

**Wednesday
11 October 2017**

**Volume 629
No. 31**



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 11 October 2017

House of Commons

Wednesday 11 October 2017

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

NEW SOUTHGATE CEMETERY BILL [LORDS]

Third Reading opposed and deferred until Tuesday 17 October (Standing Order No. 20).

Oral Answers to Questions

CABINET OFFICE

The Minister for the Cabinet Office was asked—

Devolved Administrations: Brexit

1. **Chris Davies** (Brecon and Radnorshire) (Con): What steps he has taken to engage with the devolved Administrations on the matter of the UK leaving the EU. [900872]

14. **Mrs Sheryll Murray** (South East Cornwall) (Con): What steps he has taken to engage with the devolved Administrations on the matter of the UK leaving the EU. [900886]

The First Secretary of State and Minister for the Cabinet Office (Damian Green): I met the Deputy First Minister of Scotland and the First Minister of Wales to initiate a full programme of engagement with their respective Administrations. Engagement continues at official level with the Northern Ireland civil service. I look forward to reviewing cross-departmental progress at the forthcoming Joint Ministerial Committee on EU negotiations.

Chris Davies: I thank my right hon. Friend for his answer and I welcome the recent announcement of the new civil service hub in Cardiff, which will bring 4,000 civil service jobs from across Wales into one hub. Llandrindod Wells in my constituency was named this morning as the happiest place to live in Wales. Will my right hon. Friend give a commitment to continuing to see the whole of Wales as a target for future civil service collaboration?

Damian Green: I add my congratulations to the people of Llandrindod Wells on selecting an MP who will make them happy, too. My hon. Friend is quite right about the civil service hub in Cardiff. The UK Government have a significant footprint in Wales and the hub will deliver a range of benefits not just to people in Cardiff but across Wales, demonstrating the impact we can make through greater collaboration.

Mr Speaker: It has to be said that the hon. Member for Brecon and Radnorshire (Chris Davies) always looks a very happy chappie and we are delighted to know it.

Chris Davies *indicated assent.*

Mrs Murray: Will my right hon. Friend confirm that once we leave the EU we will have total control over our internationally recognised fisheries limits, that fishermen from Scotland, Wales, Northern Ireland and England will benefit from any new management regime, and that this will not be bargained away during any negotiations?

Damian Green: I am happy to assure my hon. Friend that when we leave the EU we will be fully responsible under international law for controlling UK waters and the sustainable management of our fisheries. Through the negotiations we will of course work to achieve the best possible deal for the UK fishing industry as a whole.

Chris Elmore (Ogmore) (Lab): Will the First Secretary of State please explain what consultation there was with the Welsh and Scottish Governments before the publication of UK Government papers on Brexit issues, including customs, Northern Ireland and research and development?

Damian Green: The position papers we have published over the past couple of months go to the devolved Administrations before they are published. As I said in my answer to the original question, we have regular consultation—indeed, later today I will be meeting the First Minister of Wales.

Ben Lake (Ceredigion) (PC): We are told that the UK Government are preparing for a no-deal Brexit scenario. Will the First Secretary of State detail the preparations his Government have made for a scenario in which the European Union (Withdrawal) Bill fails to gain the legislative consent of the devolved Administrations?

Damian Green: The Government are, as the hon. Gentleman and the House would expect, preparing for all eventualities. That is the only responsible thing for a Government to do and that is what we are doing. The House will have a considerable amount of time during the Committee stage, which is coming up shortly, to debate the EU (Withdrawal) Bill. I hope, partly through the re-institution of the Joint Ministerial Committee, to make sure that the legislative consent motion will be agreed.

Mr Philip Hollobone (Kettering) (Con): Given that there is no devolved Executive in Northern Ireland at present, how are views from Northern Ireland being fed into this process?

Damian Green: As I said in reply to the original question from my hon. Friend the Member for Brecon and Radnorshire (Chris Davies), at the moment views from Northern Ireland are being fed in through the Northern Ireland civil service, which is currently doing administrative tasks. I am sure my hon. Friend will join me in hoping that we will soon have a Northern Ireland Executive back doing their job.

Tommy Sheppard (Edinburgh East) (SNP): A lot of us are concerned about the shenanigans going on here and would prefer it if the Government gave a straightforward commitment to transferring relevant powers to the devolved Administrations instead of fouting around. Will the right hon. Gentleman confirm that, when referring to UK-wide arrangements after Brexit, he is talking about co-decision between the UK Government and the devolved Governments—or does he mean that this Government will tell the others what to do?

Damian Green: No, the spirit and letter of the devolution settlement is that there are areas of responsibility for this Parliament and the Westminster Government, and areas of responsibility for the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly. We have said that these have to be UK-wide frameworks. I think the hon. Gentleman's colleagues in the Scottish Government accept that we do not want to break up the UK single market, but that there are responsibilities that will remain with Scotland.

Jon Trickett (Hemsworth) (Lab): The Chancellor has written today that the Government must be prepared for every outcome from Brexit, but that he will not make resources available for a no-deal scenario. As well as managing the civil service, the Cabinet Office is responsible for co-ordinating Government policy. Whatever the Chancellor's views, will the Minister now indicate that there is sufficient civil service resource currently working on the potentially disastrous no-deal Brexit scenario and its impact on the devolved Administrations?

Damian Green: I commend to the hon. Gentleman what the Chancellor actually said. I am happy to reassure the hon. Gentleman and the House that, yes, the Government are preparing for all eventualities, as any responsible Government would.

Jon Trickett: The truth is there is no contingency planning for a no-deal Brexit, and that explains the breakdown of policy co-ordination, for which the Minister is supposedly responsible, right at the heart of Government. The Government are a shambles and wholly divided. We have a Prime Minister who said that no deal was better than a bad deal, a Chancellor who now says he will not fund a no-deal scenario and a Foreign Secretary who seems perfectly happy with a no-deal arrangement. The stakes could not be higher, but the Government are a shambles. Is it not time they either got their act together—it is the Minister's job to make sure that they do so—or stood aside and prepared the way for a Government who will act in the national interest?

Damian Green: I am happy again to assure the hon. Gentleman that the appropriate arrangements for all eventualities are being prepared, and of course the Government are working hard to make sure we get the best Brexit deal for this country—one that will ensure the future prosperity of this country for decades to come.

Electoral Registration

2. **Eddie Hughes** (Walsall North) (Con): What steps the Government are taking to support the integrity of the electoral registration process. [900873]

3. **Simon Hoare** (North Dorset) (Con): What steps the Government are taking to support the integrity of the electoral registration process. [900874]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): According to the Electoral Commission, the register used for June's general election was the most accurate for years. The identity of applicants is verified by electoral registration officers using digital services provided by the Cabinet Office and the Department for Work and Pensions, and we have seen record levels of engagement. Recommendations in Sir Eric Pickles' report have been accepted by the Government and will be used to improve the integrity of electoral processes further.

Eddie Hughes: Given concerns about students having the opportunity to vote twice, will my right hon. Friend consider joining me in supporting the private Member's Bill presented by my hon. Friend the Member for Wellingborough (Mr Bone)?

Chris Skidmore: Although being registered at more than one address is perfectly legal, voting more than once at a general election is a crime that currently carries an unlimited financial penalty. The Government are reviewing a range of measures to prevent people from voting twice at general elections, and I also understand that the police are investigating allegations in several local authorities on this issue. I remind hon. Members that any evidence that individuals might have voted twice must be reported to the police.

Simon Hoare: I recognise the fines that my hon. Friend has drawn to the House's attention, but is it not time to consider custodial sentences for election fraud?

Chris Skidmore: My hon. Friend makes a very good point. At the moment, there is an unlimited fine, but the Government are considering a range of other measures, including in relation to criminal proceedings, in order to move forwards.

11. [900882] **John Spellar** (Warley) (Lab): Rather than focusing on the very few cases of fraud and the limited number of convictions—the same issue the Trump Administration have raised to discredit the democratic process—why does the Minister not worry about the millions who are not registered and consider using national insurance numbers and automatic registration in order to ensure both an accurate and a complete register?

Chris Skidmore: The Government are committed to ensuring individual voter registration. A complete register means nothing unless it is underpinned by accuracy, and we have the most accurate register. On electoral fraud, I make the point, as I have done repeatedly before, that it is the perception of fraud that is so corrosive to our democracy. The Electoral Commission's report published today shows that 38% of people recognise that electoral fraud is an issue at general elections.

Chris Ruane (Vale of Clwyd) (Lab): The integrity of the electoral register suffers while millions of British citizens are unregistered. What specific measures is the Minister taking to register the millions of young people who remain off the register, and what specific funds has he allocated to that worthy cause?

Chris Skidmore: I am sure the hon. Gentleman will welcome the fact that at the last general election there were more people on the electoral register, and more people voting, than there have been since 1992. We should bear in mind the state of the Labour Government between 2001 and 2005, when there were far more people off the register. We are determined to have a democracy that works for everyone, and we are introducing a range of measures to that end. They include the publication of a democratic engagement strategy later this year, which I hope the hon. Gentleman will read.

Mr Gregory Campbell (East Londonderry) (DUP): Is the Minister aware of the massive change in Northern Ireland constituencies in terms of proxy votes between the 2015 general election and this year's election, when thousands of people applied for and received proxy votes, which, in some constituencies, resulted in a virtual usurping of the election result? What plans has the Minister to address that?

Chris Skidmore: As the hon. Gentleman will know, electoral policy in Northern Ireland is dealt with by the Northern Ireland Office, but the Cabinet Office is working closely on how individual electoral registration can be introduced in Northern Ireland. I will refer the hon. Gentleman's point to the Northern Ireland Office, but proof of identity has been required in polling stations in Northern Ireland since 1985, and the Labour Government introduced photo ID in 2003. Northern Ireland has led the way when it comes to ensuring that we can crack down on electoral fraud.

Electoral Fraud

4. **Michael Tomlinson** (Mid Dorset and North Poole) (Con): What steps the Government are taking to tackle electoral fraud. [900875]

The First Secretary of State and Minister for the Cabinet Office (Damian Green): We are committed to providing a clear and secure democracy. Following our manifesto commitment, we are working with four local authorities to pilot voter ID in polling stations, and working with Tower Hamlets to pilot changes in postal voting in 2018, as part of a developing programme to strengthen electoral integrity.

Michael Tomlinson: I welcome the fact that the Government are piloting voter ID. I had the privilege of being in Iraqi Kurdistan for the recent independence referendum, when voter ID was used with apparently few difficulties. Which local authority areas are involved in the Government's pilot, and how can the system be rolled out to further authorities in due course?

Damian Green: I am pleased to be able to confirm that the four local authorities that have agreed to take part in the voter ID pilot are Woking, Gosport, Bromley and Watford; and, as I have said, Tower Hamlets is involved in the postal vote pilot. We had an agreement with Slough as well, but at the last minute Labour councillors voted against joining the pilot, against the advice of their own officials. As we have heard this morning, the Labour party does not seem to take electoral fraud very seriously.

Christian Matheson (City of Chester) (Lab): Is it not a fact that in 2015, when more than 50 million votes were cast, the number of convictions for electoral fraud was in the low double figures? Is not the truth that this is a Trojan horse, introducing voter suppression methods to enhance the electoral prospects of the Conservative party?

Damian Green: If the hon. Gentleman wants to be taken seriously on this issue, he should listen to the Electoral Commission, which in 2014 urged the Government to adopt the kind of measures that we are adopting now. He should also persuade Labour councillors, in Slough and elsewhere, to take it seriously. If Labour is seen as the party that is soft on electoral fraud, that will not be a very good look for Labour.

