain the UK's solid performance last year, but signs of a slowdown are on the horizon."

The Scottish Government released their programme for government recently. It is important to recognise the work that they are doing. The SNP Scottish Government have established a board of trade and are setting up innovation and investment hubs in Dublin, London, Brussels, Berlin and Paris. They are investing in Scotland's future by setting up a multi-billion pound infrastructure plan and a £500-million Scottish growth scheme targeting growth, innovation and export-focused SMEs, and start-ups by young people.

Much has been made of youth unemployment. The low rate of youth unemployment in Scotland—only 8.2%; one of the lowest rates in Europe—is absolutely

fantastic. It is good to see the rest of the UK following suit, but we have to ask ourselves what that will look like in one, two or three years' time, as we go through the Brexit process.

The programme for government presented by the First Minister last week included bold initiatives to boost the Scottish economy, such as the creation of a Scottish national investment bank and the doubling of business enterprise expenditure in research and development, from £871 million in 2015 to £1.7 billion in 2025. The Scottish Government and Nicola Sturgeon are taking real, decisive action, but they are doing it with one hand tied behind their back. Foreign direct investment will continue to be hugely important to Scotland and the rest of the UK, but we need real answers on what this Government will do to support not only Scotland, but the rest of the UK as we leave the EU.

10.13 am

Bill Esterson (Sefton Central) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray.

We should celebrate the United Kingdom's long-standing success as the premier destination for EU inbound investment, but we should also be under no illusions about the scale of the challenge facing the UK in retaining current investment, let alone building on it. As research from Michail Karoglou, David Bailey and Nigel Driffield of Warwick Business School shows, of all relevant recent events only two positively affected the long-term trend for FDI: entry to the European Economic Community and entry to the single market in 1992. Only two events caused a reduction in the long-run level of inward investment flows: Britain leaving the exchange rate mechanism under John Major, and Harold Wilson's devaluation of sterling. After both those events, it took an average of four years for the level of FDI to recover. If anyone in this room or elsewhere thinks that there might be just a short-term blip or no blip at all, the evidence from history suggests that we need to think very carefully. The uncertainty caused by Brexit is cause for concern.

Let us look at some of the figures behind our FDI position. In 2016, the UK remained the premier preferred destination for inward investment projects, but despite a rise in the number of projects, the UK's market share in Europe fell from 21% to 19%. Meanwhile, we are losing ground in emerging growth industries, high-growth markets and in the attraction of investment from emerging powerhouse economies such as China. Celebrating the number of investment projects is all well and good, but what really matters is the value of those projects and their wider contribution to the economy.

Figures from fDi Markets investment monitor suggest that in the 10 months before the referendum, investment flows were \$42.7 billion, and in the 10 months after, the figure dropped dramatically to \$28 billion. If we are to evaluate fully the vital work that the Department for International Trade undertakes, we need to see the economic value—really drill down into those figures and look at the value of the projects for each financial year, notwithstanding commercial sensitivities that might prevent the release of information on a case-by-case basis. It might be an idea to see exactly how the Department allocates investment projects to specific annual statistics,

so we can avoid what happened in January this year, when the Secretary of State was widely ridiculed for including projects unveiled years ago.

The Government will concentrate on the success stories, but it is important to learn from the failures as well. The recent decision by Nestlé to relocate some 300 jobs making Blue Riband biscuits to Poland is a case in point—I have pointed out elsewhere that failure to find £1 million to save 300 jobs. The fall in the value of sterling has of course made it cheaper to invest here, but as Nigel Driffield and his colleagues point out, the benefits of a favourable exchange rate are set against the uncertainties of changes in our access to the EU. Their research also shows that investors like to return profits to their home countries, so a low-cost investment may be of less interest than might appear at first glance.

The UK has traditionally been seen as a relatively easy place to do business, ranking seventh in the latest World Bank Doing Business ranking. That is in part due to a skilled and educated workforce, the dominance of English as the global business language, a robust regulatory framework, a strong legal system and a wide array of supporting service industries, but the main reason in recent decades has been our access to the largest free-trading area in the world. The big challenge, therefore, is to maintain our attractiveness as we leave the EU—hence the need for strong transitional arrangements, the avoidance of a cliff edge and a seamless move to post-transitional arrangements. A link with trade policy and a robust industrial strategy are also essential.

Rishi Sunak: The hon. Gentleman talks about maintaining our attractiveness to international investors after we leave the EU. Does he think that Labour's proposed 50% increase in our corporation tax rate to 26% would make it more or less likely that international investors would want to invest here in the UK?

Bill Esterson: The evidence is mixed on whether the fall in corporation tax since 2010 has had benefits in attracting inward investment. Under our proposals, we would still have the lowest corporation tax in the G7. Although investors like the idea of a low-tax economy, they equally dislike the consequences. Recent research by the London School of Economics shows that the downside implied by a low-tax economy of poor public services is profoundly unattractive. The approach that the Prime Minister set out at Lancaster House may be the preferred route for many Conservative MPs who want to shrink the state, but as well as continuing to damage our NHS, schools and pensions, such a policy will restrict the Government's ability to deliver the very infrastructure and skills that foreign investors want and need.

The view of our investors is set out starkly in EY's UK attractiveness survey. EY said that it has been a "mixed year" and that it is

"difficult to make a clear assessment of the UK's performance attracting foreign direct investment and maintaining its appeal to investors since our 2016 attractiveness reports, because every positive indicator is offset by an equivalent negative development."

It added that,

"the UK's share of European R&D projects slumped from 26% to 16%, its lowest since 2011. With software projects also slipping despite a Europe-wide increase, these results raise concerns over the UK's future performance in key growth sectors."

[*Bill Esterson*]

Europe was the leading origin for projects into the UK... Cross-border investments in Europe grew in 2016, with Central and Eastern Europe becoming an important area for higher value-added FDI such as R&D. As European value chains become increasingly integrated, investors appear concerned about the UK's future access to these value chains."

The EY 2017 global survey of investors' perceptions

"reveals a split between current plans and future expectations... Some 31% of investors expect the UK's FDI attractiveness to decline over the next three years, while 33% expect it to improve."

Before we get too excited about the net positive figure, EY states that those figures are

"significantly worse than the long-term average, and 50% of investors based in Western Europe expect the UK to become less attractive."

Michael Tomlinson: I have listened carefully to the hon. Gentleman's speech. If I may say so, it is a rather glass-half-empty sort of speech compared with some of the other contributions. He is absolutely right about some of the notes of caution in EY's attractiveness survey, but does he accept that there are also positive noises coming from it, including that the UK remains hugely successful in attracting FDI?

Bill Esterson: I read out the key point about the mixed picture. We must do everything we can to retain our existing successes as well as build new ones—that is the thrust of what I am saying—but there is no point in the hon. Gentleman or any of his colleagues pretending that there are not great challenges and causes for significant concern. I was tempted to say in response to his earlier comment that he has rose-tinted glasses half full. [*Interruption.*] It is too early in the morning for that, isn't it? That one is a work in progress—I will leave it in the locker.

The hon. Gentleman is quite right about a positive attitude; I do not disagree with him. Of course we have to be positive and do everything we can—some of my questions for the Minister are along those lines—but it is worrying that the EY report shows a sharp fall in how global investors rank the UK's attractiveness on key criteria, such as education, transport infrastructure, local labour skills, political stability and access to the European market. There has been a year-on-year decline of up to 30% in some of those criteria, which is unprecedented in the past decade. Bank of England Governor Mark Carney said just last month, as the Bank reduced its growth forecasts, that Brexit uncertainty was holding back investment. Of course, in the past year we have grown more slowly than our competitors—a fact that supports that comment and some of the other analysis I have described.

Mr Carney's comments go alongside AIB's decision to suspend investment in the UK due to uncertainty about the UK's future. Two Japanese banks are establishing European bases in Frankfurt, and reports suggest that JP Morgan and Goldman Sachs are considering relocating significant business operations. Japan is a major investor in the UK, with some 1,000 UK businesses under Japanese ownership generating an estimated £72 billion of turnover last year. The Japanese ambassador estimates that 10,000 Japanese firms operate in the UK, employing 140,000 people. Many of those jobs are in the UK's flagship automotive industry with big players such as Nissan, Toyota and Hitachi.

Jim Shannon: At a meeting with a firm this morning, I spoke to someone who attended a conference in Japan at which the UK and Japan looked at Brexit and how they could work together. For the record, he told me that there were positive contributions with respect to Brexit from firms in the United Kingdom and firms in Japan. They see possibilities and opportunities, and that should be recorded in *Hansard*.

Bill Esterson: The hon. Gentleman is absolutely right to raise that point. Japanese firms have already invested here, as have other foreign firms. They need to do everything they can to maximise their existing investments and to be in a position where it makes sense for them to build on those investments. That comes back to what the Minister has to say and what the Department has to do to enhance our position so that those investments continue to deliver and attract additional investment.

Hannah Bardell: The hon. Gentleman is making a detailed and informed speech. To counter the point made by the hon. Member for Strangford (Jim Shannon), Mitsubishi, which is a major employer in my constituency, has significant concerns about its ability to continue to invest and grow in Livingston and across the country, due to issues such as market access and the continued employment of EU nationals. Does the hon. Gentleman share my concern that companies such as Mitsubishi should be able to continue trading in Scotland and across the UK?

Bill Esterson: Yes. I am grateful to the hon. Lady for showing that there is a balance between two viewpoints: our foreign investors' desire to continue their investments, make the most of them and build on them is set against their very real concerns. I am glad that she touched on the challenges with respect to skilled workers' ability to come here and stay here, given that we have such serious skills shortages.

Nissan's car plant in Sunderland employs 6,100 staff and an estimated 24,000 additional jobs are linked to it through the domestic supply chain. That fact and the hon. Lady's point about Mitsubishi demonstrate just how important Japanese investment is for our car industry. The previous Labour Government helped to establish the Automotive Council UK, which turned around the struggling UK car sector and has contributed so much to making it a success story. Labour intervened to boost that vital industry—the 2009 car scrappage scheme played a key part in increasing demand for new cars. In contrast, the Government's current inaction is a serious threat to the industry's ability to compete.

The threat to UK car industry jobs is very real, and is compounded by the recent sale of Vauxhall to PSA Group, with the possibility of job losses as a consequence of any restructuring of UK operations. The Prime Minister is alleged to have told PSA that her Government are committed to the UK car industry, but the investment figures show a very worrying picture and serious concern on the part of investors. Figures from the Society of Motor Manufacturers and Traders quoted in the *Financial Times* suggest that investment in the UK car industry fell to just £322 million in the first half of 2017, compared with last year's £1.66 billion.

The Secretary of State has repeatedly referenced the UK's service sector in his various speeches and appearances before the House, but the Government have been largely

silent on how they intend to ensure the future strength of this sector, which is vital to our economic success. The passporting regime is critical to the ongoing ability of UK-based banks to engage with EU-based customers, and it has been essential to decisions by US and Swiss banks to use London as a centre of operations, but uncertainty about its future continues; as a result, decisions are being taken to relocate to the continent.

The Government have finally decided to produce a trade White Paper in advance of the upcoming trade Bill. The fact that they have taken more than a year to do so may well have had a significant impact on investment appetite—often, decisions are made years in advance of committing capital to investment projects—and the trade White Paper must address the critical issues faced by domestic and foreign investors alike. Investors need to know what the Government will do to encourage investment across the United Kingdom, including the devolved Administrations and regions; whether the Government intend to prioritise support for certain industry sectors in preference to others; to what extent those industries will be able to continue to operate within global and, in particular, intra-EU supply chains, and what impact the rules of origin regulations will have on their capacity to continue to participate therein. Furthermore, what trade defence mechanisms do the Government intend to introduce and how will they use trade remedies to address any unfair practices undertaken by foreign competitors? What efforts will the Government make to ensure that standards are maintained in order to prevent unfair market distortion as a result of imports from markets with less stringent regulations and standards? What efforts will the Government make to maintain regulatory equivalence with key markets? What investment dispute settlement mechanisms does the UK intend to pursue in future trade agreements?

Labour has been clear about what our trade priorities will be and how we will seek to ensure that all of Britain benefits. We have addressed that in our manifesto. We recognise that the UK's ability to continue to be a premier destination for FDI is essential to our future prosperity and to creating the jobs and economic growth we need. Now the Government need to minimise uncertainty and set out how they will reassure and support investors and deliver an attractive strategy that encourages foreign investors to continue to come here and to invest more.

Many investors come here precisely because of our access to the EU. The Government need to set out how they will maintain that access in financial and professional services, in manufacturing and across the economy. Time is fast running out. Investors are worried—remember those SMMT figures for the car industry and the actions of Japanese banks. Those are not isolated examples. Businesses want to know how their investments will be supported and enhanced; they need to know that trade policy is linked to an industrial strategy. Piecemeal deals for one business at a time are not an industrial strategy, however much they are welcome to the businesses, workers and communities in which such businesses are located. The future of FDI is vital to our national interest. The Government must intervene now.

10.34 am

The Parliamentary Under-Secretary of State for International Trade (Mark Garnier): I thank my hon. Friend the Member for Mid Dorset and North Poole

(Michael Tomlinson) for securing the debate. It is encouraging to see him coming along, and he has been supportive of the work of the Department for International Trade since he became a Member of Parliament.

The Prime Minister has been absolutely clear about this Government's ambition to build a global Britain, which is about being the most passionate advocate for free trade in the world. That means championing British business in global markets; remaining a hub for global inward investment and a source of outward investment; and building a competitive trade policy for when we leave the European Union. I have been struck by one thing in the debate, which is that everyone across the House seems to believe in that idea of global free trade and a global Britain. It is encouraging to have no protectionist dissenters among us in Parliament, and that is a good thing for this country.

For the first time since 1983, a Department dedicated to international trade exists to drive forward that global ambition and meet the global challenges that face us. Personally, I am delighted that, following a departmental reorganisation, I am now the Minister for Investment, covering foreign direct investment and a renewed emphasis on overseas direct investment out of the country. Responsibility for FDI, which was previously held by UK Trade and Investment, now falls directly under the remit of the Department for International Trade—we are the Department responsible for going out and harvesting opportunities from around the world and bringing investment to the UK.

We intend to leverage our presence in 108 markets around the world—we are in 179 diplomatic posts in 108 countries—where we will harness the capabilities of the most revered diplomatic network to bang the drum for UK plc to overseas investors. Trade and investment is a key pillar of the Government's industrial strategy, and I will convene colleagues from across Government to ensure that we target investment in the right areas and build an economy that works for everyone throughout the UK, including in all our devolved regions.

As we have discussed, FDI creates jobs, develops our skills and makes us more innovative. Global investors do not simply provide capital, but facilitate the transfer of technological know-how and new ideas, which increase our skills base and our productivity. Billions of pounds have poured in since the referendum from the likes of Toyota, Facebook and Google. To respond to the point about Japan made by the shadow Minister, the hon. Member for Sefton Central (Bill Esterson), FDI from Japan actually rose in 2016-17, with new jobs provided from Japan rising from 2,600 in 2015-16 to more than 3,500. Global investors therefore continue to see opportunity in the UK. They realise, as the Government have said all along, that Britain remains open for business.

The Department for International Trade was established just over a year ago. As I said, this is the first time since 1983 that we have had a Department dedicated exclusively to promoting trade policy and investment. That was as a consequence of the EU referendum result. Our purpose is absolutely simple: to turn the UK into the most passionate advocate for free trade.

We have heard a number of people speaking about the changes brought about by Brexit. I for one was a very passionate remainer; I campaigned fervently to stay in the European Union. As a Minister in the Department for International Trade, however, I absolutely

[Mark Garnier]

recognise that we have enormous opportunities around the world that we must go out and seek. As last night showed us, we must not disrupt the will of the electorate and try to frustrate the Brexit process. We must realise that the remain side lost and that we must get on with this, embrace the opportunities, and not hold back and come up with a fudge that prevents us from striking new free trade deals with countries which we could not otherwise do.

The DIT promotes the UK as a destination for investment by providing specialist support for foreign investors in 60 markets worldwide. In 2016-17 we supported the creation or safeguarding of more than 91,600 jobs through our work with foreign direct investors. That equates to nearly 50 new and safeguarded jobs per project that we undertake. A key part of our investment approach is to leverage the power of the GREAT Britain campaign, the Government's flagship international marketing and branding platform for the UK. It represents the whole of the UK and is present in more than 144 countries. The GREAT campaign effectively signposts the wealth of opportunity in the United Kingdom, including Northern Ireland.

In January we launched the Invest in GREAT Britain and Northern Ireland international campaign to promote the UK as a natural choice for overseas investment. Since its launch, the campaign has generated more than 600 inquiries, which have so far resulted in 89 qualified leads for investment into the UK. The campaign's focal point is a new website—invest.great.gov.uk. One of the key aims of the marketing activity is to direct traffic to the website, where prospective investors can find out more about the UK as a destination for investment.

We have a strong global footprint. The UK leads Europe in foreign direct investment and is third in the world for inward FDI stock. DIT welcomed a record-breaking number of FDI projects to the UK in 2016-17, at 2,265—up 2% on 2015-16. The level of FDI stock in the UK is currently at £950 billion. Inward investment into the UK is estimated to have created and safeguarded nearly 108,000 jobs in 2016-17 alone.

According to official figures, just 1.1% of registered non-financial businesses in the UK are owned by foreign investors, but they account for 34% of annual turnover and 38% of gross value added. Only one European country featured among the top six individual countries of origin for foreign investment projects in 2016-17. The USA was our largest source of investment. American FDI stock in the UK stands at £252 billion and accounts for 27% of inward investment stock. The whole of the UK continued to attract FDI, with parts of England and Scotland seeing growth above the national average. I am pleased to tell my hon. Friend the Member for Mid Dorset and North Poole that the south-west had one of its strongest annual results in 2016-17, with a 13% rise in FDI projects to 101.

Although those figures look very good, it has been said that the jobs numbers are not keeping pace with the increase in the number of investment projects. It is fair to say that we need to do more work to analyse how those numbers are collected. The data are collected on the basis of investment projects. If, for example, somebody invests in a new factory in the midlands costing £50 million, they would have the same representation as somebody

opening a chip shop in Barnsley for £50,000. We need to do more work to understand exactly how much money is coming in and how many jobs are being secured.

More productive businesses coming to the UK will not necessarily employ more people. Higher productivity does not necessarily increase the number of people employed, but we see different patterns, from one year to the next, with different types of business coming to the UK. Ultimately, we want to create the wealth of this country, which includes good, high-paying, productive jobs; that is absolutely crucial to what we do. Moreover, and I will return to this point later, we are keen to spread that activity throughout the entire region—most people say from John O'Groats to Land's End, but I say from the Scilly Isles to Shetland. We are absolutely determined to ensure that that work leaves no part of the United Kingdom untouched.

Global investors repeatedly say that the strength of the UK's economic fundamentals is the reason they choose the UK. They cite our political and regulatory stability, our transparent rule of law, our low regulatory environment and our low-tax economy, including some of the lowest business tax rates in the G20. We have some of the best universities in the world—and now the top two—feeding a highly skilled workforce and fostering world-leading R and D hubs across the country. We speak the international language of business, and the UK offers a perfect time zone for global trading, where someone can do business with China in the morning and with the US in the afternoon. There is also our cultural diversity and quality of life—but not, sadly, our weather. Those economic fundamentals mean that the UK is now considered one of the easiest countries in the world with which to do business. It is ranked seventh, according to the World Bank. At the start of 2016, the UK had 1 million more small businesses than it had in 2010—a total increase of 23%—and our tax system ranks in the top 10 most business-friendly in the world.

The prospect of taxation was raised, and the shadow Minister responded to the prospect of a Labour Government introducing higher taxes. He was absolutely right that if he adheres to the manifesto pledge from the recent election, the business tax rate would merely rise back to where it was at the beginning of the coalition Government.

Bill Esterson: It would be lower than that.

Mark Garnier: Indeed, lower. A really important point is that businesses look not necessarily at absolute numbers, but at the direction of travel. One of the things behind businesses coming to this country is the fact that the direction of travel for businesses taxes—which, frankly, raise only about 8% of total taxation—is downward. That creates a greater opportunity for business. If businesses see that direction of travel reversing and taxation going up, they will not know where it will stop. The problem is the direction of travel, not the absolute numbers.

Bill Esterson: I do not want to wander too far from FDI, but most businesses I talk to tell me that improving the incentives in taxation is more important to them than dealing with the taxation of the results and successes. It is the tax level in business rates that needs reform, not the rate of corporation tax. Does the Minister agree?

Mark Garnier: The hon. Gentleman is right that taxation is not simply about the headline corporation tax rate. It includes, of course, business rates, and businesses that operate factories do not necessarily pay the higher business rates for retail spaces, which are calculated per square foot. It is also about national insurance and various other taxes, so we need to bring together a package. Taxing a population too much stifles growth and investment into that economy. The whole package has to come together to ensure that the businesses that invest in the UK can be confident that the Government recognise that those businesses' taxes—not just business rates, corporation tax and national insurance, but all the money that gets paid to workers, who then pay tax and spend money and pay VAT—buy the hospitals, schools and public services that we value so much in this country. It is vital that we get the business environment right and attract businesses to this country to ensure that we continue to provide the public services that all of us, across the whole of the House, hold so incredibly dear. We do not want to lose any of them.

The hon. Member for Livingston (Hannah Bardell) talked about business certainty and the uncertainty of Brexit, and so far people like me, the remainers, have been proved wrong—thank goodness, because none of us wants anything to go wrong with our economy, and we are very keen that things progress. The prospect of a second independence referendum, which the Scottish National party could put forward, although Westminster would not necessarily recognise it, is creating more uncertainty. Businesses need to know what is going to happen. One thing we can say about Brexit is that it is a quantifiable uncertainty: we know that, in the worst-case scenario, our trading relationship will go to World Trade Organisation rules.

What was not decided and resolved during indyref 1 was the fundamental issue of what currency Scotland would use. I think it will be very difficult for businesses to invest in Scotland if they do not even know in which currency they will do their accounts and charge their customers. I do not want to castigate the SNP; I want to work hard with Scotland—and, indeed, Northern Ireland, Wales and all the regions—to ensure we are working together to the benefit of the whole of the country. We see Scotland not as a different part of the United Kingdom but as our friends, whom we want to support. I am incredibly proud, as Minister with responsibility for the food and drink sector, that I spend a lot of time dealing with the Scottish Whisky Association, which generates £3.9 billion-worth of exports and benefits all of us in this country. That is fantastic. We are going to do whatever we can to support the devolved Administration in their efforts to boost investment in Scotland. We do not see Scotland separately; we will always be there to help, and we are doing as much as we can to ensure investment comes into Scotland.

My hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) raised our industrial strategy, and said that we need to look at science research and innovation, the skills agenda and infrastructure. The industrial strategy is about delivering those incredibly important things, and we need to look at supporting business to grow—also in the industrial strategy—and several other areas. My hon. Friend referred to three important and fundamental points, and the industrial strategy is part of the package. In some respects, the Department for International Trade is the sales force of the country. We are the

hard-working salesmen with a trolley bag behind us going through airports around the world making sure we are banging the drum for British business. At the end of the day, the product that is being sold is the industrial strategy, plus a number of other items. We are out there. Of course, we feed back and say what the international world is saying; that is very important.

The industrial strategy is about building an economy that works for everyone, improving living standards, creating good jobs for all and cultivating the conditions for competitive, world-leading businesses to start and grow. Encouraging trade and investment is one of the key pillars of the industrial strategy. The right investment in the right areas builds world-leading sectors and develops our skills base. Targeted investment also strengthens our supply chains, putting UK companies in a better place to work together and present a “Team UK” offer for some of the biggest global contracts.

The industrial strategy will use our record investments in infrastructure to unlock and drive growth in every part of the country and it will use major new investments in research to support innovative businesses across the country. I want to reiterate the point that we are a Department for the whole of the UK. We will look to attract investment across all of the English regions, all of the devolved regions, including Greater London, the midlands engine and the northern powerhouse, and, of course, the south and south-west. We will also work with our partners in the devolved Administrations, because investment in one part of the UK has a positive knock-on effect for all of us in every part of the UK.

In March, I launched the midlands engine investment hub, which acts as a focal point for FDI. Its priority is developing and articulating a pan-midlands FDI offer. The northern powerhouse investment taskforce was established in 2016 as part of the cross-Government northern powerhouse strategy, of which trade and investment is one of the main strands. FDI into the northern powerhouse continues to rise. In 2016-17, it grew by 5%, attracting 348 projects and creating nearly 15,000 new jobs.

I think it is fair to say that the south of England looks to the super-region, and quite a significant amount of FDI comes into the region near London because London is a natural hub. However, I have recently been to visit boat-builders as far afield as Falmouth, just about 20 miles from the end of the country, where we see truly global brands such as Pendennis yachts building luxury yachts for oligarchs and big investors around the world. It is a great topic of ridicule: those who have yachts and those who have not. None the less, those who build yachts provide jobs. It is important to remember that building those luxury boats brings in a lot of money. There are some fantastic businesses down there—Rustler Yachts is another—and we are all about promoting every one of those businesses. It is important that my hon. Friend the Member for Mid Dorset and North Poole can take back to his constituents that we are working hard on that.

The shadow Minister also made a great deal of reference to the Automotive Council UK, the car industry and what is going on in terms of investment. It is right to highlight the car industry, which is an amazing example of a great success story in the UK. By the way, we can look at the experience of Jaguar Land Rover as a historic example. It has always been a great British

[*Mark Garnier*]

brand that has built some fantastic cars, but it is the Indian production techniques that have turned it into a truly profitable and successful business. The foreign direct investment coming into JLR and continued investment of the UK demonstrates more than anything else how productivity and jobs are increased by FDI.

Bill Esterson: The Minister is right about JLR, the value of the FDI from Tata and the partnership between Government and investor in achieving that. Is he aware of comments from the head of JLR last week who said that, should we end up paying the tariffs implied by the WTO, that would cost his business £1.1 billion extra a year? Does he share my concern? I urge him and his colleagues to do everything they can to avoid ending up in that situation.

Mark Garnier: Absolutely. I met the chief executive of JLR and he shared those concerns with me. We have concerns—actually “concerns” is the wrong word. We are striving to have a Brexit that feels, in every commercial sense, exactly the way things are at the moment.

It is worth bearing in mind that the history of trade negotiations has been one where we have started with a bad position and tried to work out how to go forwards. People go into a negotiating room and say to the two people across the table, “This is how we trade”—let us say it is under WTO terms—“How are we going to improve this?” What is fascinating about the proposed free trade arrangement with the European Union is that, for the first time ever, people are suggesting that we will have negotiators going into a room, saying, “We have the best outcome that we could want in terms of free trade. How are we going to make this worse?”

It is in everyone’s interests to maintain the trading relationship we have, whether we be in the UK or the European Union. It is a different dynamic, but from the conversations we have with people and businesses in the European Union—bear in mind that we also talk to them about what they want from Brexit—it is crystal clear that no one wants to run into a position where WTO tariffs are being charged. We are doing everything we can to ensure that we get to a tariff-free and customs-free outcome of Brexit.

Hannah Bardell: On tariffs, does the Minister share my concerns and those of others, including business, about the comments made by the EU negotiators that no progress has been made because issues such as the border in Ireland and the position of EU nationals have not been sorted out, and trade agreements cannot be struck until that point? Similarly, his boss has said that the UK Government do not have the capacity to strike trade deals. Surely that is of significant concern to him and to others.

Mark Garnier: The hon. Lady is mixing up a couple of things. The Department for International Trade is doing trade deals, but not the one with the European Union; that is being done by the Department for Exiting the European Union, which does have the capacity to strike that trade deal.

On the wider piece, we are currently having conversations with 15 countries where we are looking potentially to strike trade deals. It is worth bearing in mind that America finds running three trade negotiations at a time slightly taxing and would not want to do more

than that. We are trying to do 15, and we are getting on with it. We have 350 trade negotiators and have taken on Crawford Falconer, who has an extraordinary amount of experience. We have therefore upskilled to do that.

To return to the automotive industry, the shadow Minister is right. Since Brexit, we have seen Nissan commit. We have also seen Toyota commit, and we have seen BMW commit to build electric motors in Cowley. That is significant. On the question, “Is Brexit holding this up?”, it is not.

It is widely agreed that FDI has a positive effect on the host country, especially when the supportive business environment is strong. That increases productivity. The Department for International Trade will lead the way in convening the whole of Government to ensure that the UK remains an attractive destination for FDI in Europe and one of the most attractive in the world. A global Britain will always welcome foreign investment for the innovation it spurs and the skills it brings.

As a vital part of the Government’s industrial strategy, inward investment will fuel science and innovation, upgrade our infrastructure and cultivate the world-leading sectors that will allow our businesses to thrive on the global stage. The debate has demonstrated the important role that foreign investment plays in building a stronger and more sustainable economy that works for all. While we have one or two differences of opinion, it seems that the House is united behind the idea of a global Britain.

10.57 am

Michael Tomlinson: I thank all hon. Members who took part in the debate. The hon. Member for Strangford (Jim Shannon) talked about his optimism and about strength and growth in Northern Ireland. My hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) talked about his business background and what a good place this country is to do business in. He also set out some challenges and constructive suggestions as to how we can improve our productivity and attractiveness.

We heard some notes of caution from the hon. Members for Livingston (Hannah Bardell) and for Sefton Central (Bill Esterson), who both cited EY’s attractiveness survey. The hon. Gentleman did accept that it was a mixed picture but that there was some positivity there. I urge him to look to that positivity: the UK remains hugely successful in attracting FDI and has clear potential and opportunities to sustain that success in a post-Brexit world.

I am grateful to the Minister for his words, particularly in relation to my region, the south-west. My constituents will be reassured. My remaining challenge to him and his Department is to ensure that they look out for all the regions—as he said he would in his speech—and continue to do that as we go forward, forging new trade deals.

Question put and agreed to.

Resolved,

That this House has considered foreign direct investment into the UK in 2016-17.

James Gray (in the Chair): Order. That very useful debate having concluded, and with the Minister and Member responsible for the next debate being in the Chamber, it may be convenient to continue without any gap.

Princess Royal Hospital Telford

10.59 am

Lucy Allan (Telford) (Con): I beg to move,

That this House has considered Shropshire's NHS Future Fit process and the future of services at the Princess Royal Hospital, Telford.

It is a great pleasure to serve under your chairmanship, Mr Gray. Like all Members, I come to the House to champion the needs and concerns of my constituents at every opportunity that presents itself. That is what the people of Telford have sent me here to do. Without doubt, the issue that has caused the most concern and anxiety to my constituents over the years is the future of our Princess Royal Hospital. I am delighted that my hon. Friend the Member for The Wrekin (Mark Pritchard) is here, as the hospital is sited in his constituency and his constituents are as affected by the issue as mine.

The reason our hospital has caused our constituents so much concern and anxiety is that for the past four years our local hospital trust has been deliberating how best to deliver emergency care for Shropshire in the future. While we would all agree that that is an important decision that is worth getting right, no one could have imagined that no resolution would have been found four years after the deliberations began.

Despite very public and sometimes acrimonious debates playing out in the media, not a single communication has been sent to my constituents explaining to them what the hospital trust proposes for the future of our hospital. By contrast, my constituents have received a constant barrage of claims directly from our local council. Every time they get a council tax bill or email from the council, the council claims that our A&E and our women and children's centre—a brand new and much-valued asset in our town—are under threat of closure. Although the hospital trust tells me and others that those claims are entirely untrue and wholly misleading, the trust has not at any time publicly contradicted the council; nor has it told my residents that the information they have received is misleading or untrue. As the deliberations have dragged on without any resolution, my constituents have become increasingly anxious and uncertain about the future, and they are becoming angry.

It is worth putting this into context. Telford is a rapidly growing new town, with an expanding population, set in the heart of rural Shropshire. We have significant pockets of deprivation and health inequalities, and worse health outcomes and lower incomes than our more affluent neighbours in rural Shropshire. We also have lower car ownership, so residents are much less able to travel long distances to access care. The council has told us that our A&E and women and children's unit are definitely being considered for closure. We are told that those services will be taken from an area of greatest need and moved to the more affluent neighbouring county town of Shrewsbury—is it pronounced “Shrowsbury” or “Shroosbury”?

Daniel Kawczynski (Shrewsbury and Atcham) (Con): “Shrowsbury”.

Lucy Allan: My hon. Friend says “Shrowsbury; I say “Shroosbury” and so do all my constituents. That highlights one of our great differences.

The hospital trust has reassured me that it is not the case that services are being moved, but it is my constituents who need reassurance. I make the simple plea that the Minister put on the record that, whatever delivery model the hospital bosses decide for the future of emergency care in Shropshire, our Princess Royal Hospital will continue to have A&E care delivered by emergency consultants, and that our brand new women and children's unit will continue to deliver services to women and children.

Mark Pritchard (The Wrekin) (Con): I congratulate my hon. Friend on securing the debate. The women and children's unit, which opened two years ago and cost the taxpayer £28 million, is very welcome in Telford and central and east Shropshire. Does she agree that the same arguments that prevented the women and children's unit from relocating to Shrewsbury two years ago are even stronger today because of the expansion of Telford and environs? The demographics of the county also show that the majority of its children are in the youngest part—Telford and its localities.

Lucy Allan: My hon. Friend is absolutely right: the women and children's unit is a vital resource in an expanding population with many young women and children. That is because Telford is a new town; many people come to build a new life and build their family. That resource is vital to us, and the concept of moving it elsewhere so soon after it has been brought to Telford is farcical. I am assured that that is not happening, but we need clarity. At the end of the day, if people keep telling us something, ultimately we are going to believe it is true.

Daniel Kawczynski: I congratulate my hon. Friend on securing this important debate. She will know that both our hospitals—Shrewsbury and Telford—are in the same hospital trust. I pay tribute to the way that she has campaigned on this issue. Does she agree that the Labour-controlled Telford and Wrekin Council is behaving highly irresponsibly in whipping up these fearful campaigns and trying to frighten constituents about the long-term consequences of Future Fit? Will she go further in encouraging it to act more responsibly and in telling the Minister that the council ought to be spoken to about not whipping up such levels of concern?

Lucy Allan: My hon. Friend is absolutely right: we have seen some shameless politicking around this issue. The local council has weaponised our hospital year after year, which is not helping the process of reaching a decision. I will talk about that in more detail later, because it is a vital point. The council should be working constructively with my hon. Friend the Member for The Wrekin and me to try to get the best possible hospital emergency care for all our constituents, but that is not happening now. That is why it is important to highlight this issue and bring it to the Minister's attention.

There is no avoiding the fact that the body charged with deciding what our future emergency services will look like has been inept in its communications. Despite the growing uncertainty, anxiety and ultimately anger of my constituents, not once has that body been willing to communicate with them. Although a consultation is planned at some point, year after year goes by and that has not happened. Each year, my hon. Friend the

[Lucy Allan]

Member for The Wrekin and I come to this House to beg the Secretary of State for Health to intervene, and each time nothing happens. We have moved no further forward.

Mark Pritchard: For many years people throughout the country were fed up with Whitehall and Westminster and successive Secretaries of State for Health interfering in local health decisions. The Government recognised that, and as part of the devolution agenda said that local health decisions should be made by local doctors, clinicians and medical practitioners. Does my hon. Friend accept that that is right? Does she also therefore accept that those decisions are being made locally, and without interference from Whitehall, which is part of the misinformation, disinformation and fake news campaign of the Labour-led Telford and Wrekin Council?

Lucy Allan: My hon. Friend is absolutely right: this is a process led by local clinicians who were supposed to come up with a local decision that suited local people. However, that has not happened, and I see no light at the end of the tunnel. The process is in stasis; there is utter paralysis in the decision-making process, and all the while our Labour council is making hay with the total vacuum of information. We cannot go on saying, “It is nothing to do with Government. It is supposed to be a local issue,” because that has not worked. I will come on to the difficulties that that is now creating in recruitment and retention of vital consultants, who make the whole service operate for everybody.

It is not right that the local decision makers are failing to contradict our local council. It is not right that they are not standing up to some of the bullying rants that we hear day in, day out on our airwaves and read in our local newspaper, in which the local council tries to convince the electorate that the A&E and children’s services will close. The mixture of fear and the weight of NHS bureaucracy keeps the local decision makers like rabbits in the headlights. Nothing is happening.

In fairness to those tasked with delivering this decision-making process, they will not have reckoned on the weaponising of our local hospital for political purposes and have not factored that into the work they are doing. We have seen the local council threatening the NHS with judicial review. We have seen the local council sending out letters with every council tax demand claiming that our hospital is at risk. It has been organising street protests, whipping up anger, misleading people and misrepresenting the proposals, and turning public meetings into events where our local clinicians, who are doing the best possible job for our patients in Telford, say they have felt intimidated and unable to do their job.

The propaganda machine in Telford is well oiled. At every coffee morning that I host, and at every school I visit, someone will ask me, “Why are you closing our hospital? Why do you want to move services away from your home town to Shrewsbury?” That technique has totally failed to win elections in Telford, but it none the less has successfully created huge anxiety and prevented the evolution of our emergency care for the future. Playing politics with our hospital has been the trademark of Telford’s council leadership, with complete disregard for the consequences for our area and our future healthcare. Instead of working constructively for the best healthcare

for our people, they have simply engaged in a never-ending war of words, whipping up anger and even trying to bring down the local health trust officers.

Instead of a brand new facility that we could all be benefiting from and new investment, now we have dwindling services that do not meet the needs of local people, despite the best efforts of staff. That paralysis has put our services at risk. It has led to difficulties in attracting and retaining staff, so much so that there is now a genuine risk that insufficient staff may lead to night-time closures of our A&E—and if that does happen, I hold the Labour leadership of our council totally to blame.

My constituents have lost out in these political games. We have hours of council officers’ time being spent, constant activity of the council PR department and expensive lawyers threatening the NHS with legal action. We do not even know how much of our council tax has been spent on this, although we do know that £100,000 has been set aside for campaigning activities, which really should not be the role of a local council. The time has now come when it is not enough to stand by and for Ministers to say that this has nothing to do with Government. I accept fully that it did have nothing to do with Government, but it is evident that because local politicians have hijacked the process, it is now wholly out of control. It is also evident that the local NHS has spent millions on a decision-making process that has failed to reach a decision.

My hon. Friend the Member for The Wrekin and I have pleaded with Ministers time and again, year after year, but we are still no further forward. Nothing has changed, and our constituents are none the wiser about the future of their hospital. I invite the Minister to try to give some clarity to my constituents. They deserve to know what is proposed on this most important of issues. If the council is misleading them and providing them with misinformation, they deserve to know that too. This issue matters to my constituents. I am here to represent their needs and concerns, and that is what I am doing today. It is not good enough for Government to wash their hands of something that matters so much to my constituents and the future of our town.

I invite the Minister to work with me, with my hon. Friend the Member for The Wrekin, with the Minister of State, Department of Health, my hon. Friend the Member for Ludlow (Mr Dunne), who is responsible for hospitals, and with the Secretary of State for Health to try to find a practical way to end the complete paralysis that has ruined the prospect of great emergency services in Telford. There is money to invest in better emergency care but we are not even able to access that money in funding rounds because we cannot reach a decision. I look forward to the Minister’s comments.

11.13 am

The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): It is a pleasure to serve under your chairmanship this morning, Mr Gray. It is also a great pleasure to respond to my hon. Friend the Member for Telford (Lucy Allan). She articulated the case on behalf of her constituents with considerable passion, and I will do my best to address some of the points she made.

My hon. Friend talked about the activities of the council with regard to this ongoing issue. I have to say, as the Conservative MP for Thurrock, which has a

Labour council, that it all sounded very familiar. I am afraid that perpetrating fake news is in the DNA, and Labour does not like to have lost successive elections. I am sorry that she has had to tolerate that, but I am even more sorry that her constituents have had to.

When we discuss the future of our local health services, we want to take the community with us. Naturally our constituents get worried about change; they are always worried about the possible diminution of services. The only way we take the community with us is by having real dialogue, based on real proposals and real facts. The fact of the matter is that all the council is doing is engaging in speculation, and I personally find that deeply irresponsible. It is not the job of anybody involved in local leadership to foment fear, and I really do regret those actions. Sadly, I am afraid we cannot expect any better. I am really pleased that my hon. Friend has taken advantage of the opportunity today to make the case for her constituents and to highlight those issues. The way we will take people with us on any change in the health service is by mature discussion and reflection and by advocating on our constituents' behalf.

Daniel Kawczynski: I would like to reiterate the point that my hon. Friend the Member for The Wrekin (Mark Pritchard) made. We all voted for the Bill to ensure that local communities were empowered to make these decisions. It is right and proper that local people at the coalface of providing these services are empowered to make the decisions to improve them and make them future-proof. However, in our case, it really has broken down. The most important thing the Minister can do is to work with her officials to ensure that changes are made when we cannot get an agreement in a locality, because, as my hon. Friend the Member for Telford (Lucy Allan) said, this has continued for four years, causing a great deal of concern and instability for the hospital trust.

Jackie Doyle-Price: I thank my hon. Friend for that intervention and will make two points in response. He is absolutely right; the whole purpose of how we structure the NHS now is that communities are empowered to make decisions. That is why it is all the more irresponsible for the council to be engaged in this speculation. The reality is that no decision will be taken on the future of services until the consultation has taken place and all those responses have been analysed. The community will have its say before any change, and anyone who suggests otherwise and is engaged in speculation really should not. Could my hon. Friend remind me of the second point he made?

Daniel Kawczynski: The point I wanted to make was that certain communities in the United Kingdom have come together, across parties and across the whole of the county. Northumberland, where this process has worked very well, is a case in point. Unfortunately, in areas such as ours, where a council is acting deliberately provocatively and from a political perspective, that has not come to fruition. I want the Minister to ensure that her Department takes that on board when planning for future ways to improve this process.

Jackie Doyle-Price: It is a matter for reflection that this has been going on for four years, which generates considerable uncertainty. Clearly we should reflect on that, to ensure that the process becomes more efficient. Equally, it takes time to have those debates. I know that

the particular issues under consideration here are quite difficult to grapple with. The important thing is that the local NHS is seen to be leading the debate and not allowing anyone else to fill that vacuum when there are decisions to be taken.

My hon. Friend the Member for Telford invited me to make some comments. Obviously there are limits, but perhaps I could set out the process, so that we can put in context exactly where we are now. As I mentioned, all service changes will be based on the fact that they deliver real outcomes for patients and will be taken forward in consultation with the local community. Ultimately, the most important factor is that this is what is best for the health service in the area, driven by clinical leadership. Again, it really should be the local NHS leading this debate, and not local authorities filling the vacuum.

The issues that my hon. Friend raised affect not only her and my hon. Friends the Members for The Wrekin (Mark Pritchard) and for Shrewsbury and Atcham (Daniel Kawczynski), but also service users in Wales. As she alluded to, it has now been four years, so everyone knows that change is in the air. Until the vacuum is filled, there will continue to be uncertainty. I expect the CCG to bring forward a consultation, to have an open discussion as soon as it can. I urge everyone to participate fully in the consultation and I encourage my hon. Friend the Member for Telford to lead that debate. Where there are issues that she is concerned about, she should challenge the local NHS leadership, and where there are things that she welcomes, she should highlight them.

The proposed service changes should meet four key tests: they should have support from GP commissioners, be based on clinical evidence, demonstrate public and patient engagement, and consider patient choice. Until those four criteria can be met, no decision can be taken.

Mark Pritchard: On the clinical evidence points, there was a so-called independent review, which the two clinical commissioning groups—Shropshire and Telford and Wrekin—and the NHS hospital trust commissioned. KPMG undertook that review. How independent it was and how knowledgeable KPMG, headquartered here in London, is of Shropshire's health system is questionable, but I will just ask the Minister this. On clinical evidence, does she agree with me that if the demographics show that the younger part of Shropshire county is in Telford, it would not make sense to relocate the new—two-year-old—£30 million women and children's unit from Telford to Shrewsbury, where there is an older, or elder, population?

Jackie Doyle-Price: Of course everybody wants to be able to access health services as close as possible to where they live, and my hon. Friend's points about demographics are sensible. However, it is also important that we build critical centres of excellence. Where everything is together in one place, people can get better care. Wherever these services are ultimately located, there is a strong case for the children's unit to be by strong A&E services, but obviously that needs to be tackled as part of the debate. My hon. Friend questions whether the KPMG study was objective. These are really serious questions that he should put to the local NHS leadership when we get into open consultation. I know he is looking for comfort from me, but I am not best placed to make the decision sitting in Whitehall.