Government Procurement: SMEs

5. **Mary Glendon** (North Tyneside) (Lab): What assessment he has made of recent trends in the level of Government procurement from small and medium-sized enterprises. [900876]

The Parliamentary Under-Secretary of State for the Cabinet Office (Caroline Nokes): We will shortly publish the latest small and medium-sized enterprises' spending performance figures. The Government remain committed to a challenging target to ensure that a third of their procurement spending is with small businesses by 2022, and we are continuing to take action to achieve that.

Mary Glendon: Following a recent report by the Federation of Small Businesses, will the Minister tell the House whether she intends to issue guidance requiring local authorities to increase their use of dynamic purchasing systems so that small businesses are not locked out from lists of potential suppliers to those authorities?

Caroline Nokes: The hon. Lady has always been a doughty champion of the spreading down of procurement practices to local government so that it, too, encourages more SMEs to take part in the process. We have issued guidance to local authorities on how local government can support SMEs, and have legislated to ban burdensome pre-qualification questionnaires for low-value contracts.

Lobbying

6. **Ms Karen Lee** (Lincoln) (Lab): What steps he is taking to ensure that the lobbying of Government is carried out in a transparent and fair manner. [900877]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Government are committed to transparency in lobbying. In 2014 we created a statutory register of consultant lobbyists to increase transparency among those seeking to lobby Ministers and permanent secretaries on behalf of third parties. That legislation complements the existing framework of industry-led regulation.

Ms Lee: The Minister has restricted trade unions and charities with regard to lobbying; can he tell us when he will properly regulate big business lobbying to Government?

Chris Skidmore: The Government are of the view that the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014

increased transparency around the work of consultants and lobbyists and therefore we will not be undertaking any future review. The Act confers powers on the register of lobbyists to remove an organisation from the register if that organisation seeks to undertake any work in future.

Voting Age

7. **Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): What recent assessment he has made of the potential merits of reducing the voting age to 16. [900878]

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Government have stated in their manifesto a clear commitment to maintain the voting age of 18, so the Government have no plans to lower the voting age in elections.

Gerald Jones: The Labour Welsh Government are currently making provision in Wales for 16 and 17-year-olds to vote in local and Welsh Government elections. Will the Minister urge his Government and other Conservative Members to support the Bill of my hon. Friend the Member for Oldham West and Royton (Jim McMahon) on 3 November, to prove that this Government do not disregard the views of young people?

Chris Skidmore: As the hon. Gentleman has made clear, this Government have given powers to the devolved Assemblies to make decisions in respect of their local government and regional elections, but the position of the Government remains clear: on the parliamentary franchise, the age will remain at 18. Of course, I look forward to the many contributions that will be made in the debate on that.

Tom Pursglove (Corby) (Con): The voting age is one thing, but has my hon. Friend given any consideration to the issue of education in schools around electoral fraud—for example, double voting?

Chris Skidmore: The Government are of course determined to engage the many young people in schools in the democratic processes. Recently I established a national democracy week, in which I hope all Members will take part. It is vital for democratic participation that we encourage young people to get involved as early as possible, and to be educated in our democratic processes.

Cat Smith (Lancaster and Fleetwood) (Lab): Does the Minister agree that sometimes young people make mistakes, and that it cannot be right that a teenager at the age of 16 can make the mistake of joining the Conservative party and voting in the inevitably upcoming leadership election, yet would be denied a vote at the forthcoming general election?

Chris Skidmore: We have had many debates on the franchise, and I have sat as a Back Bencher through several debates in my parliamentary career so far; I think Parliament has voted three times on the issue and has consistently decided not to introduce votes at 16. We will be having future debates, and I look forward to engaging with the hon. Lady in them in due course.

Relocation of Government Functions

8. **Kevin Hollinrake** (Thirsk and Malton) (Con): What progress the Government are making on relocating outside London central Government functions. [900879]

12. **Kevin Foster** (Torbay) (Con): What plans he has to relocate civil service jobs to cities, towns and regions outside London. [900884]

The Parliamentary Under-Secretary of State for the Cabinet Office (Caroline Nokes): The Government's industrial strategy will help to create a more balanced economy by moving arm's length public bodies out of London and the surrounding areas, and into clusters in the regions and devolved nations of the UK. Our hubs programme is also expected to save £1.78 billion over 20 years, as well as providing state of the art buildings from which civil servants can deliver world-class services to our citizens.

Kevin Hollinrake: I am delighted at the announcement of 6,000 more jobs at a Government hub in Leeds, but does the Minister agree that infrastructure spending is also critical to delivering greater prosperity for the north?

Caroline Nokes: The Leeds hub will be a catalyst for growth in the surrounding region. We continue to do more to connect our communities and drive productivity. The Chancellor recently announced a further £300 million investment for HS2 and £100 million for the road network—significant investments for the northern powerhouse. That will be crucial for driving growth and regeneration in the north and midlands.

Kevin Foster: Torbay has not only beautiful beaches, but direct rail connections to London, Manchester and Birmingham, improved road links, and sites ready for regeneration. Which of the plans the Minister listed does she believe present the greatest opportunity for relocating jobs to Torbay?

Caroline Nokes: My hon. Friend has, as ever, emphasised the stunning attributes of his constituency. Our commitment to the public bodies relocation programme seeks to move significant numbers of public servants out of London. I assure my hon. Friend that I have heard his advertisement for the English riviera and the potential it certainly brings.

Topical Questions

T1. [900937] **James Cleverly** (Braintree) (Con): If he will make a statement on his departmental responsibilities.

The First Secretary of State and Minister for the Cabinet Office (Damian Green): This month we celebrate the first year of our world-leading national cyber security strategy. A major milestone has been successfully establishing the National Cyber Security Centre. [Interruption.] It has shown that it plays a vital role in providing cyber security to keep our country safe. The NCSC responded to 590 significant incidents, more than 30 of which were sufficiently serious to require a cross-government response. Our five-year national cyber strategy is working to defend our people, businesses and assets, deter our adversaries, and develop the skills and capabilities we need. [Interruption.]

Mr Speaker: Order. There is a very large number of intense private conversations taking place in the Chamber, but the voice of Braintree must be heard. I call Mr James Cleverly.

James Cleverly: The vast majority of private sector employment in my constituency of Braintree is in small to medium-sized enterprises. What steps are the Government taking to make it easier for SMEs to bid for and successfully win Government contracts?

Damian Green: My hon. Friend is completely right about the importance of SMEs, which is why we have taken a number of steps to enable them to access Government contracts more easily, including by putting in place the Contracts Finder website and a requirement for all public sector buyers to have 30-day payment terms in their contracts.

T2. [900938] **Faisal Rashid** (Warrington South) (Lab): Yesterday's race audit made clear the barriers that exist to black people and other ethnic minority groups in our society today. We all want to see those barriers broken down. Can the Minister explain why, in the civil service fast stream recruitment process for which his office is responsible, black men and women represent one in 20 of the total applicants but only one in 100 of those offered a job? When is he going to put his own house in order?

Damian Green: That is a perfectly reasonable challenge, and the hon. Gentleman asked about that when I made my statement yesterday. One area where we absolutely need to do better is inside the civil service, and specifically in fast stream recruitment, and we will certainly do that.

T3. [900939] **Alberto Costa** (South Leicestershire) (Con): What assessments have the Government made of the east midlands, and specifically Leicestershire, as a place to relocate Government services outside of London?

The Parliamentary Under-Secretary of State for the Cabinet Office (Caroline Nokes): We will ensure that Government functions are increasingly spread throughout the UK and not just in the capital. The Government are reviewing the location of all arm's length bodies to help to drive growth across the nation, and we will ensure that the east midlands is fully considered as a possible location.

T4. [900940] **Diana Johnson** (Kingston upon Hull North) (Lab): Next week, the Government's consultation on the contaminated blood scandal will close. As the Department of Health is an implicated party, many people are refusing to take part in the consultation. Will the Cabinet Office now take immediate control of the consultation, because otherwise the rules of natural justice will be offended?

Damian Green: I am aware that the hon. Lady—
[Interruption.]

Mr Speaker: Order. I remind the House that we are discussing the contaminated blood scandal, upon which, despite very heavy noise, the hon. Member for Kingston upon Hull North (Diana Johnson) has made her thoughts very clear. We must now hear the Minister. I ask the House to think of the people affected by this scandal, who would expect the House to treat respectfully of it.

Damian Green: Thank you, Mr Speaker.

I am aware that the hon. Lady has played a significant role in the investigation of this terrible scandal. As she said, the consultation on how we proceed ends on 18 October. I know that she and the all-party parliamentary group that she co-chairs have written to my right hon. Friend the Prime Minister on the matter. When we have all the responses to the consultation, we will obviously take a decision as soon as possible.

Mr Speaker: I call Jeremy Quin. [HON. MEMBERS: "Hear, hear!"] Order. I am so glad that the hon. Gentleman, who until recently was my constituent, is quite so popular.

T5. [900941] **Jeremy Quin** (Horsham) (Con): I, too, am delighted to hear it. Does my right hon. Friend agree that the race disparity audit provides invaluable data to not only the Government, but charities, in focusing their resources for maximum impact?

Damian Green: I agree that it is an extremely important development. It is a world first to provide this amount of information in that form. It is true that it holds a mirror up to the whole of society, and not just central or indeed local government and public bodies, but all other bodies, including charities, will need to respond positively to some of the disturbing findings exposed in the race disparity audit.

T6. [900942] **Bridget Phillipson** (Houghton and Sunderland South) (Lab): The recent Public Accounts Committee report on cyber-security emphasised the considerable skills gap that the Government and wider society face in tackling the issue. Is it still the case that there is no minimum standard of competence for civil servants entrusted with a cyber-security role? What steps are the Government taking to increase the number of suitably qualified experts?

Caroline Nokes: We are working hard with the National Cyber Security Centre to improve competency not only within the civil service and across Government, but among our young people. Our CyberFirst programme, which I visited in Portsmouth this summer, shows that there is a massive range of really enthusiastic young people who are determined to learn the skills that they will need to help us.

T7. [900943] **Huw Merriman** (Bexhill and Battle) (Con): The young people with whom I engage in schools are increasingly aware of the world around them. They are economically and socially liberal, and they do not expect the state to pay for everything because they will have the longest repayment terms if it does. Given the Conservative party's proud record on extending the franchise, I again ask the Minister to consider votes for 16 and 17-year-olds.

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): I am afraid that my hon. Friend and I will have to agree to disagree on that point. The Government's position remains as it was in our manifesto: the franchise will be retained at 18. However, I am sure that my hon. Friend will want to participate in future debates on this issue through private Members' Bills on Fridays.

PRIME MINISTER

The Prime Minister was asked— Engagements

Q1. [900922] **Ian Mearns** (Gateshead) (Lab): If she will list her official engagements for Wednesday 11 October.

The Prime Minister (Mrs Theresa May): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Ian Mearns: The Prime Minister will know that yesterday was World Mental Health Day. Mental health problems affect one in four people, but only £1 out of every £8 in clinical commissioning group budgets is spent on mental health services. Newcastle Gateshead CCG is set to cut its budget by a further 1.1% next year, bringing the total spend for mental health to less than 10% of its entire budget. If parity of esteem for mental health is to be achieved, the Government will have to match their words with more strong and stable, ring-fenced funding. With those cuts and with increasing demand, when will the Prime Minister end the talking and promise to increase and ring fence funding for mental health and specialist psychological services?