Mark Pritchard: I am grateful to the Minister for giving way again; she is being very generous. Does she agree, though, in terms of transparency and openness and the fact that the public purse will have paid for the KPMG report, and given the seriousness of the issues, that that report should be published in full, in its entirety, for the public to see, in particular the *Shropshire Star*, which has done an excellent job in holding the local authority's feet to the fire, to use one councillor's term, on some of its most outrageous claims about this process?

Jackie Doyle-Price: It surprises me that the report is not in the public domain, according to what my hon. Friend has just said, if it is informing the approach that is being taken. I tend to take the view that sunlight is the best disinfectant, and if things are not done in an open and transparent way, the conditions are created for exactly the kind of speculation and scaremongering that we have been talking about. Having said that, I reiterate that the consultation has not yet started. It is very important that when the consultation does start, the CCG makes extremely clear the basis on which it is going forward with the proposals that it chooses.

I do not need to advise my hon. Friends of exactly what we are talking about. Clearly, they know more about their local healthcare situation than I do, and it is clear that local NHS leaders have to address significant challenges in bringing forward the entirety of their proposals as they affect the Royal Shrewsbury Hospital and the Princess Royal Hospital in Telford. I understand that they are 18 miles apart. In some areas of the country, that might not seem far at all, but when we are dealing with communities that have very separate identities, they could be oceans apart. That is another reason why we need to be very clear in our dialogue with those communities about why we are bringing forward the conclusions that we are.

Clearly, at a time when there is no money, things that it would be nice to have are not possible. It would be nice to duplicate services in both locations, but frankly that is not a luxury open to us at this stage in the economy, so where there is duplication of services, where we could bring them together and make a better service as a result, we should explore that. It is up to the local clinical leadership—there is a clear task and challenge for them—to demonstrate that whatever they bring forward will deliver better outcomes for patients. When it comes to winning over public hearts and minds, the public will not get away from the fact that services are being moved away from them. Automatically, there is a diminution of service in their mind, but bringing services together can often make a better service. We can see, with patient outcomes in particular circumstances, where that has been achieved. I therefore encourage the CCG to bring forward as much evidence as possible in making its case.

Of course, we all understand that whenever the consultation takes place, after four years of quite feverish

speculation on some parts, people will be nervous. I encourage all my hon. Friends to continue this debate in public and with Ministers, so that we can reassure the public that we have their best interests and those of patients at heart with whatever decision is taken. As I have said, the more transparent and open the debate is, the better. Perhaps between them, my hon. Friends can lead the CCG to have those public discussions, away from the council, away from organised intimidation at public meetings, which will not lead to the best outcomes for patients at all. I have witnessed this myself. The left is very good at organising mobs at public meetings, but the last thing we want is for local clinical leaders to bring forward proposals in the best interests of serving the community and then be intimidated, by those who shout loudest, into changing their views because they are faced by a herd.

Daniel Kawczynski: This is a very important point for the Minister to perhaps share with the Department for Communities and Local Government and other Ministers. Of course councils have the right to challenge processes. Even though Telford Council's leader and all his team are completely bereft of any medical credentials, they have the right to challenge, but we need to consider whether they have the right to use taxpayers' money for political campaigns. I think that the Minister will be interested to see some of the literature that Telford Council has sent out and perhaps share it with her colleagues at the DCLG, to see whether we can do anything more to tighten up the rules on how councils spend their council money.

Jackie Doyle-Price: My hon. Friend makes an excellent point. Local authorities are all a function of who leads them, and some leaders are prepared to go further than others when it comes to engaging in debate. I also observe that there is currently an inquiry by the Committee on Standards in Public Life into abuse. Perhaps it could look beyond the abuse of parliamentary candidates and consider the kind of intimidation of clinical leaders at public meetings that my hon. Friend the Member for Telford has referred to, because this is all part of the space of public debate, and it is not helping our democracy that debates are taking place in unhelpfully fevered situations. We recognise of course that emotions will run high and that people will be passionate about the issue. We live in a mature democracy; we should be able to have our debates and discussions based on mutual respect and fact, but I am afraid, from things that my hon. Friend has described, that that has perhaps been missing.

In the short time I have left, I will just say that I hope the CCG brings forward its proposals as soon as possible, because the sooner the debate gets out in the public domain, the more informed it will be.

Question put and agreed to.

11.29 am

Sitting suspended.

UK Nationals in the EU: Rights

[MR GARY STREETER *in the Chair*]

2.30 pm

Daniel Zeichner (Cambridge) (Lab): I beg to move,

That this House has considered negotiations on the future rights of UK nationals in the EU.

It is a pleasure to serve under your chairmanship, Mr Streeter. I am grateful for the opportunity to consider the negotiations on the future rights of UK nationals in the European Union and I look forward to constructive clarification of the Government's position on the matter from the Minister.

According to the United Nations Population Division, 1.2 million British people currently live in the European Union. The largest communities are in Spain, with 309,000 people; Ireland, with 255,000; France, with 185,000; and Germany, with 103,000. It is estimated that of those 1.2 million British people living in another European Union country, about 800,000 are workers and their dependants. It is worth pointing out that, contrary to widely held assumptions, only 20% are pensioners. Some 70% to 80% are working, often cross-border.

This subject is one of the most sensitive in the current negotiations, in part because it affects so many people directly. In yesterday's debate in the main Chamber, I said that we should not be leaving the European Union. I will not revisit that point today, although I will say that it would be by far the simplest resolution to the problem facing some 4 million people. Today's debate will be largely about UK citizens in the EU, but there is a clear link—reciprocity, to use the Government's favourite term—between the two groups.

I have a particular interest because some 9,000 non-UK EU nationals live and work in and around Cambridge. Unison, the public service union that I worked for before entering Parliament, estimates that it has some 70,000 members who are non-UK EU nationals. Some from both those groups will be lobbying Parliament tomorrow, in an event organised by the 3 Million, British in Europe and others. I hope hon. Members will take the opportunity to meet them and listen to their concerns. I found the lobby in February quite harrowing, listening to people's concerns—as I do for many of the people who visit my surgeries and are from families that face a completely unexpected and totally uncertain future.

I am conscious that many others wish to speak, Mr Streeter, so I will try to set out the current position succinctly. I will try to be balanced—as in any negotiation, both sides have taken positions that might look unfair to an impartial observer, and one hopes that the differences will narrow as the process develops. It is perhaps worth observing at the outset that the very idea of a negotiation on the future of 4 million innocent people leaves more than just a bad taste. As has been said many times, people are not bargaining chips. Many of us wanted an absolutely clear settlement at the outset, regardless of reciprocity, to give certainty and to calm fears. I was personally assured, as were others, by people close to Government that this would be achieved quickly—within months. That is not what has happened, and I fear that whatever is said, we are in a negotiation.

In the UK Government's position paper published in June, "The United Kingdom's exit from the European Union: safeguarding the position of EU citizens living in the UK and UK nationals living in the EU", there is much about the position of EU citizens in the UK, although many of us were disappointed by the substance, and the reaction from the EU was not positive. Conversely, there is very little in that document on the future rights of UK nationals in the EU. The Government paper states:

"The Government's objective is to ensure continuity in the immigration status of EU citizens and their family members resident in the UK before our departure from the EU (including their ability to access benefits and services). At the point that the UK leaves, EU citizens lawfully resident here (and their families) will be able to continue their activities in the UK. The Government will not discriminate between citizens from different EU member states in providing continuity for the rights and entitlements of existing EU residents and their families in the UK."

The UK fully expects that the EU and its member states will ensure, in a reciprocal way, that the rights set out above are similarly protected for UK nationals living across the EU before the specified date. Firstly, UK nationals in the EU must be able to attain a right equivalent to settled status in the country in which they reside. Secondly, they must be able to continue to access benefits and services across the member states akin to the way in which they do now."

That is all fine, but it guarantees nothing at all. It is, as with so many of the other Government papers regarding Brexit, merely an expression of hope.

Sadly, the EU has made it crystal clear that the offer that our Government have tabled is not acceptable, and therefore reciprocal rights cannot be expected as no withdrawal agreement will be confirmed on these terms. Whether one has any sympathy with the EU position or not, that is the fact: there will be no reciprocity for UK nationals in the EU on the basis set out in June. Both sides are unwilling to make a unilateral offer, so there is no clarity for the 4 million.

Reciprocal rights are only a possibility if the EU thinks that the Government's offer is sufficiently beneficial to the rights of EU citizens, and currently it does not. The latest joint technical document on citizens' rights has been published. It sets out the UK and EU's positions, helpfully highlighted in green for agreed positions, yellow for those that need work or clarification, and red for those on which the UK and EU disagree. Sadly, there was a lot of red. The lack of clear guarantees in the UK's offer on comprehensive sickness insurance, future family members, the role of the European Court of Justice, administrative procedures surrounding the documentation that the UK proposes for EU settled citizens, criminality checks, healthcare, and rescinded status after two years' leave, are all raised as problems by the EU. Equally, there is a range of issues on which the UK is unhappy with the EU offer, such as the residence rights of UK nationals within the EU, voting rights in local elections and the protection of posted workers.

There is a particular issue concerning those who on paper are British citizens, but who in some cases may not even have set foot in the UK. In the second round of negotiations, the UK proposed that children and other family members should have post-Brexit rights as "an independent right holder". Currently, the EU position is that these citizens should have the status of "family member" post-Brexit. That implies that we could have a

[Daniel Zeichner]

situation where a child born to UK parents in the south of France, who is completely fluent in French and whose entire life has been made in France, could find themselves with no protection under the withdrawal agreement if their 18th birthday falls a few months after Brexit. In contrast, an adult who takes the last Eurostar to France the day before Brexit could receive more protections than that child. That does not seem acceptable to me.

It is possible that the imbalance of the number of EU citizens in the UK versus the number of UK citizens in the rest of the EU 27 can at times result in many forgetting that there are 1.2 million British citizens in Europe. That is 1.2 million people who have decided to start a career, enjoy their retirement, start a family or study, and essentially establish a life outside of the UK, because they have had the right to do so. Many British children have been born in EU countries to British parents and have not pursued the path of dual nationality because it was not necessary to do so. There was simply no need. What will happen to the rights of the children who turn 18 after Brexit? Some will argue that these children should seek dual nationality, but what about those living in Spain, Austria or the Netherlands, where dual nationality is not an option?

Kate Green (Stretford and Urmston) (Lab): I apologise that I cannot stay for the entire debate, Mr Streeter, but I am glad to have the opportunity to ask my hon. Friend whether he has also considered the potential conflict of law. Where a British child resident in another European country is involved in a parental dispute—separation or divorce—it may not be clear which legal system will prevail in deciding the family law issues.

Daniel Zeichner: My hon. Friend makes a very good point. Sadly, I suspect that we could spend much of the afternoon considering yet further such problems.

All these difficulties confirm what many of us have argued from the outset—that a negotiation would be difficult and a unilateral guarantee was needed, even just to get the discussion going. It is not about exchanging these rights for those rights, but about having a genuine conversation, trying to do the right thing, and moving into a position where we have a genuine discussion rather than get locked in to a winners-losers negotiation, which seems to me all too likely to remain deadlocked for a very long time, not least because there are many players involved.

I suspect that it is not always clear to everyone in Britain that it is not just the Commission negotiators who must be satisfied; the European Parliament has a key role as well, and it is not very impressed either. Guy Verhofstadt, the Parliament's chief negotiator, has been fairly definitive. In his statement, he said:

“The European Parliament cannot be clear enough that sufficient progress means progress across the board, and not just in one or two areas.”

He clarified:

“To be precise, the European Parliament will remain vigilant regarding citizens' rights and will continue to push for full rights for EU citizens in the UK as well as UK citizens in the EU. It is a core mission of the European project to protect, not to diminish, the fundamental rights of all citizens... The European Parliament

specifically seeks to fully safeguard the rights concerning family reunion, comprehensive healthcare, voting rights in local elections, the transferability of (social) rights, and the rules governing permanent residence (including the right to leave the UK without losing this status). Simultaneously, we seek to avoid an administrative burden for citizens and want proposals which are intrusive to people's privacy off the table, e.g. proposed systematic criminal checks. Last but not least, the European Parliament wants the withdrawal agreement to be directly enforceable and to include a mechanism in which the European Court of Justice can play its full role.”

For the Parliament to be satisfied, as it must be, movement is required on both sides, but I suspect that it will be harder for the UK Government, not least because of the Prime Minister's continuing aversion to the European Court of Justice. In previous debates, I have described it as a fetish, but whatever it is, it is a problem. It is not just this Government's Achilles heel; it is their Achilles legs, arms and body too, and it creates problems in considering directly the rights of UK citizens resident in EU member states.

If the European Court of Justice no longer has any jurisdiction over the UK's treatment of EU nationals, a reciprocal agreement would work the same way for UK nationals in Europe. We are therefore leaving UK nationals vulnerable to the domestic laws and national courts of member states, without any protections. We need an international referee to ensure that countries comply with their obligations on citizens' rights. The EU demands that it be the ECJ, but the UK Government say no, so what should it be? What is likely to be acceptable to both? The conundrum not only dogs this discussion but is a problem across the piece.

Turning to another problem, the UK's creation of settled status comes saddled with a range of problems that, if reciprocated, will seriously compromise the rights currently enjoyed by UK nationals in the EU. The UK condition that EU settled status in the UK can be rescinded after two years' leave is unacceptable to the EU, as well as to me and many others. To understand why, think of it in reverse: imagine a UK academic from my constituency, Cambridge, who has been living and working in Rome and who is offered the opportunity to do a different job at a UK university, on a temporary basis, for a couple of years. Would they take it, knowing that they might not be able to return to their home in Rome? That is not a hypothetical example but an everyday occurrence.

To be at the leading edge of research and study, we need global flexibility. It is not just about economics; there are many situations in which someone might have to move for a period of two years or more, such as for family reasons. We must think through the real-life consequences of the proposals. When we do, we can see the problem.

Thangam Debbonaire (Bristol West) (Lab): I apologise, Mr Streeter; I too cannot stay for the whole debate. A constituent of mine has told me about her son, who is married to a German woman and lives in Germany with her and their two young children. She says that it is all very unsettling. Does my hon. Friend agree that the lack of legal certainty is causing great distress, disrupting family life and interrupting people's ability to pursue their careers?

Daniel Zeichner: I agree. The human cost has been completely underestimated. Whatever the final outcomes, the stress and unhappiness being caused now are real.

As I have said, the Government maintain that reciprocal arrangements are the way forward and will best guarantee the rights of UK citizens in the EU, but if our treatment of EU nationals here is seen to be ungenerous, where will that leave our people in the European Union? It need not even be by design. In the past month, some EU citizens in the UK have received mistakenly sent letters threatening them with deportation. We are told it was an error, but clearly we do not want that to be reciprocated. Sadly, the 3 Million campaign has been compiling compelling evidence of discrimination against EU nationals across employment, housing and a range of services ever since the referendum. We do not want that reciprocated either.

Last week, the Home Office's immigration plans were leaked. Many people—rightly, in my view—reacted with outrage. Are we really going to restrict the rights of EU family members to enter and remain in the UK, and police that with biometrics? Is that the kind of treatment that we want reciprocated?

Dr Rupa Huq (Ealing Central and Acton) (Lab): My hon. Friend is describing convincingly this Government's catalogue of errors involving leaks and letters wrongly sent. Regarding discrimination, is he aware of the figures released by the House of Commons Library? In 2011, 49% of British citizens living elsewhere in the EU were over the age of 50, compared with only 15% of EU nationals here. In our aging society, age discrimination is another thing to consider.

Daniel Zeichner: I was not aware of that statistic, but it helps to build a powerful and compelling case. I suggest that in general the Government need to rethink their tone, strategy and approach to the negotiations, as well as their aims, because progress so far has been so slow.

Last week, the Conference of Presidents of the European Parliament met and published a statement which said that,

“a clear majority of group leaders were of the view that continued lack of clarity or absence of UK proposals on separation issues as well as the latest developments in Brexit negotiations meant that it was more than likely the assessment on ‘sufficient progress’ on the first phase of Brexit negotiations is unlikely to have been met by the October European Council.”

Progress is likely to remain glacial, which takes me back to the point about the uncertainty that many people face.

Although progress may be glacial, fear and uncertainty will certainly not grow as slowly—quite the opposite. The millions of people affected by the failure to secure a settlement deserve better. It is not too late for our Government to change tack and realise that a generous unilateral offer is far more likely to secure progress than a bit-by-bit, step-by-step battle of attrition. I look forward to hearing the Minister's reply. He is a decent man, and I live in hope that he might surprise us, but I suspect that he may not be in a position to do so.

2.47 pm

Sir Roger Gale (North Thanet) (Con): I apologise, Mr Streeter. I mean no discourtesy to the hon. Member for Cambridge (Daniel Zeichner), the Opposition spokesman, my hon. Friend the Minister or you, but the curse of conflicting appointments has landed on me, and I must be elsewhere at 3.30. I will stay and hear as much as I can of the debate in the meantime.

I am acutely aware of the importance of the EU citizens employed in my constituency. If I removed the EU citizens among the ancillary staff in my hospital—never mind the highly qualified surgeons and others—the hospital would shut. If I removed the equivalent people from the care homes in my constituency, those would shut. If I removed the Lithuanian bakers from Speciality Breads, an excellent and award-winning company in my constituency, that company would have great difficulty finding replacements. The largest greenhouse complex in Europe is in my constituency. It is the size of about six football pitches and grows tomatoes hydroponically, 24 hours a day, seven days a week. Those tomatoes are harvested by Poles and Romanians. Why? Despite my requests and the company's endeavours, it cannot recruit British labour to do the job, not because of price but because it is hard work and there are not enough people available to do it.

I accept entirely the arguments about the necessary people—not merely the highly qualified and skilled, but the semi-skilled and unskilled—from the European Union and beyond who work, live, enjoy life and pay taxes in this country. However, this debate is about the plight—I use the word advisedly—of United Kingdom expat citizens living in what will be the remaining 27 member states of the European Union. Most of them are in France and Spain; significant numbers are in Italy and Greece, and there are many others dotted around.

There is an imbalance of about three to one between European Union citizens living in the United Kingdom and Brits living throughout the rest of the European Union. Moreover, the European Union citizens—by and large, but not exclusively—are working. The overwhelming majority of the UK citizens are retired, so they have much less room for manoeuvre, and they are very frightened people.

Peter Grant (Glenrothes) (SNP): I have certainly seen evidence to suggest that the age profile of UK citizens living overseas is different from that of EU nationals living in the UK. What is the evidence for the hon. Gentleman's assertion that the overwhelming majority of UK citizens in the rest of the EU are retired? I think those were his exact words.

Sir Roger Gale: I think I am right that the hon. Member for Ealing Central and Acton (Dr Huq) referred to the House of Commons Library, which provided those statistics, but my evidence is from my own eyes—

Dr Huq: The figures from the Library said that 21% of UK citizens in the rest of the EU are over 65, so that is not a majority. The 49% figure is for over-50s, who may be economically active and contributing, paying taxes and all those things.

Sir Roger Gale: I think we can accept—well, maybe we cannot, but I accept from personal knowledge—that most Brits who live in France outside Paris and in Spain outside Madrid, as the majority do, are not necessarily over retirement age but are retired or semi-retired. Some are working online. There is a significant number of them, and they are frightened people.

I have become involved because many years ago, under the last Labour Government, I had to fight a battle to secure payment of disability living allowance as an exportable benefit to UK citizens living in the

[*Sir Roger Gale*]

European Union. That decision was taken by the European Commission. Shamefully, and in spite of the best efforts of the then Minister Jonathan Shaw—a very decent man and a personal friend—it took us a long time to secure the payment, but eventually it was made. Within the European Union, there is an understanding that certain benefits are exportable, mainly the disability living allowance—now the personal independence payment—attendance allowance and carer's allowance. Mobility allowance is not a health benefit and therefore not exportable. That was another battle that we fought but lost.

A significant number of UK citizens are receiving those benefits throughout the European Union. Contrary to popular belief, they are not rich retired people living on yachts in Cannes sipping gin and lying in the sun. Generally, they have worked in the United Kingdom all their lives, paid their taxes and national insurance contributions and for whatever reason—perhaps health, or the climate—found it desirable to live in the Mediterranean or in France. They have no flexibility in their incomes, which have fallen quite dramatically because of the fall in the pound, as many of them are living on United Kingdom state retirement pensions and little else.

If I say to hon. Members that those people live in genteel poverty, I mean it. It is genteel because they have a roof over their heads and they own their property, but having sold up and moved out from the United Kingdom, they are now faced with a choice between a rock and a hard place. Do they stay and face losing perhaps their healthcare and certainly their exportable benefits?

Kate Green: I agree absolutely that there are no guarantees that UK citizens will continue to receive those benefits after exit, because many benefits depend on reciprocal arrangements. Is the hon. Gentleman saying, as I would, that the UK Government should now make it clear whether they intend to continue those benefits for UK citizens in the rest of the European Union after Brexit, irrespective of what the EU 27 decide in respect of their nationals?

Sir Roger Gale: I entirely support the Government's line in respect of the need for a reciprocal deal.

Kate Green: So, no.

Sir Roger Gale: Not just no—it happens to be the case that many people who live in mainland Europe could not, for example, secure private healthcare insurance at their age, in any meaningful sense. That may not be the case for the 3 million people from the rest of the European Union living in the United Kingdom, many of whom are working. There is a disparity between the two causes.

I chair the all-party parliamentary group on frozen British pensions. As hon. Members will know, significant numbers of elderly people who paid their taxes in the United Kingdom all their lives have moved to Canada, Australia or New Zealand and found their pensions frozen at the point of departure because we have no reciprocal agreement. That is why this point is so important. We do have a reciprocal agreement with other countries, such as the United States, so pensions there are uprated.

This results in the ludicrous situation in which a pensioner living in Canada on one side of the Niagara Falls has a frozen pension, but another on the other side of the falls, 200 yards across the river in the United States, has an uprated pension. There is a real danger that if we cannot reach a bilateral agreement with the 27 other member states, we could find ourselves with pensioners moving to or living in other countries in the European Union with frozen pensions.

These are significant issues. There are a significant number of frightened people who want and need answers urgently. I am aware that I have taken up a lot of time, and I apologise. I would welcome the opportunity to discuss these matters in person with my hon. Friend the Minister.

Several hon. Members rose—

Mr Gary Streeter (in the Chair): Order. There are six or seven colleagues trying to catch my eye, and the wind-ups begin in 35 minutes, at 3.30 pm, so I ask hon. Members to restrict themselves to about six minutes each.

2.56 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): May I say what a pleasure it is to serve under your chairmanship, Mr Streeter? I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on securing this important debate and on his powerful opening speech.

I wish we were not having this debate. It is an absolute disgrace that, 15 months after the referendum and six months after article 50 was triggered, so little progress has been made on a reciprocal citizens' rights deal, despite three rounds of negotiations between the Secretary of State and his European counterpart.

As the UK and EU's joint technical note recently showed, there are still several areas of disagreement on the future rights of EU nationals here and UK nationals in the EU, including future family reunions, the cut-off point for settled status, rights of onward movement within the EU, and legal avenues to enforce rights. A British national who lives and works in Italy, for example, may move freely to other EU countries to live and work, but has no guarantee of maintaining those rights after Brexit, not least because our Government have not made a similar reciprocal offer. For example, a German university lecturer in my constituency—there are a number of them—is currently allowed to spend a few years working on a research project somewhere else in Europe and then come back freely to Durham to continue his work at the university, but we simply do not know whether he will be able to do so in future.

My second area of concern relates to the avenues of legal redress available to UK nationals living in the EU after Brexit. The Prime Minister seems to have an ideologically imposed red line regarding the role of the European Court of Justice after Brexit. If the UK leaves the EU and its courts, and the Government enshrine citizens' rights in UK law, to be enforced by UK courts and some kind of independent monitor, UK nationals in the EU could lose the right to take cases to a higher European court. They will then have recourse only to the national courts of the country they are in, which may not be able to enforce the rights given by any agreement between the UK and the EU. Labour wants

the Court of Justice of the European Union, or a similar court-like institution, to oversee compliance with any future agreement.

The Government could have made all this easier by making a unilateral offer to guarantee EU nationals in the UK their existing rights, which is what a Labour Government would do. That would not only have been the right thing to do morally, by providing assurances to the 3 million EU citizens who have made their lives in the UK and who have been left in a limbo and unsure as to their future status; it would also have been a good gesture with which to begin negotiations and would make it simpler to seek reciprocal rights for UK citizens in the EU. Instead, 3 million people living in the UK and 1.2 million UK nationals in the EU have been used as bargaining chips by the Government in their negotiations, which is simply outrageous.

We all know from work in our constituencies that EU nationals make a large contribution to our economy and society. As I mentioned in the Chamber yesterday, there are 2,500 European workers in the health and social care industry in the north-east, carrying out vital services in our community. However, we should not value people only by their economic worth or the services they carry out; they are members of families, friends, neighbours or colleagues. They are close to us. The lack of clarity and the limited offer from the Government are causing anxiety and anguish.

Andy Slaughter (Hammersmith) (Lab): My hon. Friend is making an excellent point and I hope the Government are listening, because this issue is absolutely fundamental. More than one in seven of my constituents is an EU national and most of them are living in a relationship, or simply sharing property, with UK citizens. Even though I was not seeking to canvass them, this was the biggest issue on the doorstep at the election. It is a constitutional outrage that we are putting millions of people—people who are productive but who also want to make their home here—in this position.

Dr Blackman-Woods: My hon. Friend makes a really excellent point, and I hope that the Minister is paying attention to it. I think we have all had hundreds of letters and emails from constituents who are EU nationals asking that the Government guarantee the rights of EU citizens in the UK.

Deidre Brock (Edinburgh North and Leith) (SNP): Anecdotally, I have been told of job adverts that contain the words, “Europeans need not apply”. There seems to be increasing evidence of discrimination and hostile working environments for EU citizens living in the UK. Will the hon. Lady condemn in the strongest terms the Government’s lack of action to tackle this, to make sure that the UK remains a place that people want to come to, and to send the message that all citizens are equal?

Mr Gary Streeter (in the Chair): I call Roberta Blackman-Woods—30 seconds, please.

Dr Blackman-Woods: I think that what the hon. Lady describes is a challenge to the Minister.

As I was saying, many of our constituents are very worried that they will have to uproot their families by the end of March 2019. That is only 18 months away

and it is completely wrong that people’s lives are still being negotiated over, which is causing this amount of concern. I hope we get some reassurances from the Minister that the Government are making progress and that we will get details of a reciprocal agreement very quickly, so that we can put at rest the minds of our constituents and those of UK citizens in the EU.

3.3 pm

Joanna Cherry (Edinburgh South West) (SNP): I will start by being quite clear about one thing: the rights of UK citizens living in the European Union have been put at risk by the vote that took place 15 months ago. If the British Government cared so passionately about the rights of those UK citizens living in other EU states, why did they not give them a vote in that referendum? However, we are kind of beyond that now. Like many other people in this Chamber, I am sure, I wish we were not where we are now, but we are where we are. As has already been said very eloquently by the hon. Member for City of Durham (Dr Blackman-Woods), we are 15 months down the line, we are well into the negotiations, and we still have no certainty about the position of UK citizens living in other EU states or the position of EU nationals living in the UK.

My constituency email box is full of emails about EU nationals who live and work in Edinburgh South West and who are uncertain about their ongoing position, but I am also starting to get quite a lot of emails from former constituents who now live abroad—UK citizens in the EU—who are worried about their position. I will quote from a typical email, which I received earlier this week when the correspondent realised that this debate was happening. A former resident of my constituency who is now resident in France, she is very worried and uncertain about many things. Here are some of the questions that she raised:

“Will my British son be able to attend University in Edinburgh post-Brexit...without having to pay prohibitive ‘international’ fees?...will my daughter, currently training as a nurse, be able to choose to work in France after her course, which ends after Brexit?...will my husband and I be able to aggregate our pensions (we have paid contributions in both the UK and France) and retire in the country of our choice? ...as our parents age, will we be able to bring them to France to look after them, or alternatively, would we be able to return to the UK to look after them, perhaps for several years, without losing our right to live in France? ...will my daughter’s French girlfriend be able to settle with her in the UK if that is what they want to do?”

These are all perfectly legitimate questions to which, prior to the uncertainty created by the EU referendum, there would have been certain and clear answers—one of the many joys of the EU. Now, however, as a result of a referendum that was fought in a void of information, people asking such questions are gravely uncertain.

The United Kingdom created this problem and it is incumbent upon us to make a generous gesture to try to resolve it. I and other Scottish National party MPs have said many times on the Floor of the House and in hustings throughout the election campaign that Government Members often say to us, “If you make a unilateral guarantee to EU citizens living in the United Kingdom, then you are selling down the river the rights of UK citizens living in Europe.” My reply to Government Members is, “No, because we started this problem. We started it and it is incumbent upon us to make a generous gesture.” We are constantly told by the Brexiteers and some Government Members that the UK has so

[Joanna Cherry]

much to gain from these negotiations and so much to offer the EU that the EU will be desperate to give us the terms that we want. If that is the case, why not make a generous gesture?

People should not just take my word for this. In the last Parliament, my hon. Friend the Member for Glenrothes (Peter Grant) and I sat on the Exiting the European Union Committee. That Committee produced a unanimous cross-party report that made the following recommendation:

“EU nationals in the UK and UK nationals in the EU are aware that their fate is subject to the negotiations. They do not want to be used as bargaining chips, and the uncertainty they are having to live with is not acceptable. Notwithstanding the assurance given by the home secretary, we”—

the cross-party Committee—

“recommend that the UK should now make a unilateral decision to safeguard the rights of EU nationals living in the UK.”

We made that recommendation because we had heard evidence from UK citizens living in the EU that that was what they wanted. It was not just the odd random person who came to give evidence to us. We took evidence from UK citizens representing groups of British people resident in France, Italy, Spain and Belgium, and to a man and a woman they said that they wanted this unilateral guarantee to be given. Let us stop messing about and using people as bargaining chips. Let us make that unilateral guarantee without further delay.

3.8 pm

Matt Rodda (Reading East) (Lab): I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on securing this debate. I will address the reality of the issue rather than some of the myths around it. I represent Reading, a town with a large population of EU nationals who play a significant role in our local NHS, in the IT industry that is a core part of the town's economy and in many other services. I should also declare a personal interest in that my sister-in-law is German and she too is facing deep uncertainty at the moment.

I was concerned last week when a document entitled “Border, Immigration and Citizenship System After the UK Leaves the EU” was leaked by the Home Office, because it gave a very unfortunate window into the Government's thinking on this important matter. In the document, it was proposed to drive down the number of EU migrants by offering them residency for a maximum of only two years, and it was suggested that only those in highly skilled occupations would be considered for permits that would stretch that period for a few more years, despite the repeated warnings from business and the public sector of the significant negative impact that that would have. That is of great concern, and I hope the Government will rethink.

The document also describes a phased introduction to a new immigration system that ends the right to settle in Britain for most European migrants and places tough new restrictions on their rights to bring family into this country. That could lead to thousands of families being split up. This is serious: such a heavy-handed approach drives a cart and horses through both businesses and families in my constituency and across the UK. The ill will generated by such an approach would harm our remaining negotiations with the EU.

Having stepped down from threatening the EU with no deal, I urge the Minister to be more collegiate in his approach. He should denounce the paper and take a more even-handed and much more reasonable approach. Perhaps he should listen to the Labour proposal and offer unilateral guarantees, to create a climate of good will and a positive negotiation with our European partners.

3.10 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter.

On Second Reading of the European Union (Withdrawal) Bill last night, this House voted to pursue one of the most treacherous attacks on our democracy that we have seen for many decades—and that is the constitutional experts speaking. In the debate, many Members also addressed the substantive issue of the impact of an uncertain, disorganised, panicky, unplanned Brexit on all of us—on our lives, our economy, our jobs, our rights, our protections and our standards. The debate today is on just one aspect of the implications of Brexit. I thank my hon. Friend the Member for Cambridge (Daniel Zeichner) for securing this debate and British in Europe for its excellent briefing.

For 40 years, UK citizens have been able to travel to and move freely in and around the EU. An estimated 1.2 million UK citizens live there now, and about 3 million EU citizens live in the UK. Like other colleagues who have spoken today, I also have a large number of EU nationals living in my constituency who have written to me about their concerns. All of those 4 million-plus people are employees, or they have set up businesses, or they are studying, or have retired, or have married cross-nationally. Many European and UK citizens have parents of different nationalities, so they start their lives seeing their future rooted in more than country.

Since the referendum last year, the threat to freedom of movement has meant that UK citizens who move country may have to worry about visas. They benefit from many reciprocal arrangements such as in health and social care. Their nationality until the referendum has been no bar to owning property or setting up businesses, or to developing a career and moving up the career ladder at work. They have been able to plan and have a family, build friendships, get healthcare and benefit from local community services for themselves and their children and often for their parents, too. They can grow old, knowing they can benefit from reciprocal health and social care arrangements. They can come and go between their current home country and their original home to return permanently or simply to visit friends and family.

Let us remember that many UK nationals in other EU countries have set up businesses that support us British when we go on holiday, whether we are going to the campsites of the French coast, on pilgrimages to Lourdes, on city breaks, or skiing in the Alps. British-owned businesses play an essential part in local economies, providing employment for UK and local young people. My son spent four months working in France before he went to university. The uncertainty also affects UK people living here and planning their future. I met a couple at the weekend who have lost work contracts because of Brexit. They wanted to bring forward their retirement to France, but now they are uncertain about

what that will mean. Brexit has put an end to all planning. Investment, certainty and security are all out of the window. Fifteen months have elapsed since the referendum result, but we still have no more certainty from Government, so I look forward to what the Minister will say today. The referendum result was bad enough for all those people, but the Government's shambolic approach to all things Brexit has made everything even worse.

The British in Europe group briefing raises a host of concerns very eloquently: not just the lack of detail on proposals, the ring-fencing on citizens' rights, cut-off dates and the jurisdiction of the Court of Justice of the European Union, but specific concerns about equal treatment, the reunification rights of family members, especially children, settled status, work and professional qualifications, and planning for students. For the sake of the wellbeing of the 4 million-plus UK citizens living in other EU countries, and EU citizens living here, as well as their families, their employers and employees, Labour Members seek a full and unconditional offer on citizens' rights. The Prime Minister's limited and conditional offer on such rights is too little, too late. The Government's threat to walk away with no deal risks leaving British citizens living in the EU in a legal limbo.

3.15 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Cambridge (Daniel Zeichner) on the considered way he presented his thoughts. This aspect of Brexit is incredibly important. It is about the reciprocal arrangement that needs to be in place to ensure that the people who live, work and play a part in our local economy can and will continue to do so, as will British nationals living and working in the EU and making contributions to their local economy.

Hon. Members know that I supported leaving the EU. I am a confirmed Brexiteer and my constituency is of the same mind, but I recognise the issues for EU nationals in my constituency. It seems the situation will be mutually beneficial—indeed, that is what the figures indicate. As usual when it comes to European issues, Britain gives more than it receives. The latest available data suggest that in 2015 there were around 1.2 million British citizens living in EU countries compared with 3.2 million EU citizens living in the UK. It is not hard to work out that it is in everyone's interest to make arrangements to continue to benefit those who are working.

Peter Grant: I am puzzled and a little concerned about the hon. Gentleman's analysis. The claim that Britain gives more than it receives in relation to EU migration falls back on the fact that there are more EU nationals in the UK than there are UK nationals in the EU. That implies that immigrants take from communities rather than put back into them, but in my constituency, immigrants who have come into Glenrothes in the centre of Fife from the European Union have contributed greatly. I want them to continue to do so for the foreseeable future.

Jim Shannon: In two seconds I will be saying the same thing. I have been very clear from the outset of Brexit that our leaving Europe is not a purge of non-British people from our shores. It is the ability to ensure that those who come here and make the most of what we have to offer also give back locally. In the two major

sectors of agri-food in my constituency of Strangford, 40% or 50% of the workforce is European. They are needed, so we sought assurances from the Prime Minister. When the right hon. Member for South Northamptonshire (Andrea Leadsom) was Secretary of State for Environment, Food and Rural Affairs, she visited my constituency at my invitation. She understood the issues, although we did not get assurances from the Prime Minister or the Minister at the time.

It is important to mention that the people who live in the Republic of Ireland can travel across to Northern Ireland to work, and people in Northern Ireland can travel across to the Republic of Ireland to work. The hon. Member for North Thanet (Sir Roger Gale), who spoke earlier, referred to nurses in hospitals and care workers. Such matters are important for me as well.

The current system as described in the briefing paper shows that free movement is central to the concept of EU citizenship. It is a right enjoyed by all citizens of the European Union. All EU citizens have a right to reside in another EU member state for up to three months without any conditions other than the requirement to hold a valid identity card or passport. After three months certain conditions apply, depending on the status of the EU citizen and whether they are a worker or a student. Those who opt to exercise their free movement rights are protected against discrimination in employment on the ground of nationality. The provisions in relation to social security are clear. EU citizens who have resided legally for a continuous period of five years in another EU member state automatically acquire the right to permanent residence. To qualify for permanent residence, students and the self-sufficient must possess comprehensive sickness insurance cover throughout the five-year period. I mention the stats because it is important to have them on the record.

It is clear that the Government's White Paper that was published in June, which sets out proposals for the status and rights of EU citizens in the UK after the UK's exit from the EU, allows for those who are EU citizens present in the UK before a cut-off date and with five years' continuous residence in the UK to apply for a new settled status that is akin to an indefinite leave to remain. I need the provisions to continue in my constituency.

I am conscious of time, so I will conclude. I know we are all aware of these points, but they bear repeating out loud. I do not see how anyone can have a problem with securing our shores and ensuring that those who live here, work here and pay in here have protection. By the same token, it should naturally apply that those who live and work in Europe should have the same protections. I know that the Minister is a fair, honourable and compassionate man. I look to him for a way forward, to alleviate the fears of hon. Members on this side of the Chamber. My mum was a great person—mums are great people, because they always tell stories about what is important. She always said that what is good for the goose is good for the gander. If we are going to allow 3 million people to remain here to live and work, surely 1 million Brits in the rest of the EU can do the same.

3.20 pm

Anna McMorris (Cardiff North) (Lab): I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on securing this important debate and making

[Anna McMorris]

such forceful opening comments. The Prime Minister's limited and conditional offer on citizens' rights is too little, too late. EU nationals in the UK and UK nationals in the EU must not be used to bargain with. We are playing with human lives. The Government's threat to walk away with no deal risks leaving British citizens who live in the EU in a legal limbo.

I am fortunate that in my 20s I went to live and work in Madrid. It was an easy transition and I was proud to be an EU citizen, able to work in one of the many EU countries. I would like my daughters to be able to do the same, but the Government's threat to walk away with no deal risks leaving British citizens in strife. As has been mentioned, it would have a huge human impact. We have heard examples. Many EU citizens live in my constituency and they are deeply concerned about the Government's haphazard and harmful approach to the negotiations and towards citizens' rights. Cardiff North is a deeply diverse and happy community, with citizens of many EU countries living and working alongside each other. Yet from the outset the Government set themselves against those people, communities and families, and the businesses that depend on them. The heavy-handed, arrogant approach has left many wondering what that will mean for them and their right to live and work in the UK.

I have been contacted by many constituents who are deeply worried by the situation. Katrin is a German citizen. She has lived and worked in the UK for 14 years and is worried—anxious beyond belief—about what the situation means for her. She was granted a British passport for her daughter, but is now being asked by the Home Office to submit a new application for permanent residency. She has no stability and is anxious about her future. That is happening at great emotional and financial cost to her family.

Jamie is a taxi driver. He and his wife moved here from Madeira in 1991. Both their daughters were born in the UK. In October 2016 Jamie and his wife applied for permanent residency and his wife was successful. The Home Office refused him, saying that his employer could not provide enough evidence that he was a resident. All the people I have mentioned are understandably worried, and cannot get the answers that they need.

Those two examples are a drop in the ocean of emails that I receive—I am sure that many colleagues receive such emails as well. It is a disgrace that we do not yet have an agreement to put an end to the uncertainty. As has been said, it is 16 months since the referendum and no progress has been made on reciprocal rights, so I urge the Government to set out a clear position and outline a reciprocal deal to give certainty and reassurance to all the people affected.

3.24 pm

Bambos Charalambous (Enfield, Southgate) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter.

In August, I visited Cyprus, where my parents were born. During my visit I had the pleasure of meeting the British high commissioner. I was surprised to learn from him that more than 40,000 UK citizens live in Cyprus, which, as hon. Members will be aware, is an EU member. Some of those 40,000 citizens are retired

people who have decided to spend their autumn years in the glorious sunshine by the Mediterranean, enjoying the delights that the island has to offer. All is well and good, as long as we remain in the EU, but a number of unanswered questions are causing great uncertainty and concern.

The fear is that, to get tough on immigration, the UK Government could marginalise those UK citizens' rights. For example, at present EU citizens automatically have the right to have an elderly parent, sick relative or EU spouse join them in the UK, and that is reciprocated in other EU countries. If that right were to be curtailed it could have a devastating effect on UK citizens settled in EU countries, who would not be able to have their family members join them. In June the Prime Minister rejected the EU's offer that the rights of all EU citizens affected by Brexit, including those of UK nationals living in other EU countries, should be protected for life. She made in return a far weaker proposal, which left UK citizens abroad concerned and confused as to why the UK Government was throwing away their rights.

Healthcare is another issue of great concern to UK citizens living in the EU. As we get older we tend to be more reliant on healthcare, and it is of huge benefit to have the blue European health insurance card. I have one here, and it means that were I to fall ill abroad I would get the healthcare I needed, even without travel insurance. Settled UK citizens living in EU countries, who might have long-term ailments and conditions, could find that the withdrawal of that benefit was critical to their health. Would they have to go back to the UK to receive medical care? What if they were not registered with a GP? Would they be able to get access to the treatment they needed in the UK? At present the UK reimburses UK pensioners if they are treated in another EU country, but if that arrangement were stopped and the UK citizen's sole income was the state pension they could be left with crippling hospital bills to pay. What if the UK citizen was married to a non-British, non-EU citizen? Could they bring them back to the UK, if they needed urgent medical treatments there?

There are many other unresolved issues in the negotiations, such as the mutual recognition of professional qualifications for workers, the complexities of the two-year rule and the rights of frontier workers, to name but a few. The bottom line is that the Prime Minister and her Government have been woefully bad at negotiating a good deal for UK citizens abroad, by trading away their rights for the chance to control immigration. The offer of protection for the existing rights of all EU nationals affected by Brexit should have been grabbed by the Prime Minister with both hands. At a stroke, that would have reassured and calmed the fears of UK citizens and EU nationals living in the UK.

Dr Huq: What does my hon. Friend make of an email that I had from David Hulmes, an ex-constituent, now in Lyon in France, who says that the EU position was initially generous but seems to have hardened? The reason he gives is the settled status after Brexit, which is insulting, inhuman to people who have been living here for years, and should be scrapped.

Bambos Charalambous: I am in total accord with my hon. Friend's very good point.

People who have been resident in the UK for many years have received deportation letters. One of my constituents received such a letter after being resident for more than 20 years. The argument that the Prime Minister and her team would be able to negotiate a better deal for UK citizens living in EU countries is fanciful at best. All that seems to have happened since article 50 was triggered is that we are all six months older. The Government need to wake up to the fact that it will be expected that reciprocal arrangements will be made with the EU negotiators, and that the rights of UK citizens living in EU countries and EU nationals living in the UK must be protected. Anything short of that will be seen as a serious failure.

3.29 pm

Peter Grant (Glenrothes) (SNP): Like many who have spoken today I appreciate the chance to speak in the debate, but am deeply angry that it is still necessary, because the questions should have been settled on 24 June, not left unsettled and uncertain 15 months later.

I do not see any conflict, or any need for a trade-off, between the rights of people from one country living in another and the rights of people from that other country living in the first. The UK Government should have unilaterally and immediately moved to give absolute guarantees, not to give rights to European Union nationals living here but to respect the rights they already have and always will have, and they should have done so not to use that as a bargaining position or a negotiating manoeuvre but because it was morally and ethically the right thing to do. The Governments of the other EU nations, individually and collectively, should also have moved quickly, to give unconditional guarantees to respect the rights of UK citizens living in their countries, not because it would have looked good on the negotiating table but, again, because it was morally and ethically the right thing to do.

However, we should not lose sight of the fact that the majority of the burden to fix the mess must rest with the UK Government; let us face it, the UK Parliament created this mess. No one in Europe asked for an EU referendum. No one in Europe asked the Prime Minister to make the unilateral decision that leaving the EU meant leaving the single market—that was not even a question on the referendum. We have never had a vote by the people of these islands on whether they want to leave the single market, or whether they want to give up on the benefits of the free movement of people.