The Prime Minister: The hon. Gentleman is right about the importance that we should attach to mental health. Giving that parity of esteem is an important step that this Government have taken, but we are also doing much more on mental health. In fact, more money overall is going into mental health. More people are able to access NHS talking therapies and receive treatment for their mental ill health, but we also need to look at the issue more widely. That is precisely why I have set up a scheme to train staff in schools to ensure better awareness of mental health problems and to enable them to know how to deal with individuals in schools who are suffering from mental health problems. There is more for us to do, but this Government are putting more money in and are taking more action on mental health than any previous Government.

Q2. [900923] **Robert Neill** (Bromley and Chislehurst) (Con): The Prime Minister will know that financial and professional services are the UK's largest source of tax revenue and our largest driver of trade surpluses. Yesterday I met representatives of that sector, who wanted me to pass on to the Prime Minister their warm support for the pragmatic, sensible arrangement that she has made to ensure the critical legal and contractual continuity that the sector needs as we leave the European Union. As well as recognising that, will she perhaps build on that positive approach by considering issuing a White Paper on our future vision for trade in services, as we have done for other sectors?

The Prime Minister: My hon. Friend raises an important point. He is right that we need to build a bridge from our existing partnership to our future partnership to allow time for practical adjustments to be made. That is exactly what we are doing when we talk about the implementation period, which I set out in my speech in Florence, together with our vision for our future partnership. I am sure that my hon. Friend will know that we

published a White Paper on our future trade policy earlier this week, and we will continue to publish papers in the coming months.

Jeremy Corbyn (Islington North) (Lab): I hope that the whole House will join me in paying tribute to the late Rodney Bickerstaffe, the former general secretary of Unison who died last week. He will be remembered for his warmth and the esteem in which he was held throughout the Labour movement and throughout the community. More than that, he, almost more than anyone else, made sure that the national minimum wage happened in this country. Millions of workers are better off due to the great work that Rodney did during his life. Can we say, "Thank you, Rodney, for everything you did in your life"?

The roll-out of universal credit is already causing debt, poverty and homelessness. Does the Prime Minister accept that it would be irresponsible to press on regardless?

The Prime Minister: Of course we offer our condolences to Rodney Bickerstaffe's friends and family on his death. He and I would probably never have agreed on very much in politics, but obviously he played his role with commitment and dedication through his life.

The right hon. Gentleman asks about universal credit. It is perhaps worth our recognising why we brought in universal credit in the first place. What we want is a welfare system that provides a safety net for those who need it, and that helps people to get into the workplace, earn more and provide for their families. The system that we inherited from Labour did not do that. It was far too complicated, there were far too many different sorts of payment and, crucially, too many of those who earned more found themselves with less money in their pockets. Under Labour, too many people were better off on benefits. That is not the system that we want. We want universal credit, which is simpler and more straightforward, and makes sure that work always pays.

Jeremy Corbyn: I wonder which planet the Prime Minister is on. Citizens Advice describes universal credit as

"a disaster waiting to happen".

It has made that conclusion based on its work assisting tens of thousands of claimants with debt. Housing associations report an increase of up to 50% in the eviction of tenants in rent arrears due to universal credit. Can the Prime Minister and Department for Work and Pensions not wake up to reality and halt this process?

The Prime Minister: As I have explained, we have very good reasons for changing the system. Yes, the DWP has been—[*Interruption.*] We have been listening to concerns raised about the way in which universal credit has operated. Changes have been made; performance has improved, for example. At the beginning of this year, only 55% of people were getting their first payment on time. Now that is more than 80%. Of course there is more for us to do, and that is why the Secretary of State and the Department for Work and Pensions continue to monitor this and to ensure that performance improves. Underlying this is a need to ensure that we have a system that ensures that work pays and that people are not better off on benefits.

Jeremy Corbyn: The Halton Housing Trust reports a 100% year-on-year increase in the number of evictions. Half of all council tenants on universal credit are at least a month in arrears in their rent. This weekend, the former Prime Minister, Sir John Major, described universal credit as

“operationally messy, socially unfair and unforgiving.”

He is right, isn't he? It is years behind schedule. It is forcing people to food banks, driving up evictions and leaving families in debt. Can the Prime Minister not see it? If the former Prime Minister can understand it, why can't this one?

The Prime Minister: In fact, research shows that after four months the number of people on universal credit in rent arrears had fallen by a third. As I said in my previous answer to the right hon. Gentleman, of course we recognise that there have been some issues to address in the rolling out of this benefit, and that is why we have been taking our time doing it. The underlying reason for moving to universal credit is still the right one. We see more people getting into work on universal credit than on jobseeker's allowance, and there is the possibility for those people who cannot wait for their first payment to ask for an advance if they are in need, and the number of people getting an advance has increased.

Jeremy Corbyn: At last the Prime Minister recognises that there are problems. The Institute for Public Policy Research and the Child Poverty Action Group estimate that universal credit is going to put another 200,000 children into poverty. Last month, apparently, a dozen Conservative MPs wrote to the Work and Pensions Secretary calling for a pause. Perhaps they should have listened to people like Georgina, who contacted me this week. She says:

“All summer we were left with no money to survive as it just stopped abruptly. We would have lost everything if it weren't for my family.”

Others cannot rely on family and are facing eviction. I urge the Prime Minister: show some leadership, pause universal credit, and stop driving up poverty, debt and homelessness, because that is what this does.

The Prime Minister: First, may I say to the right hon. Gentleman that I would be happy to look at the case of Georgina if he would like to send me those details?

As I have just said—once again, I referred to this in my previous answer, had the right hon. Gentleman listened to it—it is possible for those who are in need to get advance payments. The number of those getting advance payments has increased from 35% to just over 50%—the majority. So we are seeing the system being improved and performance improving. But let us just think about the Labour party's record on this whole issue of welfare. Under the Labour party, 1.4 million people spent most of the last decade trapped on out-of-work benefits. Under the Labour party, the number of households where no—*[Interruption.]*

Mr Speaker: Order. The Prime Minister's response must be heard.

The Prime Minister: Under the Labour Government, the number of households in which no member had ever worked nearly doubled. The welfare bill went up

by 60% in real terms, which cost every household an extra £3,000 a year. That is not the way to run a system; that is the way to have a system that is failing ordinary working people.

Jeremy Corbyn: The last Labour Government lifted a million children out of poverty. Gloucester City Homes has evicted one in eight of all of its tenants because of universal credit. The Prime Minister talks about helping the poorest, but the reality is a very, very different story. Not only are people being driven into poverty but, absurdly, the universal credit helpline costs claimants 55p per minute for the privilege of trying to get someone to help them claim what they believe they are entitled to. Will the Prime Minister today show some humanity, intervene and make at least the helpline free?

The Prime Minister: I have made it very clear that we continue to look at how we are dealing with this and ensuring that we get this system out in a way that is actually working for people. The performance is increasing, and it is working because more people are getting into work on universal credit than were doing so on jobseeker's allowance. *[Interruption.]* I do want people to be able to find work. I want people to be able to get better jobs, to earn more and to get on without Government support. That is why it is so important that we help businesses to create jobs. Perhaps when the right hon. Gentleman stands up he would like to welcome the fact that 3 million more jobs have been created due to a strong economy under a Conservative Government.

Jeremy Corbyn: Sadly, universal credit is only one of a string of failures of this Government. Everywhere we look we see a Government in chaos. On the most important issues facing this country it is a shambles: Brexit negotiations that have made no progress; Bombardier and other workers facing redundancy; most working people worse off; young people pushed into record levels of debt; 1 million elderly people not getting essential care; and our NHS at breaking point. This Government are more interested in fighting among themselves than in solving these problems. Is it not the case that if the Prime Minister cannot lead, she should leave?

The Prime Minister: Let me tell the right hon. Gentleman what the record of this Government is: the deficit is down by more than two thirds; 3 million more people are in jobs; 1.8 million more children are in good or outstanding schools; more people are visiting A&E; more people are getting operations than ever before; there are record levels of funding into the NHS; and there are record levels of funding into our schools. What did we see about the Labour party from its conference? *[Interruption.]* Wait for it.

Mr Speaker: Order. Members are becoming very overexcited. The Prime Minister's response will be heard.

The Prime Minister: What did we hear from Labour's conference? What happened at Labour's conference? First, Shelter said that the Labour party's housing policy would end up harming people on low incomes; Labour's flagship Haringey Council rejected another of Labour's policies; the Equality and Human Rights Commission said that Labour

“needs to...establish that it is not a racist party”;

and the Labour leader of Brighton Council threatened to ban Labour conferences because of freely expressed anti-Semitism. That was all before the shadow Chancellor admitted that a Labour Government would bring a run on the pound and ordinary working people would pay the price.

Hon. Members: “More!”

Q3. [900924] **Heidi Allen** (South Cambridgeshire) (Con): I fear that that “more” was not for me. I am afraid I must return to the subject of universal credit, but perhaps the difference between Government Members and Opposition Members is that we believe in universal credit’s transformative properties and want it to work. And work it will, but we have to get it right. I thank the Secretary of State for Work and Pensions for promising on Monday to advertise more widely that advances are available to claimants, but many of us on the Government Benches feel that more people taking up those advances must surely mean that the in-built six-week wait just does not work. Will the Prime Minister please consider meeting me so that I can explain to her why, if we reduce that six-week wait, we will do a better job of supporting those just about managing families who are struggling to make ends meet and who have no savings to cover them over that period?

The Prime Minister: My hon. Friend makes the important point about the fundamental benefits of universal credit, but she is of course right, and that is why the DWP is continuing to look at the performance of universal credit and how it is operating. I am happy to meet her to look into the issue. She mentioned the advance payments; as she said, it is important that those who need those payments are aware of them, so it is about not only advertising but making sure that jobcentre staff are trained and are being retrained to ensure that they are aware of what they can do to help people. The advance payments can be with people within five days or, in an emergency, on the very same day. I am happy to meet my hon. Friend to discuss them.

Ian Blackford (Ross, Skye and Lochaber) (SNP): If there was another European Union referendum now, I know that I would vote to remain. Why has the Prime Minister not been straightforward about how she would vote?

The Prime Minister: There is no second referendum. The people of the United Kingdom voted and we will be leaving the European Union in March 2019.

Ian Blackford: The Prime Minister cannot answer a simple question. *[Interruption.]* I am quite happy to wait. The reason why the Prime Minister cannot answer a simple question is that she is hamstrung by the parliamentary majority and a divided party of right-wing Brexiteers. This morning—*[Interruption.]*

Mr Speaker: Order. Mr Kerr, we are not having any pranksters here.

Ian Blackford: This morning, Chancellor Philip Hammond admitted that a cloud of uncertainty hangs over the UK economy. The Scottish National party is the only party in this House that is united on the issue. We know that crashing out of the single market and the

customs union will cost 80,000 jobs in Scotland and £2,000 per person. Now is the time for leadership. Will the Prime Minister come off the fence and recognise that, if we are to save this economy, we need to stay in the single market and the customs union?

The Prime Minister: Now is the time for the SNP leadership to accept that, to save jobs in Scotland, it needs Scotland to remain part of the United Kingdom.

Q7. [900928] **Mark Menzies** (Fylde) (Con): Following yesterday’s announcement of almost 2,000 job losses at BAE Systems, many hundreds of which are in Warton in my constituency where very dedicated and highly skilled people work, can the Prime Minister assure me that she and her Government will continue to do everything they can to support export orders to Saudi Arabia and Qatar as well as supporting those dedicated workers in finding alternative employment and the wider Lancashire economy?