I do not have time to comment on all the contributions we have had, but we have heard many interesting comments from Members on both sides of the Chamber, complimenting, for example, the significant benefits that EU citizens bring to each and every one of our constituents. I was disappointed that the hon. Member for North Thanet (Sir Roger Gale), who is no longer in his place, propounded and compounded the old myth that the vast majority of people from the UK who live abroad are retired, with the implication that somehow they do not really contribute to their host nations. They do. Their contribution is different perhaps to that of EU nationals to the UK, but it is still a contribution, and such people are often greatly valued by the countries in which they live.

Carol Monaghan (Glasgow North West) (SNP): Does my hon. Friend share my concern that walking away with no deal threatens Scotland's world-leading higher education and research sector? Our researchers have to be able to move freely to the EU, and European researchers to our universities and research centres, so that we benefit mutually from the expertise.

Peter Grant: I absolutely agree, and it is not only Scotland's exceptional universities that are under threat; every research-based university and institution in the United Kingdom is in danger of losing out because of short-sighted folly.

One thing the debate has demonstrated is the absolute folly of those, particularly on the Tory Benches, who still try to tell us that we could just walk away today without a deal and it would make no difference. What a betrayal that would be of the 4.5 million people who, right now, are worried about whether their basic human rights will be respected: the right to continue to live in the house they already live in, and the right for their children to keep going to the school they already go to and keep playing with the same friends. Those rights are not ours to give and take away; they are rights that people have because they are human beings. For Ministers even to use phrases like "bargaining chips" to deny that they are treating people as such, makes it clear that somewhere, deep down inside, that is part of the thinking.

Every time we have discussed in the Chamber the rights of EU nationals living in the United Kingdom, the chorus of protest from the Conservative Benches has always been, "We are very concerned about the rights of UK citizens and UK nationals living in the European Union." Today, those Members have been given a full 90-minute debate in which to express those concerns, and where have they all gone? They can turn up in their hundreds in the middle of the night to vote for the process to start removing the rights of those UK nationals, but when it comes to speaking out for them it is another matter. I can understand that some of them had other things to do, but when 320 of them cannot stay for the full 90-minute debate, that tells us more about where their beliefs and values really lie than anything we might say.

It is now six months since the Brexit Secretary told us that reaching an agreement on the rights of nationals in each other's countries would be "the first thing on our agenda".

He went on to say:

"I would hope that we would get some agreement in principle very, very soon, as soon as the negotiation process starts."

We are now a third of the way through that negotiation process, and the Library, in analysing the joint technical note of 31 August 2017, has indicated that there are five areas on which agreement is close and 20 on which it is nowhere near. In other words, in one third of the available negotiating time the progress on our No. 1 priority is that 80% of it is nowhere close to being agreed. That is what happens when human beings are used as bargaining chips instead of saying, right at the beginning, "This is what we're going to do because it's the right thing to do."

We should never forget that the position of the UK Government in relation to the two sets of citizens is very different: we can ask other people to respect the

[Peter Grant]

rights of UK nationals living overseas, but we can absolutely guarantee the rights of non-UK nationals living here. Once again, I repeat the call for the UK Government to do that, not because it might make the Europeans do something we want them to do but because morally it is the only acceptable course of action.

The debate should have concluded on 24 June. The reason it has not is that the Government's obsession with being seen to get hard on immigration has got to the point where any price, but any price, is worth paying. The economic price of losing our membership of the single market will likely be counted in hundreds of thousands of jobs and losses of tens—possibly hundreds—of billions of pounds to our economy.

Deidre Brock: My hon. Friend will be aware that the insurance giant, Chubb, is just one of the latest large companies to announce plans to move their headquarters from London—to Paris, in this instance—after Brexit. Would he consider it likely that those EU nationals who can still come to the UK—and still want to—might not have jobs to come to?

Peter Grant: It is not just that they might not have jobs to come to; the question is why on earth they would want to come when they look at the welcome they get from a leaked Government draft proposal that wants to start discriminating against people depending on the letters after their name, or when they have seen the unbridled joy on the faces of Government supporters when it was announced that every week since the referendum has seen a reduction of 1,000 in net migration from the European Union. In other words, the Government's message to EU nationals is, "We are going to say that you're welcome, but we're actually happy that every week 1,000 people just like you have given up on the UK and gone to live somewhere else because they no longer feel they have a welcome future on these islands." That should make us all feel utterly ashamed.

At its heart, the European Union was set up primarily as a trade union, an economic union. It is described as a political union, which it clearly is not. Fundamentally and most importantly, the European Union is now a social union, about the ever closer union of the peoples of Europe. Who could possibly want to see further division between those peoples? Union between the peoples of Europe should be what we all strive for. The hon. Member for Cardiff North (Anna McMorrin) hit the nail on the head perfectly in the first few minutes of her speech—and, indeed, in the rest of it. We have spent far too long talking about constitutions and politics, quotas and legislations, and not enough talking about human beings. Today, we are talking particularly about the plight of well over a million human beings who just happen to have birth certificates that say they were born in these islands. Their rights are important, as are those of the 3 million people who live here but were born elsewhere, and those of the 60 million people who will have to cope with the aftermath of this mess, long after some of us are no longer here.

I hope that there is still time for the Government to wake up to the folly of what they are doing. It is not too late for them to say, "We have messed up completely; the only way to get out of this mess is to agree to remain

in the single market and to agree that the free movement of citizens between the nations of Europe should continue in perpetuity".

3.39 pm

Paul Blomfield (Sheffield Central) (Lab): It is a pleasure to wind up the debate with you in the Chair, Mr Streeter. I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) not only on securing the debate but on his characteristically comprehensive introduction to the issues that UK nationals in the EU face. I am also pleased by the level of interest that Members have shown in this debate, at least on the Opposition Benches. It is disappointing to see the Government Benches empty and the contributions of Conservative Members who seek to champion the rights of our citizens so limited.

Since the referendum, we have clearly been talking a lot about citizens' rights, but much of that debate to date has been framed in terms of the EU nationals within the UK. That is inevitable and understandable, because those are the people who live in our constituencies and are pressing us with their concerns. They are worried about their future, as my hon. Friend the Member for Cardiff North (Anna McMorrin) articulated so passionately. Their issues are also those of the 1.2 million Brits living and working in the EU. They also want to continue their lives with certainty. We talk about the number of Poles and other national groups working in the UK, but it is worth noting that the Brits abroad are the largest single national group affected by Brexit. Their concerns should be central to the Government's concerns, just as we are rightly concerned about EU nationals who live alongside us.

The interests of the Brits abroad are represented by the British in Europe group, which is represented here today. Tomorrow, it is joining with the 3 Million campaign in a day of action to highlight concerns and to lobby us here in Parliament. They are campaigning together not simply because their worries are the same, but because under the principle of reciprocity what will apply to one group will inevitably apply to the other. In looking at what the Government expect for UK nationals in the EU post-Brexit, we need to look at what they are proposing for EU nationals here, because that signals their expectations for British citizens in the EU27.

Last week, as my hon. Friend the Member for Reading East (Matt Rodda) highlighted, we got some indication of Home Office thinking. The Government have been backtracking on the paper ever since, but they are clearly considering some of those proposals; otherwise they would not have been in the paper in the first place. I do not expect the Minister to comment on leaked documents any more than he did when I pushed him on the issue last Thursday at Brexit questions, so instead I will ask him about some of the general issues that happen to be in the paper. For example, is he prepared to see British citizens in the EU subject to biometric screening and fingerprinting? Would he want British citizens in the EU to have time-limited residency permits? We are quickly approaching the September round of negotiations and the 4.2 million citizens affected are yet to have firm reassurances on their future. As my hon. Friend the Member for Enfield, Southgate (Bambos Charalambous) highlighted, some 100 EU nationals received erroneous letters from the Home Office threatening

deportation, despite assurances I received from the Home Office—we have raised this issue from the Opposition Front Bench—in a written answer back on 30 March that that would not happen.

We have also had the appalling dossier from the 3 Million compiling discrimination against EU nationals in work, goods and services in the UK. I first took that issue up with the Minister's colleagues in the Department for Exiting the European Union, and I received no commitment for action. The Minister is raising his eyebrows. I received a sympathetic letter saying that such discrimination was illegal, but I am yet to receive even a response to my letter asking, "What are you going to do about it?"

Andy Slaughter: My hon. Friend is making an excellent point, which is not that the Government have done nothing—although they have done nothing positive—but that they have sent out so many signals that make European nationals in this country feel unwelcome. There is a climate of uncertainty—I would even say fear—out there, and he is making exactly the right point: is that how the Minister wishes British citizens in Europe to be treated? It is disgraceful.

Paul Blomfield: My hon. Friend raises a point that I was going to make. In the absence of a satisfactory reply from DExEU, I am relieved that the Government Equalities Office has launched an investigation. Clearly such discrimination is totally unacceptable and we need an investigation, but we also need action and more than action on those cases. We need to do more than send a signal to employers and landlords. It is precisely the lack of clarity created by the Government and, frankly, the uncertainty created by their willingness to use citizens' rights as a bargaining chip that are creating the hostile environment in which this sort of discrimination takes place.

UK citizens in the EU are also facing uncertainty. I am sure the contribution from the hon. Member for North Thanet (Sir Roger Gale) was well meant, but I want to take this opportunity to correct the record. There is a common misperception that all the UK nationals abroad are retired on the Spanish coast or Cyprus or other places, but in actual fact 70% to 80% are working and running businesses. There are different figures, but they are of that order. Those running businesses are often doing so on a cross-border basis, which raises some specific issues. Will the Government commit to pressing for UK nationals in the EU27 to be able to enjoy the same cross-border rights after Brexit as they have now? Simply securing the right to remain is not enough. People need to earn a living, so what progress are the Government making on securing the mutual recognition of professional qualifications? For many, those qualifications are essential to their livelihoods. Brits in Europe are concerned about their future. They need certainty and clarity on freedom of movement and issues such as family reunion rights, which I hope the Minister will address in response to my hon. Friend the Member for Cambridge.

My hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) highlighted the way that the Government are maintaining this ludicrous position on the overall negotiations that no deal is better than a bad deal. Having no deal risks cutting our citizens adrift and

leaving them in legal limbo, just as it does for EU nationals in the UK. I hope the Minister will take the opportunity to rule out the ludicrous idea that having no deal is a satisfactory conclusion to our negotiations. The interests of this important group must not be neglected. It is essential that the rights they currently enjoy continue to be protected, and part of that protection is robust enforcement.

As my hon. Friend the Member for City of Durham (Dr Blackman-Woods) pointed out, the Prime Minister has set herself an unacceptable and untenable red line on citizens' rights and the European Court of Justice. That position is guided either by narrow ideological interests or simply by a need to keep some of her hard-line Back Benchers happy, but let me turn the question around. Would the Minister be content for the recourse of any British citizens in the EU over any matter to be limited under the agreement to national courts in the countries in which they live? Should their rights be subject to changes in domestic legislation of a single EU member state? Should they and EU nationals in the UK not be able to have recourse either to the ECJ or a similar court-like body overseeing the agreement on citizens' rights? Is it not the case that anything else would be untenable? As my hon. Friend the Member for Enfield, Southgate and many others have pointed out, we would not be in this mess if the Government had offered certainty from day one in the way that the Opposition were asking. Will they offer it now?

3.49 pm

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): As always, it is a pleasure to serve under your chairmanship, Mr Streeter. First, I congratulate the hon. Member for Cambridge (Daniel Zeichner) on calling this debate and I thank all those who have contributed. I hope I can provide some constructive clarification, as he challenged me to do. The future of UK nationals in the EU and EU citizens in the UK is an incredibly important issue, as we have heard from so many Members today.

All hon. Members here will be aware that the Prime Minister and the Secretary of State for Exiting the European Union have prioritised the strand of negotiations on citizens from the start of the negotiating process, and we have welcomed progress in those negotiations from the other side. It is essential that we provide certainty and continuity to the 4 million people affected—3 million EU citizens living in the UK and, as hon. Members have said, 1.2 million UK nationals living in the EU.

In June, we published our policy paper on safeguarding the position of EU citizens living in the UK and UK nationals living in the EU, which a number of hon. Members have referred to. It clearly set out the UK's position across a number of key areas of citizens' rights, including residency rights, access to benefits and public services, and—as the hon. Member for Sheffield Central (Paul Blomfield) just touched on—mutual recognition of professional qualifications. I want to reassure the hon. Member for Strangford (Jim Shannon) that the paper made it very clear that that was without prejudice to our commitment to the common travel area and arrangements between Northern Ireland and the Republic of Ireland. Those areas are, of course, being dealt with in a separate strand of the negotiations, which is also making good progress.

[*Mr Robin Walker*]

We are all agreed that it is of great importance that we reach a swift resolution through negotiations with the European Union on citizens' rights. We have been engaging on those matters at pace, and I hope I can show hon. Members that we are making progress. Hon. Members have focused today on the status and rights that UK nationals are afforded in the EU, but as many have said, it is important that we secure the rights of EU citizens choosing to make their lives in the UK as well.

Rights for UK nationals who have already built a life in the European Union have been a key focus of negotiations in the first few rounds. It is essential that we provide certainty and clarity on all the issues as soon as we can. We have held positive and constructive discussions and there is clearly a great deal of common ground between our respective positions. We have taken significant steps forward in both the July and August negotiation rounds. Someone suggested that we did not agree on two thirds of issues, and agreed on a third, but the reverse is true. In our published tables, there are many more green issues than red or yellow ones. Importantly, many of the areas in dispute are where the UK's offer is currently going beyond that of the European Commission.

Peter Grant: I am happy to plead guilty to being the hon. Member in question. I think the figure that I quoted was 80% to 20%, taken directly from the House of Commons Library analysis of the August negotiations. Is he telling us that the Library researchers have got it wrong?

Mr Walker: I would never dare criticise the Library researchers, but we have agreed on more issues through July and August, and there are many more green issues in the papers than red ones.

As the hon. Member for Enfield, Southgate (Bambos Charalambous) and my hon. Friend the Member for North Thanet (Sir Roger Gale) set out, many UK nationals are worried about whether they will be able to continue to access healthcare in the member state they have settled in. That is why we have placed great importance on resolving that issue. In the August round, we agreed that we would protect existing healthcare rights and arrangements for those EU citizens in the UK, and UK nationals in the EU, present on the day of exit. That means that British residents and pensioners living in the EU will continue to have their healthcare arrangements protected both where they live and when they travel to another member state, by using their EHIC card, which the hon. Member for Enfield, Southgate held up earlier.

We also set out our intention to continue to uprate pensions for UK citizens living in the EU, subject to a reciprocal agreement. We know that it is important for many UK nationals to be able to continue to work across borders after we exit—the hon. Member for Sheffield Central raised that point. That is why, in the last round of negotiations, we agreed that we should protect the rights of frontier workers, which I know is particularly important for the Gibraltar-Spain border.

On aggregation of social security contributions, we have agreed to protect social security contributions made before and after exit by those UK and EU nationals

covered by the withdrawal agreement. That means where an individual has moved between the EU and the UK, their contributions will continue to be recognised—for example, when determining their state pension entitlements. As we have previously set out, such pensions will be uprated every year, as they are now.

Although we are making good progress, there of course remain areas of difference between our position and that of the EU. As shown in the joint technical note that was published on 31 August, it is clear that we want to go further than the EU in some areas. For example, the EU does not plan to maintain existing voting rights for UK nationals living in the EU, but we think that that is an important right. We want to protect the rights of EU nationals living in the UK to stand and vote in municipal elections, and the reciprocal voting rights that UK nationals enjoy when living in the EU.

The EU is also suggesting that UK nationals currently resident in the EU should not be able to retain onward movement rights if they decide to move within the EU. We have always been clear that we should seek to protect that right for UK nationals currently resident in EU member states, and we will continue to push for that during negotiations. Furthermore, we are seeking to ensure that individuals who have started but not finished their qualifications—as in one of the examples the hon. and learned Member for Edinburgh South West (Joanna Cherry) gave, about a nurse in training—continue to have those qualifications recognised after we leave. We recognise that that is a hugely important issue for many UK nationals in the EU; we will return to it in future rounds of negotiations.

Progress in those areas will clearly require flexibility and pragmatism from both sides, but I am confident that we are close to agreeing a good deal for both UK nationals in the EU and EU citizens in the UK. A number of hon. Members touched on the important issue of family reunions. Our policy paper on citizens' rights set out that family dependants who join a qualifying EU citizen in the UK before the UK's exit will be able to apply for settled status after five years, irrespective of the specified date. We believe we have taken an expansive approach to the issue, and we hope that the EU will do the same for UK citizens. We remain open to exploring that and potential methods of dispute resolution over time with the EU, to understand their concerns and to look at all constructive suggestions.

We are, of course, keen to move on to discussions about our future relationship and the future partnership between the UK and the EU. I would like to respond to some of the remarks made by colleagues throughout the debate on the immigration system that the UK will implement once we withdraw from the EU. I listened carefully to the hon. Member for Reading East (Matt Rodda) on that issue. As the hon. Member for Sheffield Central said, I will not comment on leaked drafts; however, we have repeatedly been clear that we do not see the referendum result as a vote for the UK to pull up the drawbridge. We will remain an open and tolerant country, which recognises the valuable contribution that migrants make to our society.

Since the referendum, we have engaged with businesses up and down the country to build a strong understanding of the challenges and opportunities that our EU exit brings, including access to talent. We are very aware of the importance of future mobility in particular sectors.

The hon. and learned Member for Edinburgh South West and the hon. Members for City of Durham (Dr Blackman-Woods) and for Glasgow North West (Carol Monaghan) all mentioned the importance of research. I draw their attention to our recently published paper on science and research, in which we made it clear that researcher mobility is associated with better international networks, more research outputs, higher quality outputs and, for most, better career outcomes. We said in that paper that we will discuss with the EU future arrangements to facilitate the mobility of researchers engaged in cross-border collaboration.

The UK is a world leader in research collaboration and we recognise that the ability of UK citizens to travel within the EU, and EU citizens to contribute to our science base, is vital to that co-operation. We are carefully considering the options open to us. As part of that, it is important that we understand the impact of any changes we make to sectors of the economy. The Home Secretary has commissioned the Migration Advisory Committee to build an evidence-based picture of the UK labour market to further inform that work.

My hon. Friend the Member for North Thanet and a number of other hon. Members spoke passionately about the contribution of EU citizens to their constituencies, but it is right that the point has been made—by Members on both sides of the House—that UK citizens in the EU also make an important contribution. We will set out initial proposals for a new immigration system later in the autumn, and we will introduce an immigration Bill to ensure that Parliament has a full and proper opportunity to debate that system, which will apply to EU nationals in future.

Of course, many British citizens will also wish to live and work in the EU after the UK's exit and we will discuss those arrangements with the EU in due course. Our embassies and ambassadors across the EU have engaged extensively with communities and expats in individual countries. Throughout this process, as we seek to reach agreement with the EU about citizens' rights, we will want to do everything that we can to reassure those people.

The hon. Member for Cardiff North (Anna McMorrin) gave a couple of concerning examples from her constituency of people who are well established in this country and deserve that reassurance. If she writes to me or the Home Office about those cases, we will look into them in detail and make sure those people get the reassurance that they undoubtedly should receive. A number of hon. Members have mentioned the Home Office; I know an apology has been given for those letters. Throughout the negotiations, we will seek to secure the best deal possible for UK nationals—

Mr Gary Streeter (in the Chair): Order. There is sadly no time for Mr Zeichner to respond, but I thought it was important to let the Minister inform the House. We now move on to our next debate. Would those leaving the Chamber please do so quickly and quietly?

Motion lapsed (Standing Order No. 10(6)).

Proposed Prison: Port Talbot

[MR GRAHAM BRADY *in the Chair*]

4 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I beg to move,

That this House has considered the proposed new prison in Port Talbot.

Diolch yn fawr, Mr Brady. It is a pleasure to serve under your chairmanship.

Wales will become one of the only countries in the world to be a mass importer of prisoners if the Westminster Government get their way and impose a super-prison on Port Talbot. It is not needed or wanted, nor is it the answer to the chaos in the English prison estate. I will focus on three key reasons why the Government must halt the imposition of that unwanted prison on the community of Baglan in Port Talbot. First, I will outline the big picture: Wales does not need more prison spaces. Secondly, I will look at the tangible effects it will have on a community already teetering on the brink of economic disaster. Finally, I will make the case that the prison fails to meet basic planning criteria, putting local residents and future inmates at huge and unnecessary risk.

As I am sure the Minister is aware, earlier this year the Ministry of Justice opened Europe's biggest prison in north Wales—HMP Berwyn in Wrexham. Once fully operational, it will have the capacity to hold in excess of 2,100 male prisoners. That will already mean that there are 800 more spaces than inmates in the Welsh prison estate. Nevertheless, the UK Government are charging on with plans to develop a second mega-prison, which Wales does not need or want—this time in the south. The new prison planned in Port Talbot will hold up to 1,600 prisoners. It is not necessary to have won a Fields medal to work out that that would mean 2,400 places more than are required for Wales in Wales.

There is a distinct possibility that HMP Port Talbot is being built in anticipation of the Government's closing Cardiff's Victorian-built prison, but even taking into account the possible closure of HMP Cardiff, a surplus of some 1,600 prison places remains. Does the Minister believe that Wales is on the verge of a mass crimewave, or is he planning to import hundreds, perhaps thousands, of prisoners into Wales?

The new build is part of a UK Government-led drive to reform the crisis-hit prison system in England, which currently holds thousands of people more than it was designed for. Why is Wales to be adorned with another one of these monstrous prisons? The answer is obvious: Scotland has control over its own prison estate and justice system, and so does Northern Ireland. Wales does not, so at the whim of Westminster it is subject to becoming a penal colony for English prisoners.

I oppose the whole concept of these so-called super-prisons, in which hundreds of inmates are housed. The left-leaning Howard League and the Centre for Social Justice, founded by the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), agree that such prisons do not succeed in rehabilitation. I am afraid it all comes down to penny-pinching. HMP Berwyn will be the cheapest prison to run in England and Wales, according to the Government's own forecasts. Wales is an affordable penal colony.

[Liz Saville Roberts]

The second, and undoubtedly more important, issue I want to press upon the Minister is the potentially devastating effects the imposition of the prison could have on the community. I welcome the work of Councillor Nigel Thomas Hunt and Bethan Jenkins AM, who have been very diligent in this matter. Both are passionate, locally grounded activists who spent months gathering evidence, much of which I am using today, to refute the Government's case for imposing the prison on their communities.