The Prime Minister: My hon. Friend is absolutely right: this is obviously a very worrying time for workers at BAE Systems, including those at Warton in his constituency. He raises two issues. I can reassure him that the Department for Work and Pensions will ensure that people have all the support they need to look for new jobs. That will include the rapid response service, which will help with CVs, training and information about benefits. We will also continue to promote our world-leading defence industry right across the globe, so that companies like BAE Systems can secure contracts for UK-made equipment. Just last month, my right hon. Friend the Defence Secretary signed a statement of intent with Qatar, committing the country to the purchase of 24 Typhoons and six Hawks from BAE. We will continue to promote these first-class products from first-class manufacturers such as those in my hon. Friend’s constituency. We will also ensure that support is given to those who lose their jobs.

Q4. [900925] **Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): Prime Minister, last week you announced that you would fund 25,000 extra socially rented homes over five years. The waiting list in Brighton is already that. Along with Brighton, my other local authority, Lewes District Council, is wanting to build more council houses, but your policies will not help them, because they are limited not by the open market, but by the Government’s arbitrary cap on borrowing and financing against housing stock. Will the Prime Minister agree with me, the Conservative-led Lewes District Council and the Labour-led Brighton that the cap on the housing revenue account must be lifted to get councils building for Britain again?

Mr Speaker: I just point out to the hon. Gentleman that I have made no announcement and have no policy on this matter.

The Prime Minister: The hon. Gentleman is referring to our announcement that we are putting £2 billion extra into our successful affordable housing programme, bringing the amount dedicated entirely to creating affordable homes to more than £9 billion. For every pound the Government put in, housing associations raise a further £6, which means that thousands more families get the

homes that they need and can afford every single year over the next five years. This is a good announcement from the Government. It means that more people will get the homes that they need. I would have expected him to welcome it.

Q13. [900934] **David T. C. Davies** (Monmouth) (Con): In my constituency of Monmouth, children as young as 12 have been labelled as transgender and prescribed potentially life-altering sex change drugs. Does the Prime Minister agree that the law needs to be tightened to prevent this potential mistreatment of vulnerable young people?

The Prime Minister: My hon. Friend raises a very sensitive issue. As he will be aware, health is a devolved matter in Wales. The NHS in England has strict guidelines regarding the prescriptions of these sorts of medications to young people. They can be prescribed only with the agreement of a specialist team after a careful assessment of the individual, and generally only to patients who are 15 or older. I recognise the concern raised by my hon. Friend.

Q5. [900926] **Ms Karen Buck** (Westminster North) (Lab): In her radio interview yesterday, the Prime Minister was pressed three times on the position of EU nationals in the UK in the event of no deal. She was unable to answer, suggesting that this was a “technical” issue. But people do not live technical lives. Their lives involve relationships, jobs and their children’s schools. With the clock ticking and the possibility of a no-deal Brexit looming nearer, will she reassure my 10,000 plus constituents who are EU residents exactly what their rights will be if there is no deal?

The Prime Minister: First, let me re-emphasise—I have said this before in this House—that we value the contribution that EU citizens have made in this country and we want them to stay. That is why we made citizens’ rights one of the key issues, and one of the early issues that is being discussed in the negotiations that are currently taking place. We are working to ensure that we get a good deal. If there is no deal, we will obviously have to have arrangements with other member states regarding not just EU citizens here, but UK citizens in those member states. But we are working for the best deal for the United Kingdom. We are very close to agreement on citizens’ rights. We want EU citizens to stay here in the UK because we value the contribution they are making.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): On Monday, my right hon. Friend was clear about her negotiations, saying that it remains the Government’s priority to get a very good free trade arrangement with our European friends and partners before we leave. She also made it clear that, alongside that, we would make plans and all necessary arrangements to depart under World Trade Organisation terms should no such agreement be available. Will she confirm, then, that all moneys necessary will be allocated to this project as and when required?

The Prime Minister: I am happy to give my right hon. Friend that confirmation. We are preparing for every eventuality. We are committing money to prepare for

Brexit, including a no-deal scenario. It might be helpful if I update the House. The Treasury has committed over £250 million of new money to Departments such as the Department for Environment, Food and Rural Affairs, the Home Office, Her Majesty’s Revenue and Customs and the Department for Transport in this financial year for Brexit preparations. In some cases, Departments will need to spend money before the relevant legislation has gone through the House. The Treasury will write to Departments and to the Public Accounts Committee explaining this process shortly. Where money needs to be spent, it will be spent.

Q6. [900927] **Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): My constituent, Mr Geoffrey Ellwell, was transitioned from disability living allowance to personal independence payment in October 2016. He previously had the higher rate mobility and the standard rate for care. His PIP assessment gave him zero points. He appealed that decision in January 2017. Six months later, on 21 June, he passed away without his appeal being heard. The appeal that took place two days after his death posthumously awarded him the higher rate for both elements, backdated to January. What message would the Prime Minister like me to take back to Geoffrey’s partner, Carol, about the way in which this Government treated Geoffrey when he most needed help, compassion and support?

The Prime Minister: The message that I would like the hon. Gentleman to take back to his constituent’s partner is that we offer our condolences at the death of her partner. We are working to ensure that there is greater consistency in the judgments that are originally given on PIP assessments. We introduced PIP in order to ensure that we are able to focus payments on the most vulnerable. I completely understand how she feels about the position she is in. We offer her our deepest condolences.

Maggie Throup (Erewash) (Con): HS2 Ltd continues to fail my constituents living along the line of route for HS2, with some being offered tens of thousands of pounds less than the true value of their homes. Will the Prime Minister now personally intervene to ensure that my residents living in the affected areas of Erewash do not lose out as a result of this major national infrastructure project?

The Prime Minister: My hon. Friend has raised an important point, and it is right that she is speaking up on behalf of her constituents. I know that the Department for Transport is looking carefully at these issues and that my hon. Friend the rail Minister is determined to see that fair and comprehensive compensation for those directly affected by the route is paid, and it will be paid as if HS2 did not exist, plus the 10% and reasonable moving costs. We are committed, as ever, to infrastructure investment—we are investing in infrastructure—but it is important with a major infrastructure change such as HS2 that we do ensure that those compensation payments for people are being paid properly. As I say, my hon. Friend the rail Minister is focusing on this issue.

Q8. [900929] **Heidi Alexander** (Lewisham East) (Lab): This week, the public have witnessed the most extraordinary spectacle: the Prime Minister ramping up the no-deal rhetoric on Brexit and backtracking on

her commitment to stay in the single market and customs union for transition, all because she is afraid of the most right-wing, rabid elements in her own party. When prices are going up in our shops, when the country's credit rating has been cut and when businesses are actively considering moving jobs overseas, do the British people not deserve better than a Prime Minister simply running scared?

The Prime Minister: The hon. Lady could not be more wrong. First of all, we are not ramping up a no-deal scenario; we are actively working in negotiations with the European Union to ensure that we get a good deal—the right deal for Britain—for a brighter future for this country, which is what I believe we can and will achieve. It is what I set out in my Florence speech. I recommend the speech to the hon. Lady.

On the second point, I made very clear—perhaps I need just to explain it again to members of the Opposition—that when we leave the European Union in March 2019, we will cease to be full members of the single market and the customs union. That will happen because you cannot be full members of the single market and the customs union without accepting all four pillars—free movement; continued, in perpetuity, European Court of Justice jurisdiction. During the implementation period, we will be looking to get an agreement that we can operate on much the same basis as we operate at the moment—under the same rules and regulations—but that will not be the same as full membership of the customs union and the single market.

Mr Gary Streeter (South West Devon) (Con): Does my right hon. Friend agree that the Royal Marines, supported by a specialist amphibious fleet, have served our country with great distinction for many, many years? Does she share my concern that one of the proposals currently being considered by the Royal Navy is to downsize the amphibious fleet? In an uncertain world, is this not both short-sighted and dangerous, and will she please intervene?

The Prime Minister: First, I absolutely agree that we can commend and applaud the contribution that the Royal Marines and our amphibious fleet have made to the defence of this country and, indeed, the defence of others. It is absolutely right that, as we look at how threats are changing, we look at how we should best spend the rising defence budget to support our national security. We have committed to spending 2% of GDP on defence every year of this Parliament. We are spending £178 billion between 2016 and 2026 on equipment for our armed forces. Naturally, we do not always discuss the specific operational details, but if I might just say to my hon. Friend, I understand that the claims he has referred to are pure speculation at this stage.

Q9. [900930] **Kerry McCarthy** (Bristol East) (Lab): In the past 18 months, two students from St Brendan's Sixth Form College in my constituency, Izzy Gentry and George Zographou, tragically died from meningitis B, and only this week we heard reports of the death from suspected meningitis of another Bristol pupil, from Orchard School. The free vaccinations for babies, introduced two years ago, are of course very welcome, but they came far too late to save Izzy and George, so will the Prime Minister do more to raise awareness

of meningitis and extend free vaccinations to today's teenagers, which is the group, after babies, that is most at risk?

The Prime Minister: First, of course we send our deep condolences to the families and friends of all those students in the hon. Lady's constituency who have died as a result of contracting meningitis. The point she raises about raising awareness of meningitis is a very valuable one, and it is something that we do need to continue to do. Very often, when decisions are taken by the Government, such as on the vaccination that is already in place, it is very easy to think that that is a job done, but, actually, we need to continue to look at see how we can ensure that we do not see these deaths from meningitis in the future.

Wendy Morton (Aldridge-Brownhills) (Con): I was shocked the other week to hear the shadow Chancellor predicting a run on the pound if Labour took office. For my constituents that would mean an increase in their household bills and in the cost of their weekly shopping. Does my right hon. Friend agree that the biggest risk to this country would be letting the shadow Chancellor into No. 11 Downing Street?

The Prime Minister: I absolutely agree; my hon. Friend is right that a run on the pound would mean higher prices and that it would make life much more difficult. It would mean job losses, businesses leaving the country and people being poorer. The one thing that we absolutely must do is ensure that the shadow Chancellor gets nowhere near the Treasury. The Leader of the Opposition asked me earlier what planet I was on. Well, we all know what planet he and his shadow Chancellor are on: Planet Venezuela.

Q10. [900931] **Mr Alistair Carmichael** (Orkney and Shetland) (LD): Is it the Prime Minister's intention that the United Kingdom should remain part of the common fisheries policy during any transitional period after we leave the European Union?

The Prime Minister: When we leave the European Union, we will be leaving the common fisheries policy. As part of the agreement that we need to enter into for the implementation period, obviously that and other issues will be part of that agreement. But when we leave the European Union, we will leave the common fisheries policy.

Mr Peter Bone (Wellingborough) (Con): It has been assumed that triggering article 50 means that on 29 March 2019 we will come out of the EU if there is no agreement, but is it not the case that the negotiations can be extended if the Government and the EU agree to do that? Will the Prime Minister assure the House that under no circumstances will the negotiations be extended?

The Prime Minister: My hon. Friend is accurate in his interpretation of the treaty, which does allow for an extension of negotiations. I have been very clear that by March 2019 we want not only for those negotiations to have ended but to have an agreement on the future relationship and on our withdrawal, and we will leave the EU in March 2019.

Q11. [900932] **Chris Elmore** (Ogmore) (Lab): The Prime Minister will be aware that last month Jaguar Land Rover announced that it was ending its contract early, putting 640 jobs at risk. She has scrapped rail electrification and is flip-flopping on delivering the tidal lagoon, so will she now step up, work with the Welsh Government, Ford and the trade unions, help to save the jobs, and help to ensure a positive future for the south Wales economy?