As I am sure we are all aware, Port Talbot has been through some tough times of late, but the answer is unequivocally not to turn Wales' industrial powerhouse into a penal colony on an industrial scale. The primary argument invoked by both the Government here and the Labour Administration in Cardiff is that of jobs, but a little scrutiny shows that case to be very flimsy. The Minister may have more up-to-date estimates, but at the time of the prison's announcement, we were told that HMP Port Talbot would create about 200 jobs. However, if Swansea and/or Cardiff prisons were to close, in keeping with the UK Government's policy of closing old prisons and their justification for building new super-prisons, Port Talbot prison would not even replace the jobs lost in other prisons.

In total, HMP Swansea and HMP Cardiff employ almost 600 staff. If they were both to close and be subsumed by a prison in Port Talbot, there would be a net loss of 400 jobs, according to the Government's own estimates. To put it another way, the Government's main justification for building this super-prison—the need to modernise the prison estate—will result in the closure of other Welsh prisons and a net loss of jobs, undermining HMP Port Talbot's purported main benefit for the community. I warn the Minister that if he even countenances the notion that any jobs created by the super-prison will make up for the Government's pathetic response to the steel crisis, he is unlikely to be met warmly on the streets of Port Talbot.

That is before we get to the issues surrounding the prison's location. There are 11 schools within a one-mile radius of the site. Not only does that pose an exceptional safety risk, but it means that thousands of children will grow up in the shadow of that totem of failure. The Minister has already confirmed that inmates may be considered for "temporary release" into the community. It is clear that many prisoners moved from across the UK are expected to end up staying in the local area after their custodial sentences are served. Indeed, their families may well move to follow them while they are serving their sentences. Those who are imposing this prison on Wales must acknowledge and understand the additional cost to Wales in terms of healthcare and policing, as well as the additional burden on the community of Baglan when families move to the area following inmates and inmates stay in the community after their release. Will the Minister outline whether the Government expect to offer any kind of compensation to the local emergency, health and other public services, which will face a higher burden if the prison is built?

Of course, we must not forget the role that the Labour Welsh Government have played. The Baglan site is in fact owned by the economically inept Welsh Government in Cardiff. In reality, the Labour Government

in Cardiff could stop this now, and I implore the hon. Member for Aberavon (Stephen Kinnock), who is here today, to lobby his party colleagues in Cardiff to do so.

Finally, I would like to inform the Minister of a technical but crucial stumbling block for the proposed prison. Council officials have confirmed that the proposed site is on a C1 floodplain, putting it in the highest bracket of flood risk areas. Under the Welsh Government's planning regulations, as laid out in technical advice note 15, the proposed Baglan Moors site is wholly unsuitable and may contravene devolved Welsh planning law. The prison increases the chances of flooding for more than 1,000 homes in the area. Questions must surely be asked about the safety of building a prison in an area so susceptible to flooding. Think of the huge implications a flood would have for those caring and maintaining order within the facility. Equally, it has the potential to create huge obstacles for emergency services—those who would be responding to incidents in the area—which would in turn endanger staff and inmates.

I appreciate that that is a piece of technical Welsh planning legislation, which the Minister might not be familiar with, but I hope he will take the chance to review the issue and recognise that the Baglan Moors site is fundamentally not suitable for a super-prison. Given the clear lack of need, the impact on the local community and the serious planning issues the prison faces, the Minister must surely recognise that Baglan Moors is not a suitable site for a super-prison.

Port Talbot is a proud place with a proud history and resilient people, but Westminster will not be forgiven if it turns Wales' largest industrial centre into an industrial-sized penal colony. *Diolch yn fawr iawn.*

4.9 pm

Stephen Kinnock (Aberavon) (Lab): It is a pleasure to serve under your chairmanship, Mr Brady. I thank the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) for securing this debate.

The proposals for a new prison in my constituency have caused consternation among many local residents. Their frustration has been exacerbated by the Minister's reluctance to visit the constituency and to hear the concerns of residents directly from them. Back in March, I warned the Minister that if he did not engage comprehensively with the local community, speculation would grow. Six months on, the Minister has failed to engage with the community, with the result that speculation is indeed rife, and there is guesswork and hearsay. When the Government fail to give us the information we need, what else do they expect?

Every piece of information we have had on the proposals has had to be teased out of the Ministry of Justice by letters, questions in the House and written parliamentary questions. Fundamentally, the argument has come down to why the land in the Baglan industrial estate was selected by the Ministry when a far more suitable location is just 10 minutes down the M4 at Felindre. The Minister said that the Felindre site came a close second in the evaluation that the Ministry of Justice conducted. I strongly urge him and his officials to look at it again. The site meets the Ministry's criteria and ticks boxes that Baglan does not.

My argument has three key components, of which the first is health and safety. The road infrastructure around the Baglan site is already well used, and at peak

periods in the morning and at the end of the school and working days, traffic comes to a standstill from the sheer volume of vehicles on the surrounding roads and the M4. Port Talbot is a well known pinch point on the M4, and as recently as two years ago junction 41 underwent a trial closure. Given the proximity of the proposed prison to a large residential area and to local schools, with traffic movements at peak periods creating bottlenecks and no alternative route to alleviate the problem, should there be a serious incident at the prison, during those peak periods emergency service vehicles would struggle to attend, potentially putting the lives of prisoners and prison officers at risk.

The Felindre site, on the other hand, has good access from the M4, with a dedicated exit at junction 46 and its own access road along the B4489. The volume of traffic dissipates by the time it reaches junction 46, making access for emergency vehicles easier in the event of a serious incident. The site is also much closer to a full accident and emergency unit, whereas the hospital close to the Baglan site has only a minor injuries unit.

The second component of my argument relates to the economy. The Minister indicated to me that he ruled out the Felindre site because it had been awarded European Union funding for business park development. But the Baglan industrial site is part of the Port Talbot enterprise zone, created at the height of the steel crisis to encourage business activity in the area. The steel crisis demonstrated the need for the labour market in Port Talbot to diversify and not to be so reliant on the steel industry. The creation of the enterprise zone and the enhanced capital allowance that came with it, which the site has, are key components in encouraging business not reliant on the steel industry to come to the area. A prison simply does not fit into that objective and would undo the hard work carried out to make the area attractive to business. The land should therefore be used for the purposes for which it was intended and not for the construction of a prison. Conversely, the proposals are having the opposite effect on businesses in the industrial estate, a number of which have expressed to me and publicly that they will leave the area if the prison is given the green light.

Thirdly, there is the matter of construction. The Felindre site is more suitable because of its status as a brownfield site; the Baglan site is a greenfield site and it is marshland. Were the Government to push ahead with building on the Baglan site, they would incur substantial additional cost by having to build on marshland. Businesses that built on other parts of the land had to pile-drive to a considerable depth to put down foundations, only to construct buildings considerably lighter than a prison. That would have huge consequences for neighbouring properties and businesses, and the costs would balloon. The Felindre site has already been developed and the Government would encounter none of those problems there. The site already has developed infrastructure works and land reclamation, as well as the good access links I mentioned.

The Felindre site offers the Minister the same benefits as the Baglan one, but with the additional benefits that I have set out. The fact that the Felindre site is further away from residential areas and schools also means that it does not carry with it the same hurdles that the Baglan site does, certainly in terms of local community consent. I therefore conclude by urging the Minister to

guarantee that he will go back to his Department and look again at Felindre as a more appropriate site to locate the prison.

4.15 pm

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): To give some context, we are investing £1.3 billion to create an additional 10,000 “new for old” prison places with better education facilities and other rehabilitative services to help prisoners turn their lives around. In Wales, as has been mentioned, in February we opened HMP Berwyn to provide 2,000 uncrowded and efficient prison places. We have also begun work on building a new houseblock at HMP Stocken, re-roled HMP Durham and HMP Holme House, announced our plans to redevelop HMP Glen Parva and former HMP Wellingborough, and announced a programme of four further builds, which includes Port Talbot in south Wales.

The prisons being built in Wales are therefore part of a much broader context, which is about improving our prison estate throughout the entire country. As well as creating modern prisons that are fit for the 21st century, the proposed new builds will act as a boost to regional economies across the country. They will create up to 2,000 jobs in the construction and manufacturing industries, and new opportunities for local businesses.

Liz Saville Roberts: The figures show that last Friday the prison population stood at 86,235, which is up 1,268 on September last year. Alongside building new prisons, surely this Government should be prioritising a reduction in the prison population per se.

Mr Gyimah: Of course. We would all like the prison population not to be as high as it is, but punishment must fit the crime, and if people commit offences, they should be sentenced to prison. Of the two best ways to reduce the prison population, the first is to cut reoffending so that the one in two people who leave our prisons and reoffend are stopped from doing so, which means that we need modern, purpose-built prisons that can deliver education and employment training. Secondly, we must stop the conveyor belt from low-level crime to custody, which means reforming our probation services. We are working on those things in the Department.

Liz Saville Roberts: I am grateful to the Minister for mentioning the probation service. I understand that a review of probation is ongoing, in particular the transformation of rehabilitation, but I have not had the opportunity to ask whether there is a date for it to be published.

Mr Gyimah: The probation service review is ongoing. As the hon. Lady may know, the results of the first part were published in a written ministerial statement just before the summer recess, outlining the additional investment that has gone into the probation companies. We will be publishing the next set of results as and when they are ready. I cannot give her a firm date, but it will be shortly.

The substance of the debate is the Port Talbot location of the proposed prison, as discussed by the hon. Member for Aberavon (Stephen Kinnock). When assessing where to build new prisons, the Ministry of Justice worked closely

[Mr Gyimah]

with the Welsh Government to identify suitable sites for a new prison build in Wales. We undertook a comprehensive evaluation of more than 20 sites in south Wales, ensuring that various factors were taken into consideration, such as preference for sites located along the M4 corridor because of their accessibility and the travel time benefits they would bring.

After careful consideration, Port Talbot was selected as the best potential site for a new category C prison build in Wales. That was for a number of reasons, including the capacity of local infrastructure to support the prison and the potential to maximise the benefits of investment in the local community. In addition, the site is owned by the Welsh Government, who are supportive of our work to progress these plans. As I mentioned, supply and demand for prison places are misaligned. For example, we do not have enough category C prison places in south Wales; the proposed prison at Port Talbot would address that shortfall.

Stephen Kinnock: The Minister began to explain the infrastructure decision and why the Baglan site was considered to have better infrastructure than the Felindre site, but he did not give any more detail. As I said, junction 46 gives far easier access than junction 41, so why was Felindre considered to have poorer infrastructure than Baglan?

Mr Gyimah: Infrastructure is not just motorway access but the local infrastructure of the area. For a category C prison, which would effectively be a resettlement prison, ease of access to employment is important, so that prisoners can be released on temporary licence and come back easily. It is also important that local people can work in the prison without having to commute long distances, not to mention ease of access for prisoners' families to visit them. All those things are taken into account when we look at local infrastructure.

Imran Hussain (Bradford East) (Lab): Will the Minister give way?

Mr Graham Brady (in the Chair): Order. I should make it clear that the rules of procedure do not allow for Opposition spokespeople to participate in half-hour debates—they are exactly the same as the rules that apply to Adjournment debates in the main Chamber.

Mr Gyimah: Thank you, Mr Brady—as ever, you are hot on procedure.

A modern prison at Port Talbot will support the rehabilitative culture that is essential to making communities safer. A fit-for-purpose establishment will ensure that families can visit inmates in a relaxed atmosphere, which is particularly important for children. We will ensure, as far as possible, that local labour is sought from Port Talbot and the surrounding area and that local businesses benefit. As a guide, in the design and build of HMP Berwyn, around £83 million was spent with small and medium-sized enterprises in addition to the £38.2 million that was spent on local businesses. The construction of HMP Berwyn provided jobs for unemployed people, apprenticeships and more than 2,000 days of educational work experience for local young people.

Based on the success of HMP Berwyn, where we estimate that up to 1,000 jobs will be created, the new prison at Port Talbot could generate up to 500 jobs and contribute £11 million a year to the regional economy. Some 66% of HMP Berwyn's staff came from the local area.

Stephen Kinnock: We are talking about job creation and enterprise. What does the Minister advise me to say to local businesses in the Baglan area that have already said that they will shut up shop if the prison goes ahead, which would mean the loss of hundreds of local jobs?

Mr Gyimah: The hon. Gentleman passionately represents the views of his constituents. As he is aware, there is a statutory consultation process. We have extended the time available for that consultation, which will give us the opportunity to listen to the concerns of residents and respond appropriately. When a change of this scale is proposed, it is not unusual to get the kind of reaction that he has received. The onus is on the Ministry of Justice to explain to local residents what is happening and what the benefits are, and we will do that as we go through this process.

I know that the hon. Gentleman would like me to personally engage in this process, but the Prisons Minister does not have expertise in taking residents through a consultation—no MP does. However, experts in the Department have been through this process in other parts of the country, including Berwyn, and they will take his constituents through their understandable concerns.

Stephen Kinnock: The Minister is being generous with his time. We have invited him to a public meeting in Port Talbot on 20 September, but he has said he is unable to attend. Can he confirm that someone from his team can attend that meeting?

Mr Gyimah: There will definitely be officials from the Ministry of Justice there. I want us to go through this process, as we do with every other prison in the country. The Minister cannot just start popping around the country running consultations for all the new prisons we are building, but the hon. Gentleman has exchanged letters with me all summer and my door is always open for him to come and represent the views of his constituents, as he has done by raising the issues here. I promise that I will take everything he raises on board. Contrary to what he said about having to winkle out answers from the Department, he has used all the formal channels available to a Member of Parliament, and I dare say that he has received a response every time he has made an inquiry about this prison.

We are obviously focused on infrastructure and the benefits for the community. We are working with the Department for Business, Energy and Industrial Strategy and the Infrastructure and Projects Authority to develop innovation in the construction and delivery of new prison buildings. That is in line with the UK industrial strategy and will create new job sectors in the industry.

We have touched on stakeholder engagement, which is important. As I said, we are engaging with the Welsh Government and Members of Parliament, and with Neath Port Talbot County Borough Council to develop its plans for the Port Talbot site. We are pleased to have

had the support of the leader of the council, Councillor Rob Jones, and the Welsh Government throughout the process.

Liz Saville Roberts: What consideration has the Minister's Department given to technical advice note 15 and the fact that the site is on a C1 floodplain?

Mr Gyimah: All those issues will be flushed out during the consultation process. It is not in the Department's interest to build a prison on a floodplain if that is a serious technical constraint. We should leave that to the experts to decide; I am not an expert and neither is the hon. Lady. The consultation and all the analysis will have to run their course, as they would in the build of any prison.

We value the contributions of local stakeholders in helping to shape the site's development. As I have said, we will have two days of public engagement. The first event will focus on the statutory planning processes and will be a key avenue for residents to make representations about our proposals and for the Ministry to help residents to understand our plans for the site. In addition, the statutory process requires a 28-day public consultation prior to the planning application being submitted, after which the development proposals will be subject to the standard 13-week planning process. We have not even got to the planning application stage yet; there will be many opportunities for residents to contribute, to help shape the proposals and raise objections to the process.

I know that the hon. Member for Aberavon, who is an assiduous constituency MP, will hold his own public engagement event on 20 September. I welcome the interest in his plans, and I will speak to my officials to ensure that he gets the support that he needs for that event. I appreciate that some in the community are concerned about the creation of a prison at Port Talbot. We will work with the community as the project progresses, using the lessons we learned from the prison we built at Berwyn, to mitigate those concerns. We will continue to work with the Welsh Government, who remain committed to the project on the Port Talbot site, and we will work closely with them when developing the planning event to address the local community's key concerns.

Although it is too early to give an estimate of the cost of designing and building the new prison, we will ensure best value for money for taxpayers. Funding arrangements for health and police services were mentioned; we will engage with relevant public sector partners to ensure that they are able to develop suitable plans for the new prison.

I congratulate the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on securing the debate, and the hon. Member for Aberavon on bringing up important issues that need to be aired with projects of this kind. I certainly do not see that as a nuisance; we need to go through this process and listen to residents. I hope that as we do, the work that is already under way to make our prisons true places of reform and rehabilitation will become apparent and show what this site can deliver for both prisoners and the wider community.

Question put and agreed to.

Bereavement Leave: Loss of a Child

4.30 pm

Paul Masterton (East Renfrewshire) (Con): I beg to move,

That this House has considered the matter of bereavement leave for families who lose a child.

It is a pleasure to serve under your chairmanship, Mr Brady. I am pleased that the House has the opportunity to debate the provision of formal statutory leave for those parents who suffer the unimaginable pain of losing a child, and the wider bereavement support that we can offer.

The genesis of the debate is the all-party parliamentary group for children who need palliative care, of which I am honoured to be a member alongside several hon. Members in attendance today. I pay tribute at the outset to Together for Short Lives for both the work it does in supporting the APPG and the voice it provides for babies, children, young people and their parents when a short life is expected. I also thank the other charities supporting the debate, including CLIC Sargent, Rainbow Trust, Children's Hospices Across Scotland and Bliss. I also highlight the work of the all-party parliamentary group on baby loss—and, in particular, that of its co-chair, my hon. Friend the Member for Colchester (Will Quince), who has pursued this incredibly sensitive issue with dignity and determination.

The Conservative manifesto may have had more than a few faults, but the commitment on page 70 that a Conservative Government would

“ensure all families who lose a baby are given the bereavement support they need, including a new entitlement to child bereavement leave”

rightly attained wide support across the population. More than 5,000 children die every year, leaving many thousands of parents to go through that personal tragedy, and 60% of those deaths occur in the first year. While this issue is always tricky to discuss—I have two children under three, and many people in the Chamber and in our constituency and Westminster offices have personal experience of it—it is vital that we talk about it, show support to parents in that tragic situation and help to give them some reassurance that their jobs and pay—the last thing anyone in that situation should have to worry about—will be protected. It is right for Parliament to look at the rights given to parents.

The APPG for children who need palliative care was therefore concerned that bereavement leave was not referenced explicitly in the Queen's Speech. The initial driver for hosting the debate was to obtain assurance from the Government that it had not been lost in the fray. Happily, that concern has been somewhat superseded by the announcement that the Government intend to support the private Member's Bill tabled by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake). That is welcome news. The Bill will address the existing discrepancy whereby parents who lose a newborn, or whose child is stillborn, are entitled to full parental leave, but someone who loses an infant, toddler or older child at any point after which parental leave may be taken is reliant entirely on the good grace of their employer. Of course, we are still a long way from that Bill becoming law, and, as we know, private Members'

[*Paul Masterton*]

Bills often do not reach the end point, so we must continue to ensure that the Government keep to their word.

The debate is also timely in the light of Baby Loss Awareness week, now in its 15th year, taking place in a few weeks' time, between 9 and 15 October. It is a collaboration between 40 UK charities to raise awareness about the issues surrounding pregnancy and baby loss. This year's main focus is a call to improve bereavement support for families affected by baby and pregnancy loss. I am sure the whole House will join me in supporting Baby Loss Awareness week.

It is evident that the standards, quality and consistency of bereavement care vary wildly across the UK, with bereavement care training not being mandatory and so not readily available. Far too many health boards both north and south of the border do not have dedicated bereavement rooms in their maternity units. Could this Government and the Scottish Government do more to recognise the importance of bereavement services and ensure that they are being commissioned for families? I certainly think they could.

In Scotland—Mr Brady, I appreciate that provision of health services is devolved—more than 5,800 babies are admitted into neonatal services. The care that those babies receive in the first hours, days and weeks of their life is critical to their survival and lifelong health. We know that the healthcare professionals delivering such care every day are committed to bringing about the very best outcomes for babies and their families, yet we also know that services right around the UK are under pressure.

Research by Bliss Scotland has shown that, in common with the position in England, many neonatal units across Scotland consistently do not meet national standards on safe staffing levels, and units often cannot offer parents facilities to stay with their critically ill baby so that they can be involved in their care. Similar pressures exist throughout children's services units for older kids. Family-centred care must be embedded in relevant hospital units, with guidance outlining minimum standards on the level of free accommodation and other practical and financial support packages available to parents. In my constituency, about 89 babies who need specialist care to survive are born each year. While many will go on to thrive, sadly some do not. Many other families have the joy of a healthy and happy child being brought into the world but then suffer the pain of loss years later due to illness or tragic accident.

Given that we know parents with a child receiving vital care will incur significant financial expenditure on items such as parking, travel, food and drink, and childcare for other children as well as loss of earnings, it is surely right that, if the worst follows, the Government are there to provide some assistance in those darkest of hours. Indeed, in the west of Scotland, those additional costs are estimated to be about £200 a week, and that is in a pretty urban area. The cost for parents in rural parts of Scotland is significantly higher. Introducing statutory bereavement leave seems the very least we in this place can do, at a cost of what—a few million quid? The value of the peace of mind and reassurance that would give to parents whose world has disintegrated around them is immeasurable. Paid leave would give

parents the time to make decisions based on their needs rather than their financial situation. It is a law we want, but never want to rely on.

We may want to believe that all employers, large and small, will be sympathetic to employees—indeed, many do provide discretionary compassionate leave—but the truth is that not all are. A recent survey run on behalf of Child Bereavement UK found that almost a third of those who had suffered the loss of a loved one in the past five years felt they had not been treated compassionately by their employer. A father of a baby born at 26 weeks, who died aged three days, was called during his two-week paternity leave by his employer and told that, because his son was dead, there was no child to look after, so he was being treated as absent without leave and asked when he would be returning to work. The man did not work for a small business that was perhaps a bit backward in its approach to human resources; he worked for a large multinational company with more than 20,000 employees in the UK. Some form of statutory protection is therefore needed.

The Employment Rights Act 1996 merely allows employees to take a “reasonable” amount of unpaid time off to deal with an emergency involving a dependant. As Ministers have rightly recognised, holding down a job at the same time as dealing with grief can be incredibly difficult. Therefore, more must be done. I am pleased that the Government are intent on providing parents with the support they need, but we must consider whether the availability of leave should be restricted to parent carers or extended to legal guardians and others who may have had formal caring responsibilities. At the very least, we need to look more carefully at the definition of “parent”, and who should be entitled to leave.

I also question whether we need to build flexibility into the system, and not assume that parents suffering from grief will want simply to take two single weeks in blocks a short time after the death of a child. Organisations such as Together for Short Lives and Rainbow Trust have asked for the period during which leave can be taken to be extended to 52 weeks.