The Prime Minister: Of course we want to work to see a positive future for the south Wales economy. That is what the United Kingdom Government are doing across the whole United Kingdom: working for that brighter and more positive future. With regard to the tidal lagoon, we will publish our response to the Hendry review in due course.

Will Quince (Colchester) (Con): I recently visited the Rohingya refugee camps in Bangladesh, which was truly harrowing. It can only be described as a humanitarian disaster. I am immensely proud of the work that the United Kingdom Government are doing through UK aid, but what pressure can my right hon. Friend put on the Myanmar Government to end the persecution, so that the Rohingya people can go home?

The Prime Minister: My hon. Friend raises a very important point. We remain deeply concerned by what is happening to the Rohingya. We know that there are now over 500,000 refugees in Bangladesh. It is a major humanitarian crisis. We have been providing support through our international development and aid, and we have provided money to the Red Cross in Burma and bilateral donations to support the refugees who have crossed into Bangladesh. We have raised the matter three times at the UN Security Council. The international community has delivered a clear message that the Burmese authorities must stop the violence, allow the safe return of refugees and allow full humanitarian access. We have also suspended any practical defence engagement that we had with Burma because of our concerns.

Q12. [900933] **Jim McMahon** (Oldham West and Royton) (Lab/Co-op): I make no apologies for the fact that my question is similar to that asked by my hon. Friend the Member for Bristol East (Kerry McCarthy). Layla-Rose Ermenekli, from Oldham, was just six years old when she contracted meningitis and later died in hospital. There were failings by the Royal Oldham Hospital, which did not spot important signs of meningitis, and those failings will be addressed. But, fundamentally, Layla would be alive today if she had received the MenB vaccination. Will the Prime Minister meet Layla's parents, Ricky and Kirsty, and campaigners to discuss expanding the meningitis B vaccination programme to cover all children?

The Prime Minister: The hon. Gentleman again raises a very serious case, and our condolences go to the family of his constituent. This is an issue on which, as I have said, we need to raise awareness. He raises the question of the response by medical professionals. This is not just about individuals—about parents—recognising the symptoms, but about ensuring that healthcare professionals are identifying them. I will ask the Health Secretary to

meet the hon. Gentleman and people who are anxious about this to hear directly from them their concerns regarding vaccinations.

Antoinette Sandbach (Eddisbury) (Con): On Monday, at the start of Baby Loss Awareness Week, this Conservative Government launched 11 pilot projects for a national bereavement care pathway. This groundbreaking pathway will look at support for parents who have lost a child from conception to the age of one. May I ask the Prime Minister to congratulate the parents, the charities and the health professionals who have worked so hard to develop this project, and to make sure that it is rolled out more widely once the lessons from the pilots have been learned?

The Prime Minister: I am happy to join my hon. Friend in congratulating all who have worked so hard on this issue, which, sadly, brings such distress to too many people—including, I know, Members of this House. I am sure that everybody will want to join me in marking Baby Loss Awareness Week. There was a debate on the matter yesterday, and I pay tribute to Members from across the House who spoke very movingly about their own experiences.

I am happy to welcome, as my hon. Friend has done, the pilot of the national bereavement care pathway this week. The Department of Health is also providing funding to Sands, the stillbirth and neonatal death charity, to work with other baby loss charities and royal colleges to improve the quality of bereavement care in the NHS. We expect the pathway to be rolled out nationally in October 2018. As my hon. Friend says, it is important to conduct a pilot, so that we can learn from it as we come to the national roll-out.

Q14. [900935] **Vicky Foxcroft** (Lewisham, Deptford) (Lab): A woman came to my office fleeing domestic violence. We rang round every women's refuge in London, but we were unable to find her a place because of Government budget cuts. What advice would the Prime Minister give to my constituent?

The Prime Minister: I fully understand the hon. Lady's concern about her constituent, who is fleeing domestic violence. We do not want anybody in this country to be subjected to domestic violence and abuse. That is why the Government have actually been putting more money into supporting refuges across the country. It is why we have ring-fenced money for domestic violence support across the country, and it is why we have introduced new legislation. But we are also going to look at what more we can do, through a domestic violence Act, to provide the support that is necessary to ensure that we deal with the perpetrators, support survivors and, as all of us across the House should want to do, end domestic violence.

Mr Ranil Jayawardena (North East Hampshire) (Con): May I commend my right hon. Friend for her pledge to build hundreds of new free schools? Does she agree that they are critical to drive up standards and increase parental choice, and is it not true that we are committed to creating a school system that works for everyone, while the Opposition want to hold everyone back?

The Prime Minister: My hon. Friend is absolutely right. Free schools have performed a very important function in raising standards in education in this country,

and I am pleased that we have so many more children now in good or outstanding schools. Free schools have done something else as well, as I see in my own constituency, where one of the free schools is specifically for children who are on the autistic spectrum. That is very important, and it is a service that was not available previously. Free schools have enabled that to happen. They are providing for people up and down the country, and we should welcome them.

Q15. [900936] **Hywel Williams** (Arfon) (PC): Vascular services in my constituency are to be moved to an as yet untested centre, while in Bangor we already have a facility with an international reputation. Does the Prime Minister share my concern that, due to bungling over health by the Labour Government in Cardiff,

seriously ill Welsh patients will have to travel further and even, like the late Irfon Williams, have to move to live in England just to access proper treatment?

The Prime Minister: The hon. Gentleman raises an important point. I am obviously not aware of the details of the particular services and of the transfer that he has referred to, but the overall point he makes is that people living in Wales are often seeing that they are getting a less good service from the Labour Government NHS in Wales—[*Interruption.*] Oh, yes. Yes, this is the case. As the hon. Gentleman says, there are people who will travel from Wales to England to get the service that is available in the NHS in England, and the Labour Government in Wales need to take a hard look at what they are doing to the NHS in Wales.

Higher Education Funding

12.46 pm

Angela Rayner (Ashton-under-Lyne) (Lab) (*Urgent Question*): To ask the Secretary of State for Education if she will make a statement on higher education funding.

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): On 9 October, I made a written ministerial statement to the House setting out changes to the repayment threshold for student loans from April 2018 and confirming the maximum tuition fees for the 2018-19 academic year. The Government's reforms to higher education funding since 2012 have delivered a 25% increase in university funding per student per degree. University funding per student is today at the highest level it has been at any time in the past 30 years.

As the House is aware, the Government have decided to maintain tuition fees at their current level for the 2018-19 academic year. This means that the maximum level of tuition fees will be £9,250 for the next academic year, 2018-19, which is about £300 less than if the maximum fee had been updated in line with inflation.

We will also increase the repayment threshold for student loans from its current level of £21,000 to £25,000 for the 2018-19 financial year. Thereafter, we will adjust it annually in line with average earnings. This change applies to those who have taken out or will take out loans for full-time and part-time undergraduate courses in the post-2012 system. It also applies to those who have taken out or will take out an advanced learner loan for a further education course. Increasing the repayment threshold will put more money in the pockets of graduates by lowering their monthly repayments. They will benefit by up to £360 in the 2018-19 financial year. The overall lifetime benefit is greatest for graduates on middle incomes; low earners of course continue to be exempt from repayments.

We have world-class universities, accessed by a record number of young people from disadvantaged backgrounds, and a progressive funding system. We are building on those strengths through our planned reforms, including reforming technical education to provide new routes to skilled employment and strengthening how we hold universities to account for the teaching and outcomes they deliver through the teaching excellence framework.

The changes we are making are considered proposals that reinforce the principles of our student loan system and ensure that costs continue to be split fairly between graduates and the taxpayer. However, we recognise that there is more to do. We have further work under way to offer more choice to students and ensure they get value for money. We want more competition and innovation, including through many two-year courses. As the Prime Minister made clear last week, we will continue to keep the system under careful review to ensure it remains fair and effective. The Government will set out further steps on higher education student financing in due course.

Angela Rayner: Let me welcome Members back from conference season. We sang "The Red Flag"; the Conservatives waved the white flag. I told our conference that the Government should get on with sorting out student finance. Then the Prime Minister told her conference that they would. I suppose I am cheaper than Lynton

Crosby, but the Government's announcement begs just a few questions: what, who, when, why, how and how much? Apart from that, it is completely clear. What are the details of the review of higher education that the Prime Minister promised? Who will sit on it? When will it start and finish? Who decided that policy, how and when? Is it true that the Minister was unaware until the Prime Minister announced it? Surely he cannot be the least favoured Minister in the Johnson household.

Can the Minister tell us how much these policy changes will cost? How much more will taxpayers contribute and how much interest receivable is lost? Will the reduced income be replaced by additional funding? Can the Government explain why they have changed their mind since we last asked for these measures to be taken and they refused? Are they still considering capping interest rates below the 6% some graduates are being charged? What is their policy on grants? "Senior sources" have briefed that the Education Secretary wants them back. Will the Minister now match our commitment to restore maintenance support?

Just what is the Government's policy on tuition fees? They boast about freezing fees for one year, but we all know that that is simply because they do not have a majority in this House for any rise, so what will they do after that? Will they finally accept that this House voted against their most recent rise, and revoke that too?

The Prime Minister said that the Government have listened and learned. Will they listen to this House, and when will they learn that actions mean more than words?

Joseph Johnson: I will answer some of the hon. Lady's questions—in fact, all the questions. The normal, cross-Government processes were followed in the run-up to the announcements. The Department for Education worked closely with the Prime Minister's team to develop those announcements. We are delighted to be able to announce the changes that she set out. I set out in the ministerial statement that I published on Monday the full details that the hon. Lady has just asked for. However, to recap, the threshold will rise to £25,000 from £21,000. That will put a further £360 in the pockets of graduates. We have taken stock of the views of parents, students and Parliament itself in coming to our decision to freeze tuition fees for the coming academic year. Therefore, we are listening and, where appropriate, we are taking action to ensure that our student finance system is getting the balance of interests right between those of students and those of the general taxpayer.

That is the core principle of our student finance system, which must achieve three goals. First, it must support access for the most disadvantaged, and it is achieving that with great success. Someone from a disadvantaged background is more than 50% more likely to go to a highly selective university than when the Labour party left office, and more than 43% more likely to go to university overall. Students are less likely to drop out, whether they are from BME, disadvantaged, mature or part-time backgrounds, than they were when the Labour party left office. This system is delivering participation and access in a way that alternative student finance systems never have.

Secondly, the system is working for universities. Our universities are 25% better funded per student and per degree than they were under the old student finance

[Joseph Johnson]

system, before the 2011 reforms. That is of fundamental importance. Does the Labour party really want our universities not to have the resources they need to do excellent teaching and to deliver great research? That is what it is proposing. It is proposing a return to the system that we saw in the run-up to the Dearing report in 1998, a system that saw a real-terms decline in university funding of almost 50%. Those are the changes that the Labour party will deliver if it has a chance to get into office.

Thirdly, our system is fair to the taxpayer. We keep the balance of funding under careful review. As the Prime Minister made clear in her party conference speech and in announcements in Manchester last week, we will announce further steps in that regard in due course.

Robert Halfon (Harlow) (Con): I strongly welcome the measures that my hon. Friend has set out because we have to be fair to students and fair to the taxpayer, too. In the review, will he look at the high interest rate and at lowering the interest rate for students? On a wider issue, the Government announced a big boost to degree apprenticeships. Does he agree that we should be incentivising and putting all financial incentives into degree apprenticeships because the students earn while they learn, there is no debt, they get a job at the end and such apprenticeships help to meet our country's skills deficit?

Joseph Johnson: We continue to keep all aspects of our student funding system under careful review to ensure that it remains fair and effective, and that we are getting the balance right between the interests of individual students, who go on to have far higher lifetime earnings, and the interests of general taxpayers, whose voices must also be heard in this debate. The interest rate that my right hon. Friend mentioned will be among the things that we will continue to keep under careful watch in the weeks and months to come. Degree apprenticeships are a very promising way of combining the best of higher education and further education. We want them to develop and grow, and we want more providers in the system to offer them. They have huge potential.

Carol Monaghan (Glasgow North West) (SNP): Raising the repayment threshold is a positive step and I am delighted that the UK Government are following the Scottish Government's lead on that matter, but we have to be clear: it is not the panacea that this Government would have us believe. Average student debt on graduation is now more than £50,000, so the announcement needs to be part of a wider reform of student support and funding, which must include bursaries, grants and the abolition of tuition fees—indeed, everything we are doing in Scotland, which is ensuring that our students have the lowest student debt and the best level of support in the UK. We also have more students from deprived backgrounds accessing HE than ever before.

What further steps will this Government take both to increase student support and to reduce student debt? Will the Minister now commit to reducing or better still abolishing fees and reinstating the maintenance grant for those in most need as part of a realistic student support package? Will he guarantee that he will

look at reducing the interest on student loans in England, which is keeping young people locked into long-term debt?

Joseph Johnson: No, I certainly will not commit to abolishing tuition fees. They are a strong policy success in many ways and an unsung one. They have enabled us to allow more people from disadvantaged backgrounds to go to university than at any point before. They have enabled us to lift student number controls. That is a critical argument for holding on to a system that shares the cost of funding fairly between the individual student, who goes on to have far higher lifetime earnings, and the general taxpayer.

We keep the system under careful review. As the Prime Minister set out in Manchester, we will make further announcements in due course about the rest of the student funding system.

Mr Kenneth Clarke (Rushcliffe) (Con): I congratulate the Minister on the steps he has taken to try to get the balance right and welcome what he said about keeping this rather startling interest rate under review. I urge him to continue to resist the inevitable populist pressures to sweep away the whole system, which play very well to today's students but would create great problems. In hindsight, I was lucky enough to have people in low-paid jobs paying taxes to maintain me to meet my living costs when I was studying and being trained to be a reasonably successful barrister when I emerged from university. Therefore, will he resist claims that taxpayers at all levels of income should pay for the costs, which would never be repaid by some of the students, although others will go on to achieve very considerable incomes?

Joseph Johnson: I can certainly assure my right hon. and learned Friend that we will continue to bear in mind carefully the taxpayer interest. It is critical to remember that the Labour party's proposals, were they to be funded out of income taxation, would add about 2.5p to the basic rate of income tax, so it is vital that we bear taxpayers' interests in mind and we will continue to do so. He mentioned the interest rate, which we of course keep under careful review. It is worth remembering that this is a heavily subsidised loan product overall. The Government write off about 30% to 40% of the student loan book. That is a deliberate investment in the skills base of this country, not a symptom of a broken student finance system. The interest rate cannot be looked at in isolation.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Surely the Minister needs to go back to the Dearing principles. Dearing believed that the expansion of higher education should be based on the student who benefits paying the community through the taxpayer, society and the employer. Can we go back to those principles? I am worried that the Minister and the Prime Minister have already made up their minds about the review they are suggesting. The fact of the matter is that we cannot have a higher education system that is created entirely on a pile of student debt. It is time, cross-party, to think about a radical alternative to what we have at the moment.

Joseph Johnson: The Labour party helped to introduce the system we have today and this Government have been building on it since 2010. It is extraordinarily successful at enabling more people from disadvantaged

backgrounds to get a chance to benefit from higher education. I am startled that the Labour party wants to roll back all that progress. Why would they want to reverse the changes that have enabled more than 50% more students from disadvantaged backgrounds to get into higher education? That is what the hon. Gentleman's proposals would end up achieving.

Nicky Morgan (Loughborough) (Con): I congratulate the shadow Secretary of State on continuing the fine tradition of women carrying on with speeches in the face of adversity. As someone who represents a university, was it not the case, when we made the decision in 2010 to put up fees, that it was a very simple calculation that if fees were not raised, we would have had to cut the number of young people able to go to university, because otherwise the public purse would not have been able to afford the system we have now? Universities are now well financed: we are not having the debate about university financing that we are having about other areas of public spending.

Joseph Johnson: My right hon. Friend is absolutely right. It was the increase in tuition fees that enabled us to take the limit off student numbers and release student number controls. That change is what has driven the sharp increase in participation in higher education by people from lower socioeconomic deciles. It has driven a huge expansion of people from disadvantaged backgrounds getting a chance to go through university and higher education. The Labour party's policies would reverse all that progress.

Dr Roberta Blackman-Woods (City of Durham) (Lab): It is right that the Government have frozen tuition fees, but I wonder whether I could nudge the Minister to go a bit further and get rid of this unsustainable fees system altogether. When is he going to guarantee that universities and their funding will not be adversely affected in any way by the changes the Government are proposing?

Joseph Johnson: Universities are well funded. As I said in my opening remarks, funding per student per degree is up by 25% since the reforms the Government introduced in the previous Parliament. We are confident, having assessed the financial position of our institutions, that they can sustain a freeze in the level of fees for this coming financial year and that is the policy the Government set out.

Justin Tomlinson (North Swindon) (Con): Value for money is key and far too many degrees are unnecessarily long. What efforts are being made to offer shorter, more intensive degrees to reduce the final tuition fee bill?

Joseph Johnson: There are excellent examples of two-year programmes across our higher education system, such as those offered by the University of Buckingham. It is not alone—there are others. We want many more providers, including high-tariff, highly selective institutions, to start to offer two-year programmes. They have huge potential to access students who have been hard to reach by the higher education system. We will come forward with proposals very shortly to enable the rapid expansion of two-year degrees throughout our system.

Wes Streeting (Ilford North) (Lab): The Minister's replies this afternoon reveal the utter shambles at the heart of the Government's higher education policy. We

told them not to lift the cap on tuition fees. They did not listen and now they have had to U-turn. We told them not to freeze the repayment threshold. They did not listen and now they have had to U-turn. We now find that the Prime Minister has announced a review of student finance and higher education funding with absolutely no idea who is going to lead it, what the scope will be, or what the desired outcome will be. They are making it up as they go along.

I urge the Minister, given that he has not listened to advice in the past year or two, to look at the biggest issue facing students as part of the review, which is not so much the tuition fee system itself, but student finance and the money in their pockets when they are at university, so that, finally, we can have a higher education student finance system that means that, wherever students are from and whatever their background, they have the money they need to succeed throughout the lifetime of their course and beyond.

Joseph Johnson: We look carefully at the student finance system all the time. It is constantly under review and we have taken account of the views of colleagues in Parliament, parents and students in coming to the conclusion that we wanted to make the changes we announced last week in Manchester, so it would be unfair to say we are not listening and not responding appropriately. We always keep the system under review to ensure it remains fair and effective, and balances the interests of students and taxpayers appropriately. We will continue to do so in the weeks ahead.

James Cartlidge (South Suffolk) (Con): I very much welcome the increase in the threshold, but in all this focus on finance is there a danger that we forget the whole purpose of going to university, which is to obtain a high-quality education? Will my hon. Friend assure me that whatever reforms he undertakes will not undermine the ability of universities to provide the highest-quality education possible, but that, on the contrary, they will drive universities on to deliver even higher standards?

Joseph Johnson: My hon. Friend is absolutely right. The more interesting part of this debate is about ensuring universities deliver value for money, great teaching and fantastic research with the resources the Government make available to them. In the autumn statement, we increased research spending in our system by the largest amount in 40 years. We should celebrate that fact. We have increased per student per degree funding by 25% since 2010-11. We should be celebrating that fact, because it is enabling our universities to do the great job we need them to do. Through the teaching excellence framework, we are holding them to account more tightly than ever before for the value for money we need them to deliver.

Layla Moran (Oxford West and Abingdon) (LD): It is true that universities are better funded, but the Campaign for Science and Engineering, as well as universities, tell me that the definition of which subjects receive the top-up payment from the Government are out of date and too narrow. To ensure that we maintain funding, especially in science, technology, engineering and maths subjects, can the Minister confirm that the list will be looked at again as part of the review to help universities to fill the skills gap that his own Department is trying fill?

Joseph Johnson: I thank the hon. Lady for her suggestion. We continue to keep that aspect of the system under watch. Clearly, it is important that courses that are more expensive to deliver receive appropriate support from the Government. Obviously funds are not unlimited and we have to be careful in terms of promising further resources to all subjects, but we keep it under review.

Sir Desmond Swayne (New Forest West) (Con): The right hon. Member for Twickenham (Sir Vince Cable) described the current regime as having all the advantages of a graduate tax with none of the disadvantages. Is that not still the case, and would we not want to avoid the ridiculous situation at the University of St Andrews, where Scottish student numbers are capped at 20%?

Joseph Johnson: My right hon. Friend puts it very well. Our system has enabled us to release student number controls, an option that has not been available to the Scottish Government precisely because they have not got the balance right between the individual student and the general taxpayer. I entirely agree with him.

Liz McInnes (Heywood and Middleton) (Lab): May I urge the Minister to remember that most students become taxpayers, so it is completely pointless to try to set up a false divide between students and taxpayers? May I also urge him to look at the interest rate repayment? The retail prices index, which is used for student loans, is an outdated measure. It is not the Government's measure of choice and it makes our students' debts even more extortionate. We should be looking at the consumer prices index, not the RPI.

Joseph Johnson: As I said to my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), we keep interest rates under view, along with other aspects of the system. RPI has historically been the measure of inflation for the student finance system and in some ways is more appropriate than CPI, as it takes account of, among other things, mortgage interest payments and council tax, which are typical expenses for graduates not included in the calculation of CPI.

Mr Philip Hollobone (Kettering) (Con): It is exciting that record funding is now going into higher education, and it is absolutely right, of course, as the Minister said, that we get value for money from our universities. Does he share my concern, therefore, that the number of senior university figures being paid salaries in excess of that of the Prime Minister seems to be spiralling out of control?

Joseph Johnson: My hon. Friend is right that there are examples of institutions where senior pay has accelerated very rapidly. It is a matter of concern and great public interest. The new regulator, the Office for Students, will take steps to ensure much greater transparency and accountability in how pay is set, particularly the very high salaries we have seen in parts of the sector.

Margaret Greenwood (Wirral West) (Lab): The Minister will be aware that students are leaving university with debts on average of over £50,000. How on earth can this burden be a sensible way to equip the next generation to meet the challenges they and society will face?

Joseph Johnson: I say to the hon. Lady what I should also have said to my right hon. Friend the Member for New Forest West (Sir Desmond Swayne): this should best be seen as a graduate contribution, rather than a debt pile. Graduates do not have to repay until they are earning over £25,000, which is a world away from the world of commercial debts, and their debts are written off after 30 years. No commercial loan offers such terms. This is a time-limited and income-linked graduate contribution. We should start to move away from this conception of it as a debt and loan.

Alex Burghart (Brentwood and Ongar) (Con): I am grateful to my hon. Friend for reminding the House that we now have record numbers of disadvantaged pupils going to university.

Gordon Marsden (Blackpool South) (Lab): It's not true.

Alex Burghart: Is it not unacceptable that the shadow Education Secretary went on Question Time the other night and claimed the opposite?