Kevin Hollinrake (Thirsk and Malton) (Con): I congratulate my hon. Friend on securing this important debate. I am delighted to have the privilege of taking forward a Bill on this matter, which was first introduced by my hon. Friend the Member for Colchester (Will Quince), to try to ensure that people get bereavement leave in such circumstances. My hon. Friend the Member for East Renfrewshire (Paul Masterton) has clearly thought long and hard about some of the issues. Will he be willing to work with me and my hon. Friend the Member for Colchester to ensure that we get the provisions right from the start so that the Bill looks after those who are affected by these terrible tragedies?

Paul Masterton: I thank my hon. Friend for that intervention. I would be honoured to work alongside him and my hon. Friend the Member for Colchester in taking this issue forward and ensuring that it gets to where it needs to be. Given the findings of the Taylor report regarding the modern world of work—I know the Minister has been closely involved with that report—the increase in self-employed individuals and the wider discussions around extending benefits to them, could the Government take steps for an equivalent benefit to be offered to self-employed parents?

I want to finish by talking about the support we might need to give employers—particularly small employers—in dealing with employees in such a situation. Child Bereavement UK noted:

“Fear of returning to work and facing colleagues, loss of confidence and increased sick leave are not uncommon. Ability to concentrate, make decisions, meet deadlines and maintain performance and productivity levels can all be at least temporarily compromised, and there can be higher incidences of job-related injuries and accidents.

This not only has the potential to impact on a bereaved employee’s ability to work effectively, but can also have a knock-on effect on other employees, who are often at a loss as to how to respond when a colleague returns to work after bereavement, and over time may feel that accommodating the needs of a bereaved colleague places added pressure on them.”

A survey by the Rainbow Trust found that more than half of parents who were working at the time their child died did not feel they were given enough time to cope, and that 50% took at least one month off work. Paid bereavement leave needs to sit alongside a wider package of bereavement support, both for the parents, through psychological support, and for employers, through ensuring that they are able to put in appropriate frameworks and bereavement policies to manage the needs of not only the employee concerned but the business and wider workforce.

Joan Ryan (Enfield North) (Lab): I congratulate the hon. Gentleman on securing this important debate. I welcome the Government’s commitment to supporting the hon. Member for Thirsk and Malton (Kevin Hollinrake), as I hope that Members across the House will. I have a family in my constituency who lost a young child in very difficult circumstances—they do not wish to be named—and their point to me was that when somebody is bereaved there is often a lot of support at the time, but the psychological consequences continue long after that support has gone away and people forget what happened. Does the hon. Gentleman agree that ongoing psychological counselling support should be made available to bereaved parents, and that the training for employers should convey the importance of such ongoing counselling?

Paul Masterton: I could not agree more. Grief affects everyone differently, and it can sometimes be months or even years before the true ramifications and consequences of someone’s experience really hit home. Grief can also potentially be the start of a cycle of behaviour that can lead to far more destructive circumstances, particularly in the family home. It is not uncommon for families who have suffered an extreme bereavement situation to end up breaking down completely, often, as the hon. Lady mentioned, because support in the early days and weeks might be good, but there is not sufficient follow-up to ensure that people do not go down the wrong path.

I hope that we, as a party, make good on our manifesto commitment. I have not been in this place for very long, but we seem to spend a lot of time beating each other about the head, so it is nice, every once in a while, to find something we can all work on together in a positive manner. I sincerely hope that this is one such issue. I look forward to hearing what other hon. Members have to say, and I thank them for coming to support the debate.

Mr Graham Brady (in the Chair): At least five Back-Bench Members want to contribute. For the convenience of the House, I will say that I would like to move on to

winding-up speeches by 5.10 pm at the very latest. I will not impose a time limit now, but I suggest that, if hon. Members could keep their contributions to no more than six or seven minutes, we might hope to get everybody into the debate.

4.43 pm

David Linden (Glasgow East) (SNP): It is a pleasure to serve under your chairmanship, Mr Brady. I congratulate my hon. Friend the Member for East Renfrewshire (Paul Masterton)—I deliberately say my hon. Friend, knowing that his vote in Newton Mearns will probably go down as a result of being friends with the Scottish nationalists—on securing the debate. It is a pleasure to serve with him on the APPG for children who need palliative care. I pay tribute, as he has, to Together for Short Lives for providing the secretariat and for the campaigning work it does on this very emotive issue.

As my colleague suggested, the pain of losing a child is unimaginable. I spoke about it in the summer Adjournment debate before recess, and I pay particular tribute to the hon. Members for Colchester (Will Quince) and Eddisbury (Antoinette Sandbach), and, indeed, my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson), who have all spoken publicly and very bravely about their own experiences. It takes an awful lot of courage to do that. I very much welcome the opportunity to take part in the debate. I will try not to echo too much of what the hon. Member for East Renfrewshire said; I will raise a few points around bereavement leave before broadening the debate out a little. As the hon. Gentleman said, we applied for the debate at a time before paid bereavement leave was included in the Gracious Speech. I congratulate the hon. Member for Thirsk and Malton (Kevin Hollinrake) on securing his private Member’s Bill and I absolutely look forward to being there with him and voting for it when it comes before the House.

The hon. Member for East Renfrewshire outlined how self-employment might not be within the scope of the Bill, and I understand that there might be reasons for that, but we need to find a way, perhaps via the Department for Work and Pensions, to ensure that some sort of equivalent financial benefit for the self-employed makes its way into the Bill. We know that almost 5 million people in the UK are self-employed, which is the highest number on record. As the economy begins to change and evolve, that number will obviously only get higher, so we need to be mindful of that when drafting the legislation.

I echo much of what the hon. Gentleman said about bereavement support. I know that some bereavement support has been found to be patchy, particularly in England. I am intrigued to see how Scotland’s health boards compare when we get those data via the freedom of information request that I know Together for Short Lives has submitted. One area of good practice in Scotland is the funding of children’s hospices. We have taken a distinctly different route. We have increased funding for children’s hospices to parity with adult hospices, which has been very much welcomed across the sector.

Although I am not an English MP, I encourage Her Majesty’s Government to consider similar moves to address inequitable funding. In England last year, local authority contributions to the cost of providing children’s

[David Linden]

palliative care in the voluntary sector dropped by 61%, while the cost of providing complex care actually increased by 10%. Before I say any more on palliative care, I declare an interest: my mother is employed by Icare Scotland, which provides palliative care for children and babies across west central Scotland. At this juncture, I pay tribute not only to my mother, but to the staff and volunteers. It takes a really special kind of person to dedicate their lives to doing that job.

That leads me on quite nicely to my next point, about some of the challenges in investing in children's palliative care, particularly in the workforce. Statistics show that 11% of children's hospice posts are currently vacant, which is a real issue that the Scottish Government, the Welsh Assembly Government, the Northern Ireland Executive and the UK Government have to look at. How do we fill some of those vacancies and solve some of the challenges in workforce supply?

I also pay tribute to CHAS—Children's Hospices Across Scotland. It is a charity that provides the only hospice services in Scotland for children and young people with life-shortening conditions for which there is no known cure. It runs two children's hospices—Rachel House in Kinross and Robin House in Balloch—as well as a home care service. It supports 415 families across Scotland, but can currently provide support for only one in three families who require it. I am delighted to support CHAS by taking part in the great Scottish run next month.

I very much echo Together for Short Lives in its letter to the Prime Minister—I do not know whether it has been answered yet—calling a national strategy on children's palliative care and for quite rightly pointing out that the system needs to be a bit more joined up. We cannot have parents who have experienced the loss of a child having to have that same conversation over and over again. I think any national strategy could tease some of that out.

One issue that I had not planned to touch on is burial fees—it is more pertinent to Scotland, so I hope the House will indulge me for a few moments. I appreciate that it is a very difficult topic, but there are inconsistent burial fees across Scotland. I am ashamed to say that my local authority of Glasgow is the most expensive for burying children. It costs £637 for the burial of a child aged between seven and 15 and £426 for those aged one to five. We have 32 local authorities in Scotland and some do not charge at all. As with many of the points made by the hon. Member for East Renfrewshire, the burying of a child is an incredibly difficult time for some families, and we need to move away from burial fees. I join him in calling on all 32 local authorities to scrap these outrageous charges.

The final item I will speak about is one on which I have spoken quite a few times since entering Parliament in June: the baby benefit bar. Some 49,000 families across the UK have a child with a life-limiting or life-shortening condition. There is currently a cruel anomaly within the Department for Work and Pensions, whereby the mobility component of the disability living allowance is not paid to children under three. That impacts on around 2,700 families, but it could be made right with the stroke of a pen. It is an inconsistency in Government policy. Once again, I call on the Government to take action—we are

talking about approximately £8 million. Ultimately, time is not on the side of these families, so the best thing we can do is to be on their side. I very much hope that when the Minister sums up, she can give us some good news about ending the baby benefit bar.

4.49 pm

Will Quince (Colchester) (Con): It is a pleasure to serve under your chairmanship, Mr Brady. First, I congratulate my hon. Friend the Member for East Renfrewshire (Paul Masterton) on securing this debate on one of the most important topics as we approach the private Member's Bill season.

There is no question but that losing a child is one of the most traumatic experiences that any parent has to go through. Having gone through that experience myself at the end of 2014, I know that when you become a Member of Parliament, you feel, like any parent who has been bereaved, that you want to do something to try to make a difference. You want to try to do something to ensure that as few people as possible go through the same experience that you did, of losing a child, and where they do, you want to ensure that they have the best bereavement care possible. Some parents do that by raising lots of money for their local bereavement suites and for the fantastic charities that have been mentioned. As Members of Parliament, we have a unique position and a unique voice—when we speak, the nation's media listen—but we also have an amazing platform in this House to actually change legislation and change Government policy.

There were two things that I wanted to do on entering the House in this specific regard. The first was the formation of an all-party parliamentary group on baby loss, which we did on a cross-party basis with a number of colleagues, in particular with my co-chair, my hon. Friend the Member for Eddisbury (Antoinette Sandbach). We are doing a huge amount of work to try to reduce baby loss and to change Government policy in that regard, and we are having a lot of support from the Government.

This is also about bereavement care, and that is where the parental bereavement leave idea came up. If someone suffers a stillbirth, which we did, they have two weeks as a parent—as a father or, in regular maternity leave, as a mother—in order to grieve and to come to terms with what has just happened, but if you lose a child after six months, you do not have that right. You do not have any right to paid leave.

Although the vast majority of employers up and down this country are excellent employers that act with compassion, kindness and understanding when one of their employees loses a child, sadly there are employers out there that do not act with compassion and act with huge insensitivity. The examples are all out there. Sadly, it is not even just small employers; it is often large employers and, I am sorry to say, even some Government agencies and large public sector bodies. Although people are entitled under law at the moment to some immediate time off and a reasonable amount of time, that is wholly subjective, and sadly there are employers that put huge pressure on their employees to go back to work too soon. That creates huge social and emotional problems for the individual. The leave is really important, because you need that time to grieve and to come to terms with what has just happened, but you also need the time to make some really important arrangements.

I am delighted that my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) has taken the baton and run with it, with his private Member's Bill, and that the Government have been so supportive. I would particularly like to praise the Minister and the Secretary of State, who have both been hugely supportive, and indeed the Prime Minister, for ensuring that this went in the Conservative party manifesto. As we all know, private Members' Bills are very difficult to get through and are nearly always destined to fail without Government support.

This is a common right across Europe. Indeed, it is a relatively common right across the world, to varying degrees. We have an opportunity here, with this private Member's Bill, to have world-leading rights in this area, by having two weeks' paid leave for any parent who loses a child. That is an incredible ambition. It is a real statement of intent, not only for the Government but for the House, that we take so seriously the trauma of losing a child. It is not in the natural order. It is not right, and people do need time to come to terms with what has happened and to grieve.

I would like to thank my hon. Friend the Member for East Renfrewshire for securing today's important debate, my hon. Friend the Member for Thirsk and Malton for taking the baton and running with it, and the Government for supporting the private Member's Bill.

4.54 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for East Renfrewshire (Paul Masterton) on securing the debate and on passionately setting the scene for us all.

It is a pleasure to follow the hon. Member for Colchester (Will Quince). I was present for his Adjournment debate on this subject in the last Parliament. I remember the debate well and the contributions made by other hon. Members. I remember the understandable personal pain that each of them felt and how we were much moved by their speeches.

I cannot begin to speak about this sensitive issue without first offering my most sincere and heartfelt sympathies to all families who have lost a child. It is sad to lose a parent—I was devastated when I lost my father—but it is the natural cycle of life. To lose a child goes against the natural order of things, as all four of the speakers in the debate have said. I cannot even begin to imagine the depth of pain that it would cause; it is unspeakable and unimaginable.

Even though none of us truly want to think about this, as it comes too close to home, we must do what we can to ensure that the response from employers is adequate. That is our role here. I was quite shocked, and indeed angered, when the hon. Member for East Renfrewshire mentioned a large employer of 20,000 people that dictatorially instructed its worker to get back to work. I cannot begin to believe such lack of feeling. I thank the hon. Gentleman for raising that case.

Every week, 10 children and young people die from cancer in the UK. That figure simply shocks and saddens. We all know many charities that we work for and help. CLIC Sargent has care teams that provide bereavement support through more than 300 home visits, and it gave palliative care to around 250 children and young people just last year. That charity is just one example; there are many others.

I have been asked to raise a number of points, which I hope to do now. It is always a pleasure to see the Minister in her place. We know that she understands very clearly how we all feel, which will be reflected in her compassionate response to the debate.

Children's hospices and palliative care charities provide lifeline support for children with life-limiting and life-threatening conditions, and of course for their families as well. However, children's palliative care is woefully underfunded and under-resourced. For example, on average, adult hospices in England receive 33% of their funding from statutory sources, whereas the figure for children's hospices is 22%. I know that there are many claims upon the Government, but here is a really crucial issue that we need to address. Unless that funding gap is addressed, we as a country are seen to be placing greater value on the life of an adult than that of a child. That can never be the case, and I know it would not be.

In England, local authorities' contribution to the cost of providing children's palliative care in the voluntary sector fell significantly, by 61% between 2014-15 and 2015-16, when the cost of providing complex care increased. There was a drop in the funding and a rise in the need. It is simply unsustainable for local authorities to contribute just 1% to the costs incurred by children's palliative care charities.

Emma Little Pengelly (Belfast South) (DUP): I am sure my hon. Friend agrees that very often it is the parents of these children, who have suffered the most loss, who do incredible work in raising funds for the likes of children's hospices right across the United Kingdom. I take this opportunity to pay tribute to them. The death of a child is always tragic and sometimes unexpected. I know that we all, through our constituency offices, see many parents who have children with life-limiting conditions. The parents are their strongest advocates and fight so hard for them. When that child goes, there is a huge gap in their lives, and they do sterling work for the likes of the hospices.

Jim Shannon: I thank my hon. Friend for her words. Those who fight hardest are those who have walked the road, taken the journey and personally experienced the heartache and pain.

Together for Short Lives, another wonderful charity, is calling on the Government to follow the example of the Scottish Government. I pay tribute to the Scottish Government and to my colleagues here from the Scottish National party, who are part of that, perhaps not directly in Scotland but through the party, for their contribution. That Government have allocated £30 million over five years for children's hospices so that there is parity with funding for adult hospices. They recognised the need and did that. I see good done in many places across the United Kingdom of Great Britain and Northern Ireland. There is good done by different regions, and that is an example of good done by the Scottish Parliament. Children and young people with life-limiting and life-threatening conditions in England, Northern Ireland and Wales deserve the same recognition, opportunity and support as those in Scotland.

May I highlight quickly the importance of faith and the need for the Church? Many of us in this Chamber have personal experience of that. It is important that there is recognition of the importance of the Church and the role that it can play when tragedy hits.

[*Jim Shannon*]

I will conclude because I am conscious of the time. It is hard to know what to legislate for, because there cannot be enough paid leave to heal the wound that is left by the loss of a child, but there should be enough paid time to ensure that someone is back to being able to function like a human being. There cannot be enough of a grant to provide a decent send-off, but a grant should be available to those who have cared for their child and are financially strained because of the requirements of that care. Often the burden of the care is not just financial, but emotional and physical. There cannot be enough free hours in hospital car parks to ease the burden, but help in that respect can ease the load. Unfortunately, there is nothing that we can do to help these families emotionally, I believe, unless we have expertise in this regard, which is why I am looking to Churches and to those of the cloth to provide support.

What we can do is support families practically through end-of-life care and then bereavement support. That is why I am standing with the hon. Member for East Renfrewshire, who made the proposal today, and with all the other hon. Members who have made and will make contributions, including the shadow Minister, the hon. Member for Wirral West (Margaret Greenwood), and the Minister, and asking that every person here and every group represented here does the right thing and supports that proposal.

5.1 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to serve under your chairmanship, Mr Brady. I thank the hon. Member for East Renfrewshire (Paul Masterton) for securing the debate and congratulate him on doing so. He is a constituent of mine, and the last time I spoke across the room from him was in Ralston community centre during a Ralston community council meeting, and I visited as his MP. These are somewhat different surroundings from the community centre, but there we are.

I echo my hon. Friend the Member for Glasgow East (David Linden) by paying the utmost respect to those hon. Members who have direct experience of losing a child but have found the courage to speak about their personal experience. By sharing their profoundly moving experiences, they have added so much not just to debates in this place, but to the wider debate. This House, if I may speak for it, is very grateful to them and very sorry for their loss.

I have friends and colleagues who have had to endure the unimaginable pain of losing a child. Although our first daughter was born more than six weeks premature, my wife and I have been very fortunate in her continuing health—touch wood—but we saw at first hand the raw pain of parents clinging to hope over the life chances of their newborn. Sadly, for some, what should be the happiest moment of their lives turns into the most traumatic.

This is an emotional debate, and in my view anyone who goes through the tragedy of losing a child should receive all the support and help that they require. I was shocked to learn as an employer when dealing with a bereaved parent for the first time that under the Employment Rights Act 1996, the statutory bereavement leave provision contains no minimum requirement. The

amount of time off that a parent is allowed is whatever is considered reasonable by the employer. I would have hoped that most employers would give parents as much time as possible to help them to deal with the loss of a child, but as we have heard, that does not appear to be the case. In a national survey conducted last year, less than one third of British adults who were working at the time of their bereavement said that they felt supported by their employer. That highlights the need for a layer of protection, and I welcome the Government's attempts to introduce a statutory requirement for paid leave in the event of the death of a child. There will be competing views on how much time should be provided to bereaved parents. The charity Bliss says that two weeks should be the minimum statutory entitlement. That would be a welcome start, but I believe that two weeks is not enough.

Any forthcoming legislation should be accompanied by revised guidance from ACAS on bereavement in the workplace. That would help to ensure consistency across the working environment, with both employers and employees being aware of their rights and responsibilities.

When discussing this issue, we should also take account of the level of bereavement support payment for low-income families with children who have suffered bereavement. The cynical "simplification" that has taken place with the introduction of that payment has resulted in 75% of claimants being worse off under BSP than they were under the previous system. In addition, the new payment is not planned to rise in line with inflation, meaning that it will lose value over time, even though funeral costs, as we have heard, continue to rise. I urge the Minister and the Government to examine the wider support in place for bereaved families, in particular the level of support provided via bereavement support payment.

Our goal in improving the system should be to provide the best level of support to parents who have lost a child, and to do so in a way that does not require parents to navigate a complicated administrative process. I am heartened by the cross-party consensus that seems to exist in this place and I look forward to working with colleagues to help to improve the system.

Mr Graham Brady (in the Chair): We have just under 25 minutes to take the SNP spokesman, if she would like to contribute, the Opposition spokesman, the Minister and the Member who moved the motion, if he would like to make a brief response at the end. Again, I will not recommend specific times, but I am sure that all the speakers will be conscious of the time limits.

5.6 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): Thank you, Mr Brady.

The loss of a child is of such magnitude, is such a life-shattering experience, that leave for bereaved parents cannot simply be left to the good will of employers but must be put on a statutory footing. I extend my thanks to the hon. Member for East Renfrewshire (Paul Masterton) for initiating this important debate and for his sensitive and consensual approach. I also state for the record, even though the hon. Member for Thirsk and Malton (Kevin Hollinrake) is no longer in his place, that like everyone else who has participated in the debate, I am extremely supportive of his private Member's Bill. From what I have heard today, I think that everyone in this Chamber will support it.

Of course, any decent employer would respond to such a tragedy by being understanding, but as I have said, we cannot leave it simply to the good will of employers. The examples given by the hon. Member for East Renfrewshire show why that is the case. The law should—indeed, it must—recognise the effect of such an event on any working parent in any industry or sector and provide them with statutory support and protection.

Today, I stand to speak on behalf of the parents who suffer the devastating loss of a child from the perspective of someone who had to bury her own son. Like the hon. Member for Colchester (Will Quince), I feel a duty and a drive as a Member of Parliament to make things better for those who have the terrible misfortune to go through such an event. Under the law when it happened to me, my leave was protected, as the hon. Member for East Renfrewshire pointed out, because my son was stillborn at full term. My maternity leave of six months was still available to me. Leave was not available to my husband and he coped as best he could, taking very little time off work but still stumbling through his grief.

It is time the law recognised, with rights to paid leave, the loss of a child and its effect on bereaved parents at whatever stage in the life of the child the loss takes place. According to Child Bereavement UK, 28 young people under the age of 25 die every day. That is 28 families torn apart. No one can adequately describe what it is like to bury their own child. As the hon. Member for Strangford (Jim Shannon) pointed out, it goes completely against the natural order of things. There is the numbness, the sense that the world has ended, and the inability in the midst of that shock to comprehend how the world can possibly continue to turn and go about its business. The loss of a child cannot be quantified by a set period of time, but the law must do what it can to create some kind of statutory space to grieve.

When you lose a child, the challenge is not whether you can go back to work on Monday; the challenge is how to keep going when breathing requires a conscious effort and getting out of bed in the morning becomes a goal in itself. Even months and years later, you can be doing ordinary, mundane tasks, and quite unexpectedly a wave of grief will wash over you like a tidal wave, taking you completely by surprise. As the right hon. Member for Enfield North (Joan Ryan) pointed out, ongoing support in such circumstances would be welcomed by many parents.

I spent months unable to leave the house and lost interest in the world. Eating became a thing that had to be done, not something that I wanted to do. Every morsel that you put in your mouth is a struggle. Many parents who have been through that will identify with it. Yes, the loss of a child can often give way to thoughts of suicide for parents. After all, the entire future that you envisaged for yourself has changed irrevocably and only a gaping shadow of grief that will stay with you forever seems to be left.