Joseph Johnson: I agree with my hon. Friend, and I find it alarming that the hon. Member for Blackpool South (Gordon Marsden) is chuntering away saying, "It's not true." It is true. The proportion of people from disadvantage backgrounds now going to university has increased. It is undeniably true. It is in the statistics from the Higher Education Statistics Agency and the Office for Fair Access. The number is 43% higher than it was in 2009-10. A young person is 52% more likely to go to a highly selective university than they were in 2009-10. It is extraordinary that the hon. Gentleman wants to deny it.

Mr Speaker: Order. I was happy to indulge the Minister and to listen to his mellifluous tones, but as he will quickly discover as part of his apprenticeship in this place, the Minister is not responsible for the observations on "Question Time" or elsewhere of the shadow Secretary of State on this or any other matter.

Kerry McCarthy (Bristol East) (Lab): The Minister talks about the expansion in student numbers. How often does he have conversations with the local government and housing Ministers about the impact on housing pressures in cities such as Bristol and on council finances, given that students do not pay council tax and developers do not pay the community infrastructure levy? Although those students are welcome, it does come at a cost.

Joseph Johnson: The hon. Lady makes an important point. Our university students bring enormous economic benefits to cities up and down the country, which is why our universities are such important economic actors across the country. Clearly, local authorities have an important role to play in managing the pressures that students bodies can sometimes put on the provision of public services, and I work closely with colleagues in the Department for Communities and Local Government to keep abreast of the pressures she mentioned, but there is no doubt that our towns and cities are immeasurably the better for having universities within them. They are anchor institutions that are steadfast and have longevity in a way that many other economic entities do not, and we should wholeheartedly welcome their presence.

Michelle Donelan (Chippenham) (Con): Building on the point from my hon. Friend the Member for Kettering (Mr Hollobone), will the Minister explore making university finances much more transparent to ensure not only value for money for students but that the money is spent effectively and efficiently to enhance our fantastic institutions?

Joseph Johnson: Yes, we feel it is important that there is greater transparency in the sources and uses of university income. In the regulatory framework consultation in the coming weeks, we expect the Office for Students to make great progress in this area, so that we can boost student confidence that their tuition fee income will be spent clearly, well and for the purposes they want.

Stephen Lloyd (Eastbourne) (LD): The Minister has said a few times now that he wishes to keep the system fair and effective. I remind him and the Government that further education is also a part of higher education and that, while additional sums have been going into HE, FE has been cut and restricted remorselessly. Would he say that what the Government do with FE is equally fair and effective? I can tell him it is not.

Joseph Johnson: Of course, excellent higher education is being delivered in our further education system, and the teaching excellence framework results in June highlighted the excellence in HE found in FE providers. On the hon. Gentleman's question about funding, the Government made available an additional £500 million to support the evolution and development of T-levels, a transformational qualification that will help us to achieve parity of esteem for technical and further education in our system.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I apologise for being late, Mr Speaker.

The Minister has said two or three times now that student debt should not be considered real debt because it will be written off in 25 to 30 years. Will he or his colleagues in the Treasury publish their forecast of the cost to the public purse in 25 to 30 years of the loans written off as a result of students not meeting their repayments in their entirety? Given that he is raising the threshold for repayments, and so potentially increasing the level of debt, presumably that figure will grow, so he is actually stacking up a burden for a future Chancellor.

Joseph Johnson: As the hon. Gentleman probably knows, we regularly publish assessments of the amount the Government write off at the end of a 30-year period

to reflect the fact that they want to make higher education free at the point of access to students. It is called the resource and accounting budgetary charge. Prior to the changes we announced at the party conference, the proportion of the loan book to be written off over that period was approximately 30%, but it will have risen as a result of the changes announced, and we will make the new amount public in due course.

Ben Lake (Ceredigion) (PC): I sympathise with the Labour Front-Bench team's position on this matter. Basing higher education funding on billions of pounds of student debt that might never be repaid is neither morally right nor operationally pragmatic, so I urge the Minister to commit to a wide-ranging review of higher education funding that encompasses not only tuition fees but maintenance grants and the sustainability of funding for higher education students.

If I may be so bold, Mr Speaker, I also urge the Labour Front-Bench team to enter into a discussion on this matter with their colleagues in Wales. The only Administration now committed to raising tuition fees is the Labour Welsh Government—

Mr Speaker: Order. I am inordinately grateful to the hon. Gentleman, but it is procedurally improper for him to veer off the centre of the fairway, which he previously inhabited. Questions must be to the Government about the policy of the Government, not general exhortations to other Opposition parties, but I am sure if he wants to have a cup of tea in the Tea Room with the Labour Front-Bench spokesperson, there might be such an opportunity.

Joseph Johnson: I am grateful to the hon. Gentleman for making that point. It is true, of course, that the Labour Government in Wales have recently increased fees beyond the fee cap in England.

BILL PRESENTED

NUCLEAR SAFEGUARDS BILL

Presentation and First Reading (Standing Order No. 57)

Secretary Greg Clark, supported by the Prime Minister, the Chancellor of the Exchequer, Secretary David Gauke, Secretary Boris Johnson, Secretary Liam Fox and Secretary David Davis, presented a Bill to make provision about nuclear safeguards; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 109) with explanatory notes (Bill 109-EN).

Fetal Dopplers (Regulation)

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

1.19 pm

Antoinette Sandbach (Eddisbury) (Con): I beg to move,

That leave be given to bring in a Bill to regulate the sale and use of fetal dopplers; and for connected purposes.

It is an honour to introduce the Bill, which aims to improve standards of monitoring babies' health as we look to reduce significantly our country's relatively high neonatal and stillborn death rate. The United Kingdom is ranked 114th out of 164 countries in terms of progress made in reducing the number of stillbirths, and serious concerns have been raised about the use of foetal dopplers. In the next few minutes, I will outline those concerns and the case for regulating the sale of such devices.

Since being elected in 2015, I have looked closely at policies relating to baby health, particularly through the all-party parliamentary group on baby loss, which I set up alongside my hon. Friend the Member for Colchester (Will Quince). Discussion of the issue is timely, as this is Baby Loss Awareness Week. I pay tribute to all Members for their contributions to yesterday's debate on baby loss; I also thank the Government for their energy and determination in reducing baby loss, and especially for their target of halving the number of stillbirths and neonatal deaths by 2030. We must continue to work on a cross-party basis, as a great deal of progress has been made and a great deal is still to be made. It is in that spirit that I thank the Members on both sides of the House who have sponsored the Bill.

As I said during yesterday's debate, the Government's support in reducing baby loss has meant that progress has been made. That includes funding for the raising of standards in, for instance, perinatal mental health services, and for improvements in equipment and the physical environment of maternity units. However, we are languishing behind other developed countries when it comes to our stillbirth rates, and that must change.

It is in this context that I hope to secure the House's support for regulation of the sale of home dopplers, devices that allow pregnant mothers to listen to the heartbeat of their babies. There are serious concerns about the use of those devices. I have heard some consumers speak in favour of dopplers, and I am not suggesting that they have no use, but there is evidence that they can falsely reassure people about the health of their babies. We must place that responsibility in the hands of medical professionals, and encourage mothers to respond to changes in the movements of their babies rather than using devices that can be bought over the counter for £30.

Foetal dopplers send ultrasound waves into the womb, and then simulate a sound. That sound may or may not be the baby's heartbeat; it is a simulation of the ultrasound waves bouncing off moving blood vessels. While I absolutely understand the attraction for parents wanting to hear their baby's heartbeat, the sale of the devices is on the rise despite warnings from medical professionals. Even if home dopplers could flawlessly detect a baby's heartbeat, that would still not be a sufficient measure of the baby's health. A heart can continue beating despite other serious issues being present.

There is already a wealth of advice online—including advice from the NHS and expert organisations—warning against the use of home dopplers, and comprehensive advice is also provided with the instructions on the box. However, that advice is not deterring people from purchasing the devices, and their use is on the rise. Kicks Count, a campaign group that is calling for the banning of home dopplers, has been trying to raise awareness of their dangers for five years, but has not been able to change public attitudes and preconceptions. Its petition has attracted more than 12,000 signatures.

The NHS Choices website says that home foetal heart monitors

“are potentially dangerous to the mother and baby's health”.

The Royal College of Midwives has also urged mothers not to use home dopplers. Its website says:

“Expectant mothers have been warned against the use of home fetal Doppler devices over fears that they may give false reassurances to mothers about the health of their baby.”

Guidelines issued by the National Institute for Health and Care Excellence state that dopplers are

“unlikely to have any predictive value and routine listening is therefore not recommended.”

The problem with these devices is that anything that moves inside the abdomen, whether it be the baby kicking, air moving in the mother's intestines or blood flowing in the arteries, is translated into a sound. It requires training to be able to detect a baby's heartbeat, yet the sale of dopplers is not restricted to medical professionals; they are available over the counter. Given that the expert medical advice that I have mentioned highlights their dangers, I suggest to the Minister that the Department of Health needs to consider how regulation could improve the monitoring of babies' health and restrict the sale of the devices.

The question that we must ask ourselves is this: if midwives are not using dopplers to identify foetal wellbeing, why are we allowing pregnant women to reassure themselves at home, when seeking medical advice would be the sensible and safe option? According to the instruction manual for a home doppler kit,

“It is intended to be used by care professionals, including practical nurses, midwives, relative technicians and physician assistants”.

Dopplers were never originally intended for such widespread sale on the open market.

I understand that people may feel that regulation is not necessary, and that as long as people know the risks we do not need to legislate. However, Kicks Count has been raising awareness of the issue for years through, for instance, a national media campaign. The guidelines tucked away in the doppler information booklet are often ignored. We cannot have a situation in which a product that can falsely reassure mothers about their babies' health is being sold at an expanding rate.

I praise Mothercare for its welcome announcement earlier this year that once current stocks ran out, they would not sell any more foetal dopplers. That company recognises the concerns of healthcare professionals, and I hope that other businesses will follow suit, but in this age of Amazon, we cannot rely on the replication of such responsible behaviour by every single seller of dopplers. That is why there is a case for regulation.

The BBC spoke to the manufacturers of the product, and was told that dopplers should not be used as a substitute for professional medical care; nor should

they be relied upon as an indicator of foetal health. It is potentially fatal to do so. In practice, the Bill would introduce a licensing system in England and Wales to ensure that medical professionals were responsible for monitoring foetal health. With such verification, we could remove dopplers from high street shelves and encourage more responsible practice and use of the devices. It would be for the Department of Health to oversee the process as part of our wider ambition to reduce stillbirth rates.

Baby loss is an issue that is thankfully gaining much more attention in Parliament, and we must improve the outcomes for mothers and babies in the UK. The current figures show that our standards are below those of other developed countries, and I know that the Department of Health is working hard in trying to change that. I am not suggesting that the Bill will solve all our problems, but I believe that it will go some way towards improving the monitoring of babies' health.

Let me end by paying tribute to Kicks Count, and in particular to Elizabeth Hutton, who has put an enormous amount of energy into this campaign and who is here today. Babies and mothers deserve the very best care, and foetal dopplers pose a risk to the high standards for which we strive.

Question put and agreed to.

Ordered,

That Antoinette Sandbach, Stephen Hammond, Maria Caulfield, John Howell, Tulip Siddiq, Tim Loughton, Diana Johnson, Sir David Amess, Vernon Coaker, David Hanson, Mr Clive Betts and Kelvin Hopkins present the Bill.

Antoinette Sandbach accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 19 January 2018, and to be printed (Bill 110).

Finance Bill

(Clauses 5, 15 and 25, and related new clauses)
Considered in Committee

[DAME ROSIE WINTERTON *in the Chair*]

Clause 5

TERMINATION PAYMENTS ETC: AMOUNTS CHARGEABLE
ON EMPLOYMENT INCOME

1.30 pm

Peter Dowd (Bootle) (Lab): I beg to move amendment 1, page 12, leave out lines 8 to 12.