About 60% of childhood deaths in the UK occur within the first year of a child's life. Emotionally such a loss cannot be prepared for, and it can never be truly and fully recovered from, but with support, parents find a way forward. Gradually they find a way to build a semblance—often it is only a semblance—of some kind of life around the shadow that is forever cast over

their life. The loss of a child becomes an integral part of your life and lives with you every single day. Of course, all loss is hard to bear, but the loss of a child is the loss of a parent's investment in the future. Our children are the physical embodiment of our investment, hopes and confidence in the future. When that is gone, what is left? The magnitude of the loss must and should be recognised by society, and protections and support enshrined in employment law—for the self-employed as well, as has been pointed out.

In these terrible circumstances parents go on because there is no alternative. They find a way to cope for the sake of other people in their lives who love them and need them—perhaps their other children or their spouse—but such parents need rights enshrined in the Employment Rights Act, recognising the devastating loss of a child and the awful, horrific effects it can have, and giving them time to grieve, with full pay. This must be a fundamental workplace right for parents in any civilised society. What decent employer could possibly object to that? I urge the Minister to pursue this measure with all due haste, and for all parents who go through this nightmare, to put paid bereavement leave for the loss of a child on a statutory footing.

5.12 pm

Margaret Greenwood (Wirral West) (Lab): It is a pleasure to serve under your chairmanship, Mr Brady. We have had a very moving debate, full of passion, consideration, reflection and a lot of agreement on the issues involved. I congratulate the hon. Member for East Renfrewshire (Paul Masterton) on securing such an important debate.

The death of a child, as has been said, seems to go against the natural order of things, because all parents expect their children to outlive them, yet in the UK in 2015, more than 10,000 babies, children and young people up to the age of 25 died. That is 28 people a day. There are some things, such as registering a death, arranging a funeral and notifying family and friends, that have to be done immediately following a death, and they take time, as anyone who has lost a close family member will know. Whether that death has followed a long period in hospital or has come as a sudden shock, parents also need time to grieve. It is true that some people may find it helpful to return quickly to work, but others may need much longer before they are ready to start work again, and there is currently no statutory right to paid bereavement leave for parents following the death of a child.

Bills were introduced to remedy that position in 2013 by the then Labour Member for Glasgow South, and in 2016 by the hon. Member for Colchester (Will Quince). The latter Bill would have created an entitlement to at least two weeks' paid bereavement leave for parents after the death of a child, at a rate that mirrors statutory maternity, paternity and shared parental leave. The private Member's Bill on the issue promoted by the hon. Member for Thirsk and Malton (Kevin Hollinrake) is due to be debated on 20 October. As we have understood throughout this debate, there is a real opportunity for cross-party agreement on this issue.

I understand that the Bill has Government support and that the Minister's Department has been consulting with employers, employee representatives and campaigners to better understand the needs of bereaved parents and

[Margaret Greenwood]

employers. Will the Minister please update Members on those discussions and on the Government's view on the form the legislation should take? Will she give a commitment that the Government will allow sufficient time for the Bill to reach the statute book?

The Employment Rights Act 1996 gives the right of an employee to have reasonable time off to deal with an emergency, such as a bereavement involving a dependant. The employer does not need to pay the employee for this time off, and what "reasonable" means is unclear. That can lead to problems when an employer chooses to ignore its moral responsibility to its staff. Of course, many employers treat requests for compassionate leave in situations like this sympathetically and do not try to force their employees to return to work before they are ready. They may offer paid leave and even have a compassionate leave or bereavement leave policy in place—for example, Facebook announced in February that it would allow its staff to take up to 20 days' paid compassionate leave for the death of an immediate family member. However, a 2014 survey of HR professionals found that the average time that an employee in the UK takes off from work after the death of a close family member was five days. A TUC report published last week documented the increasing difficulty that employees have in obtaining leave for family reasons, especially when people are in insecure work, such as on a zero-hours contract. The study dealt with caring responsibilities rather than the death of a child, but—difficult as it may be to believe—there are employers that will pressure people to return to work immediately after their child has died.

The fact that we are debating this issue today owes much to Lucy Herd's campaign for entitlement to parental leave following the death of a child. After her son Jack drowned in 2010, her then partner was only entitled to three days' leave, one of which had to be for the funeral. Lucy's online petition gained more than 230,000 signatures, and research published by the National Council for Palliative Care in 2014 found that 81% of people questioned believed that there should be a legal right to paid leave after bereavement on the death of a child or another immediate family member.

If someone is forced to return to work when they are not ready, they can find it impossible to function properly. In some cases the stress can cause them to become ill, and may actually lead to them taking more time off because of illness than if they had not initially returned so quickly. Respondents to the survey of HR professionals in 2014 overwhelmingly said that employees taking time out for compassionate reasons had no adverse effect on staff resourcing. In fact, the survey found that companies that did not offer paid compassionate leave were more likely to experience problems with staff resourcing.

That chimes with the findings of the National Council for Palliative Care's research, in which a majority—56%—of people questioned said that they would consider leaving their job if their employer did not offer proper support in the event of a bereavement. However, the reality is that many people cannot afford to do that or, indeed, to take unpaid leave. Bereaved parents may face financial pressures in addition to having to cope with their grief. Most families suffer an immediate loss of income after the death of their child, owing to the cessation of

benefits such as carer's allowance, disability living allowance and child benefit. Families may also have got into debt if their child was in hospital or a hospice for a prolonged period.

I turn now to the details of how paid bereavement leave could be provided, because it is important that legislation takes account of the realities that bereaved parents face. Does the Minister agree that the legislation should allow bereaved parents as much flexibility as possible in when to take their paid bereavement leave and how it is taken? In some cases, for instance, it may take time to arrange a funeral because a post-mortem has to take place or family members have to travel long distances. Parents may also find that it is only after a certain time that the full impact of their child's death hits them and they need to take time off. Will the Minister ask her colleagues at the Treasury to consider whether the entitlement to paid bereavement leave could be taken more flexibly than in one or two week blocks?

Around 60% of childhood deaths occur within the first year of life, and most babies who die very early in infancy will have spent most, if not all, of their lives in hospital. At the moment, if a baby dies while their mother or father is still receiving parental leave, that leave will continue until it would have concluded if their child had lived. However, a father may well have already used the entitlement to two weeks' paternity leave, as well as their annual leave, even if their child dies within the first four weeks of life. If the baby has spent a long time in hospital before he or she dies, their mother may soon be due to return to work, or at least reaching the point where statutory maternity pay stops. Either parent in that situation may find it very difficult to obtain more time off work if their baby sadly dies after a prolonged hospital stay. Will the Minister tell us whether the Government support the right for bereaved parents to take statutory paid bereavement leave in addition to statutory paternity and maternity leave?

Finally, in this debate we have considered a statutory right to paid leave when someone is employed; however, parents who are self-employed or unemployed also need to make the necessary practical arrangements if a child dies, and to grieve. The Chancellor said in his March Budget that the most significant remaining difference in the entitlement to social security of the employed and self-employed was in relation to parental benefits, and that the Government would consult over the summer on options to address the disparities in that area. Can the Minister therefore tell us whether the Government believe—

Mr Graham Brady (in the Chair): Order. I hesitate to interrupt the hon. Lady, but we really need to move on to the Minister's winding-up speech now.

Margaret Greenwood: May I finish my sentence?

Mr Graham Brady (in the Chair): If you finish it very quickly.

Margaret Greenwood: Can the Minister therefore tell us whether the Government believe that an equivalent to paid bereavement leave should be introduced for self-employed parents who are bereaved?

5.19 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): It is a pleasure to serve under your chairmanship, Mr Brady. I welcome the opportunity to discuss this tragic issue, and I thank the hon. Member for East Renfrewshire (Paul Masterton) for securing this important debate and for his thoughtful remarks. I also thank the all-party parliamentary groups mentioned in this debate for their positive work.

I reassure all hon. Members that the Government remain committed to supporting the private Member's Bill of my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) on parental bereavement leave and pay, which comes on the heels of a similar Bill brought last year by my hon. Friend the Member for Colchester (Will Quince), to whom I shall return in my remarks. I met the two of them today to flesh out some of the details of the issue.

Unquestionably, the death of a child is traumatic and deeply upsetting for any parent. I agree wholeheartedly with the hon. Member for Strangford (Jim Shannon) that the loss of a child or baby is the worst form of bereavement that a human can suffer, a point reinforced by other Members in their contributions. It consigns most sufferers to a lifetime of grief, which, at best, if they are fortunate, they learn to live with over time. That was powerfully put by the hon. Member for North Ayrshire and Arran (Patricia Gibson) in a speech of great impact. I extend my heartfelt condolences to her and to all Members, and all observers of this debate, who have been personally affected by this terrible, life-changing event.

The Government expect employers to be sympathetic and flexible when employees request leave in such circumstances, but acknowledge that that is not always the case. I have been upset to hear from several hon. Members about the survey, and about individual instances of inhumane behaviour that I do not think that any amount of human resources training could begin to address. We recognise that without a statutory entitlement to time off following the death of a child, the situation will not rectify itself.

Our manifesto committed to ensuring that bereaved parents can take time away from work to grieve for a lost child. As I have mentioned, the Government remain fully committed to that. I pay tribute to my hon. Friend the Member for Colchester for the huge amount of work that he did during the last Parliament, which led directly to the making of that commitment in the Conservative party manifesto. I know that a similar commitment was made in the Labour party manifesto.

The particulars of the Bill are being carefully considered, so it would be premature to go into too much detail about the proposals, but I will of course bear in mind the detailed questions and suggestions from the shadow Minister and discuss them with my hon. Friend the Member for Thirsk and Malton and with Treasury officials. Officials in my Department met interested stakeholders over the summer and had some fruitful discussions, which have helped to shape our thinking. I was heartened to hear that there is wide support for the Bill among employer and employee groups, charitable organisations and parents alike.

Many hon. Members have mentioned the importance of bereavement services. The quality of care that bereaved families receive can have long-lasting effects. The Government have invested £35 million to improve birthing environments from that perspective. The improvements include better bereavement rooms and quiet area spaces at 40 hospitals. There is, of course, more to do, as the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) amply demonstrated in his contribution.

Jim Shannon: Will the Minister give way?

Margot James: I am mindful of time. If the hon. Gentleman will forgive me, I only have five minutes left and a number of questions to answer.

The Government are supporting Sands, the stillbirth and neonatal death charity, to work with other baby loss charities and royal colleges to produce a national bereavement care pathway to reduce variation in the quality of bereavement care provided by the NHS. I noted the intervention by the right hon. Member for Enfield North (Joan Ryan) about the evolving needs of bereaved parents, some of whom will need to access bereavement services long-term. That point was reinforced by the hon. Member for North Ayrshire and Arran. Sands is also working on a project for NHS England on the role of bereavement midwives.

The Department of Health has published "Health Building Note 09-02: Maternity care facilities", a guideline on the design and planning of maternity care facilities in new healthcare buildings and the adaptation and extension of existing facilities. In line with the guidance, we expect new build or redesigned maternity units to include facilities for parents and families who suffer bereavement at any stage of pregnancy or in the immediate aftermath. The standard of neonatal care across Scotland, as my hon. Friend the Member for East Renfrewshire has rightly pointed out, is a matter for the Scottish Government, but I share his concerns and encourage him to take it up with Scottish Ministers.

I listened with interest to the hon. Member for Glasgow East (David Linden) on the work of children's hospices and palliative care services in Scotland, which should be brought to the attention of Health Ministers in the UK and, if possible, of those working on the national bereavement guidelines.

The self-employed were mentioned. Those who are self-employed and bereaved face different challenges from people who are employed, but no less demanding ones. As Matthew Taylor argued in his review of employment and protections, the tax that people pay and the entitlements that they receive are linked, so it is right that we consider the wider arrangements for the self-employed in a holistic way that includes tax benefits and rights. The Government will come back to the Taylor review, including those matters, with a full response before the end of the year.

Since 2010, we have taken steps to equalise the state benefits provided to the employed and self-employed, including giving the self-employed access to the full rate of the new state pension for the first time, so there is a precedent. We agree with the principle of equalising benefits for the self-employed, but that should happen alongside reforms to taxation, which will need to be considered carefully over the longer term. The self-employed will need to be consulted as part of those deliberations.

[Margot James]

I draw hon. Members' attention to the ACAS guidance document for employers, "Managing bereavement in the workplace—a good practice guide", which was developed with the charity Cruse Bereavement Care for people who have lost a loved one. I hope that the valuable work done by so many hon. Members to raise awareness of this terrible issue will have an impact on employers, as well as on the health services and wider society.

Hon. Members raised the important point that some employers struggle to know the best way to support staff in these circumstances. We support the Bill introduced by my hon. Friend the Member for Thirsk and Malton, which will put matters on a statutory footing, but there is a lot more that employers can do. It was disturbing to hear of the survey showing that only a third of people who suffered this terrible experience felt adequately supported by their employers.

The ACAS guidance highlights the important role that employers can play and their duty of care to employees, and includes specific advice about parents who lose a child. Most importantly, it helps employers understand how grief might affect their employees. It provides practical steps that employers can take when they are notified by their member of staff, in the immediate aftermath, and when the employee returns to work. The guidance has been well received by employers, and we will consider how we can continue to work with ACAS to promote it further and embed a cultural change in companies up and down the country, given the importance of the issue.

I thank all hon. Members for their contributions to the debate. It has come at a valuable time in our thinking.

5.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Tuesday 12 September 2017

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

The 2016 Government Chemist Review

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): The 20th annual review of the Government Chemist has been received. The review will be placed in the Libraries of both Houses and those of the devolved Administrations in Wales and Northern Ireland. The review will also be laid before the Scottish Parliament.

The Government Chemist is the referee analyst named in Acts of Parliament. The Government Chemist's team carry out analysis in high-profile or legally disputed cases. A diverse range of referee analysis work was carried out during 2016, including measurement disputes relating to mycotoxins, authenticity, protein allergens and sulphites.

[HCWS123]

TREASURY

Public Services

The Chief Secretary to the Treasury (Elizabeth Truss): Our public sector workers are among the most extraordinarily talented and hardworking people in our society. They, like everyone else, deserve to have fulfilling jobs that are fairly rewarded.

We take a balanced approach to public spending, dealing with our debts to keep our economy strong, while also making sure we invest in our public services.

The Government will continue to ensure that the overall package for public sector workers is fair to them and ensure that we can deliver world class public services, while also being affordable within the public finances and fair to taxpayers as a whole.

The last spending review budgeted for 1% average basic pay awards, in addition to progression pay for specific workforces, and there will still be a need for pay discipline over the coming years, to ensure the affordability of the public services and the sustainability of public sector employment.

However, the Government recognise that in some parts of the public sector, particularly in areas of skill shortage, more flexibility may be required to deliver world class public services including in return for improvements to public sector productivity.

The detail of 2018-19 pay remits for specific pay review bodies will be discussed and agreed as part of the Budget process and set out in due course.

Police and prison officer pay awards

The following sets out the Government's response to the recommendations in the third annual report of the Police Remuneration Review Body (PRRB) and the sixteenth report of the Prison Service Pay Review Body (PSPRB) which were published today.

My right hon. Friend the Home Secretary (Amber Rudd) has decided to award officers in the PRRB remit group a pay award worth a total of 2% to each officer in 2017-18, consisting of a 1% consolidated pay increase in addition to a one-off 1% non-consolidated payment to officers in that remit group. This award will be funded within existing budgets.

The police pay award will be implemented with effect from 1 September 2017 as follows:

A 1% increase to base pay for all ranks.

An additional one-off non-consolidated payment to officers at federated and superintending ranks.

A 1% increase to the London Weighting payment.

A 1% increase to the Dog Handlers' Allowance.

The Home Secretary's full decision on all recommendations will be published alongside the PRRB report, on their website. These awards will be funded within existing budgets.

In addition, the supplement to the 2017 report of the senior salaries review body making recommendations on the pay of chief police officers has also been published today. The Home Secretary has accepted these recommendations.

My right hon. Friend the Justice Secretary (David Lidington) has accepted the PSPRB recommendations, giving all prison staff a pay increase. This pay award will help recruit and retain staff with the right experience and expertise to keep our prisons safe and secure. This is in line with the recommendation of the PSPRB. This award will be funded within existing budgets.

The prison officer pay award is as follows and will be implemented in October's pay and backdated to 1 April 2017:

All prison officers and operational support grades in bands 2-5 will receive a consolidated increase of at least £400, including those on their pay band maximum.

All uniformed staff on 'Fair and Sustainable' terms in bands 2-5 below the maximum will also progress by one pay point.

Managers in bands 7-11 on 'Fair and Sustainable' terms will receive pay progression above 1% depending on their performance rating and place in their pay band.

Managers on closed grades will get at least 1%, and those below their pay scale maximum will get more.

I thank all three Chairs and members of the independent Pay Review Bodies for their hard work in producing these recommendations.

Copies of the reports are available in the Vote Office and will be published online.

[HCWS127]

COMMUNITIES AND LOCAL GOVERNMENT

Rotherham Metropolitan Borough Council

The Secretary of State for Communities and Local Government (Sajid Javid): Rotherham Metropolitan Borough Council has made steady and significant progress in its improvement journey since February 2015 when the Secretary of State for Education and I appointed a team of Commissioners to undertake all executive and some non-executive functions in the council. This progress has led to the majority of functions being returned to the council over the last 18 months.

On 18 July 2017, I announced my intention, after careful consideration of the recommendation from the Commissioner team, to return a further five service

areas to the council—performance management, waste collection, human resources, asset management and community safety. On the same day, representations were invited from the authority regarding this intention. I have considered the representations, including from the chief executive. I am satisfied that the council is now able to exercise functions relating to these service areas in compliance with the best value duty as set out in the Local Government Act 1999, and that the people of Rotherham can have confidence that this will be the case.

Today, I exercised my powers under section 15 of the Local Government Act 1999 to return five functions to the council so that councillors became responsible for decision making in these areas. To do so, the Education Secretary and I also issued further directions updating the previous directions issued on 21 March 2017. Handing back these powers increases democratic control and is a significant milestone for the council on its improvement journey.

With effect from 12 September, the commissioners provide oversight on these five service areas as well as the set of functions returned last year and ensure that they are exercised in accordance with the statutory best value duty. Commissioners also continue to retain powers in children's services (including all services relating to child sexual exploitation), the appointment and dismissal of statutory officers and payment of special allowances.

[HCWS128]

DIGITAL, CULTURE, MEDIA AND SPORT

The 1954 Hague Convention and Protocols

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (John Glen): The United Kingdom has formally ratified the 1954 Hague convention for the protection of cultural property in the event of armed conflict and acceded to its two protocols of 1954 and 1999.

Our instruments of ratification and accession were formally deposited with UNESCO this morning. Subject to confirmation by UNESCO, the convention and protocols will come into force for the United Kingdom on 12 December 2017.

The convention and protocols are intended to protect cultural property from damage, destruction, looting and unlawful removal during armed conflict. The Cultural Property (Armed Conflicts) Act 2017 makes the necessary provision in our domestic law to ensure that we can meet our obligations under the convention and protocols.

We intend to bring the provisions of the Act into force on the same date that the convention and protocols come into force.

Before the convention, protocols and Act come into force, we plan to announce and publish a number of implementation measures.

We will announce and publish a list of categories of cultural property in the United Kingdom which we believe meets the definition of cultural property set out in article 1 of the convention and is therefore protected by the convention and protocols. This will be a UK-wide list, agreed with the devolved Administrations. It will not be a definitive or exhaustive list, but it will act as a guide to the cultural property in the United Kingdom which we consider to be protected by the convention and protocols.

We will also make an announcement about safeguarding measures for cultural property in England which is protected by the convention and protocols. The devolved Administrations are responsible for safeguarding cultural property in Scotland, Wales and Northern Ireland.

The convention and Act regulate the use of the cultural emblem (also known as the “blue shield”) that signifies cultural property protected by the convention and protocols and certain personnel engaged in the protection of cultural property. In accordance with the Act, we will publish some permissions to use the cultural emblem in England, which will come into effect on the day on which the convention, protocols and Act come into force. There will be a general permission for education and training purposes and permissions for specific organisations which need to make use of the emblem.

We will make an announcement about our approach to granting permissions to display the cultural emblem in connection with immovable cultural property in England which is protected by the convention and protocols.

Under the Act, the devolved Administrations are responsible for granting permissions to use and display the cultural emblem in Scotland, Wales and Northern Ireland.

We will also publish guidance on the new offence of dealing in unlawfully exported cultural property, which is created by section 17 of the Act, to help people comply with the Act.

[HCWS125]

DEFENCE

Gifting Equipment: Libya

The Secretary of State for Defence (Sir Michael Fallon): I have today laid before the House a departmental minute describing a package of Counter-Improvised Explosive Device (C-IED) equipment that the UK intends to gift to the Government of National Accord of Libya. The value of the package is £2,977,374.91, plus around £60,000 for packaging and shipping.

The provision of this equipment is to support a C-IED training programme for Libyan military and police units. The training programme is being funded by the Governments of Germany and the United States, and will be delivered by a contractor.

In December 2016 the forces of the GNA concluded a hard-fought battle to liberate the city of Sirte from Daesh. However, the city is now littered with unexploded ordnance and IEDs deliberately planted by the retreated terrorists. Citizens that have returned to the city now face a severe threat from such devices, which is preventing a normal pattern of life from returning. Through this multinational effort to equip and train Libyan units, we will develop a sustainable solution to tackling the IED threat that is destroying the lives of innocent Libyans.

The Treasury has approved the proposal in principle. If, during the period of 14 parliamentary sitting days beginning on the date on which this minute was laid, a Member signifies an objection by giving notice of a parliamentary question or a motion relating to the minute, or by otherwise raising the matter in the House, final approval of the gift will be withheld pending an examination of the objection.

[HCWS124]

EXITING THE EUROPEAN UNION**Foreign Policy, Defence and Development: Future Partnership**

The Secretary of State for Exiting the European Union (Mr David Davis): Today we are publishing the latest in the series of papers on the Government's approach to

the deep and special partnership the UK seeks with the EU. This paper sets out the Government's vision for future UK-EU co-operation on Foreign Policy, Defence and Security, and Development.

Copies of this paper, and any further position and future partnership papers, will be deposited in the Libraries of both Houses.

[HCWS126]

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