This amendment removes the power for the Treasury to amend the meaning of "basic pay" for the purposes of calculating "post-employment notice pay" by regulations.

The Second Deputy Chairman of Ways and Means (Dame Rosie Winterton): With this it will be convenient to discuss the following:

Amendment 12, page 13, line 27, at end insert—

"402F Review of impact of termination payments on low income workers

(1) Within two months of Royal Assent being given to the Finance (No. 2) Act 2017, the Chancellor of the Exchequer shall commission a review of the impact of the provisions of sections 402A to 402E on low income workers.

(2) A report of this review must be laid before the House of Commons before the start of the tax year 2018–19."

This amendment requires the Chancellor of the Exchequer to carry out a review of how the changes to termination payments will affect low income workers before these provisions come into effect.

Amendment 2, page 14, line 15, leave out "different" and insert "higher".

This amendment removes the power for the Treasury to reduce the £30,000 threshold in connection with the taxation of termination payments by regulations.

Amendment 3, page 14, leave out lines 20 to 23.

This amendment is consequential upon Amendment 2.

Amendment 4, page 14, leave out lines 27 and 28 and insert—

'(2) "Injury" in subsection (1) includes—

- (a) psychiatric injury, and
- (b) injured feelings."

This amendment explicitly includes (rather than excludes) injured feelings within the definition of "injury" for the purposes of payments which are excluded from the provisions of Chapter 3 of Part 6 of the Income Tax (Earnings and Pensions) Act 2003 (payments and benefits on termination of employment).

Clause stand part.

Peter Dowd: To be fired from a job is perhaps one of the most difficult experiences for an employee. There are very few people in this Chamber, let alone in the country, who have never had to go through the awkward, bitterly disappointing and scary experience of losing, or potentially losing, a job. This is the daily reality for thousands of people, and it goes to the heart of clause 5.

I ask the Committee to imagine how thousands of people across the country at BAE are feeling at this moment after yesterday's announcement of job losses. How are those workers feeling in Warton, Samlesbury, Portsmouth, Guildford and RAF Leeming, and in the Chief Secretary's own county of Norfolk at RAF Marham?

[Peter Dowd]

Added to the worry, concern, anxiety and hopelessness of redundancy now comes a potential tax bill to pay for the Government's hapless management of the economy. Will the writ of clause 5 stretch across the Irish sea? What about the threat to the jobs of those at Bombardier in Northern Ireland, and the thousands of other associated jobs over there?

Lucy Frazer (South East Cambridgeshire) (Con): The hon. Gentleman rightly points out the devastating consequences for people who lose their jobs—he refers to particular instances at the moment—but does he also recognise that this Government have created 3 million more jobs, which is helping our economy and those people?

Peter Dowd: This is not relevant to the debate, but a significant number of those jobs are incredibly low paid, and people have not had pay rises for many years. What the hon. and learned Lady says might well be the case, but the reality is that it is not about the quantity; it is about the quality—[*Interruption.*] Of course it is.

How insensitive and out of touch must this Government be to put clause 5 before Members today of all days? The Prime Minister has vowed that she will do anything and everything she can to help those affected at Bombardier and BAE, so perhaps the Minister would like to withdraw this provision here and now and put the Prime Minister's warm words into action.

Mr Mark Harper (Forest of Dean) (Con): I agree with the hon. Gentleman about the concerns that those workers will be facing, but he knows perfectly well that the Government's proposals in this Bill are designed to deal with abuse. He knows that there are no plans to change the rules in a way that would affect people on lower incomes who are not doing anything wrong, and the Minister made that clear on Second Reading. The hon. Gentleman's scaremongering is making the concerns of those workers worse, rather than reassuring them, which is what he ought to be doing in this House of Commons.

Peter Dowd: The only people who are scaremongering are this Government who are threatening to tax people's redundancy payments—that is the scaremongering in this House.

Perhaps the Minister would like to withdraw this proposal. I will happily give way to him if he wants to reconsider his decision—he might have discussed it with the Prime Minister. In some instances, a job loss can be even worse if individuals lose their employment because of base and nasty discrimination, whether because of their age, gender, race, religion or sexuality.

The amendments speak directly to the question of how much money an employee who has lost their job should receive in tax-free redundancy pay, and how much an employee who is discriminated against should receive in tax-free compensation from an employment tribunal.

The Financial Secretary to the Treasury (Mel Stride): Is the hon. Gentleman not aware that when a tribunal has granted an award on the grounds of discrimination, that is automatically exempt from tax, despite what this clause may or may not be doing?

Peter Dowd: I agree with that particular point.

We know the Government's overall stated aim is to crack down on what they say is significant avoidance related to non-contractual payments in lieu of notice. To do this, there is a complex set of formulas to mandate what will be considered as notice pay, even when that is not actually given in lieu of notice. Amendment 1 addresses our concern that the Government are giving themselves the power to change the meaning of basic pay for the purpose of calculating notice pay. That could significantly change the basis of the calculations, so the Minister should set out more clearly the intention of this measure.

Kelvin Hopkins (Luton North) (Lab): I agree with everything my hon. Friend says, of course. Does he agree that a lump sum on termination of employment could be considered as potential income over a period of years, and should not be considered just as a lump sum to be taxed within one year?

Peter Dowd: Again, that goes to the heart of the issue. The Government are trying to focus on a particular moment in time, rather than taking into account the fact that a person might be out of employment for a long time.

We see a running theme of this Government in this Bill and so many of their other actions: they are removing powers from Parliament and giving them to Ministers. But other elements have been tacked on to the clause that are seemingly unconnected to the stated aims about payments in lieu of notice. It is clear that the Government are laying the ground so that workers who have already lost their jobs should pay tax on more of their termination payments. Is that the message that the Government are now sending to the likes of the BAE workers? Is it the message they want to send to the victims of redundancy? There can be no other explanation for this clause. It gives the Treasury powers through delegated legislation to raise or lower the tax-free threshold.

Changes to the tax-free allowance for termination payments were first mooted by the Office of Tax Simplification in 2013 when it cited such payments as an employee benefit that would merit further study. I find it rather peculiar that a payment to an employee who has just lost their job is considered as an employee benefit—how bizarre. It is as though a termination payment were some sort of added extra and a huge inconvenience for employers, when in fact that worker has just lost their job and this may well be the last payslip they receive for a long time. The Government have promised not to reduce the threshold, so it comes as a bitter pill that the Bill will allow them to do just that.

If there is no intention to reduce the threshold, Conservative Members should have no hesitation in voting for amendment 2, which would allow the threshold only to be increased through delegated legislation, removing the power to decrease the amount. I wait with bated breath for the Minister to keep the Government's word and accept our amendment.

In the previous debate, the Minister went to great lengths to claim that the Government's plans to give themselves the power to water down the tax-free threshold on termination payments, and to exclude injury to feelings from tax-free compensation payments, had nothing

to do with attacks on those who have just lost their jobs. No, instead that is apparently part of some ambitious strategy that the Government have to tackle tax avoidance.

The Minister is so concerned about tax avoidance that he has claimed that

“when the Government find tax avoidance, we will clamp down on it.”—[*Official Report*, 6 September 2017; Vol. 628, c. 253.]

Such a bold assertion makes me wonder if the Minister has even read his own Finance Bill. Has he read clause 15, which we will debate later, through which his Government are loosening the rules to allow more non-doms to receive tax breaks if they use money from offshore tax havens to invest in the UK?

Alex Burghart (Brentwood and Ongar) (Con): Is the hon. Gentleman not aware that clause 15 will bring more money into this country, which is presumably a good thing, and something we can all agree on?

Peter Dowd: We will deal with that a little later. The hon. Gentleman may want to pay attention to my hon. Friend the Member for Oxford East (Anneliese Dodds), who will expose that fallacy.

Kelvin Hopkins: Is it not the case that the Government are squeezing money out of people who cannot escape from taxation—namely, less well-off people who lose their jobs—rather than chasing the big money people who evade and avoid taxes?

Peter Dowd: My hon. Friend, as ever, puts it in a nutshell. That is the case.

Has the Minister read clauses 29 to 32 and schedules 8 and 9? With those measures, the Government are deliberately signposting a loophole to ensure that non-doms can set up offshore trusts that are exempt from planned changes to non-domiciled status. That exemption completely undermines the Government’s planned changes. The fact is that this Government are not interested in tackling the scourge of tax avoidance and evasion, which costs the UK economy billions every year. They have no interest in ensuring that those who invest foreign money in the UK do so in a transparent and open manner.

Rachel Maclean (Redditch) (Con): Does the hon. Gentleman accept that under this Government we have made the largest strides to close the tax gap that we have seen in recent years, which means that we are collecting more from rich people and tax avoiders than ever before?

Peter Dowd: That will be dealt with later, but it is not the case for many multinationals. The papers are strewn with examples of the Government’s sweetheart deals with multinationals, so the hon. Lady cannot tell me that that is the case.

Mel Stride: I thank the hon. Gentleman for generously giving way. The latest figure for the tax gap is 6.5%, which he will know is lower than that in any year under the last Labour Government. It was over 8% in the financial year 2005. He will also know that our record on avoidance and evasion is that we have raised £160 billion since 2010. What amount did his party achieve by clamping down on avoidance, evasion and non-compliance when it was in office?

Peter Dowd: It does not include profit shifting from multinationals. I am quite happy to defend the record of the last Labour Government, but I am more interested in this Government and what the next Labour Government will do in this regard.

The Government are only interested in doing what they have always been interested in since the party was founded: dramatically curbing the rights of workers and transferring their money to those who least need it. That is, outrageously, what clause 5 will do. Why else would the Government give themselves the power to lower the tax-free threshold for statutory redundancy payment? Why else would the Government feel the need to further harm discrimination victims? If, as they say, there is a need for clarity in the definition of “injury”, why do they not accept amendment 4, which would make it clear that victims of discrimination should not have compensation for harm taxed as if it were earnings? We only need to look at the comments of the Chief Secretary to the Treasury, who wrote an astounding report in 2012 comparing the work practices of Germany and the United Kingdom.

Lucy Frazer: The hon. Gentleman is being very generous in taking interventions. He suggests that the Conservative party is not looking after those on lower incomes. Does he not accept that it was our party that increased the tax threshold for lower income workers and also introduced the living wage?

Peter Dowd: When we take into account cuts to working tax credits and changes to benefits, that does not stack up, I am afraid. The hon. and learned Lady should know that.

In 2012, the Chief Secretary set out how some employers in Germany were exempt from pesky regulations, such as on unfair dismissal, or social security contributions, and opined that the UK Government should follow suit. She argued that the best way to fight unemployment, particularly among the over-60s and the under-20s, was by encouraging more shift work, work on Sundays and late-night work and, yet again, getting rid of protection against unfair dismissal. Is it any wonder that this Government are hellbent on giving themselves the power to cut the amount that a worker can receive tax-free after they are dismissed?

Rachel Maclean: Why is the hon. Gentleman discussing removing the power of unfair dismissal when that is neither covered by the Bill nor proposed by the Government?

Peter Dowd: Because it goes to the heart of this Government’s attitude—[*Interruption.*] Narrative; that is a very good word. Should anyone in the Chamber be surprised that the same Government brought in the illegal and deeply unfair employment tribunal fees? It is part of the theme and the narrative. They are now set, once again, to try to limit the amount that workers who are discriminated against in the workplace can receive. The clause is simply another step that this Government have taken in the past seven years to distort and debase hard-won employment rights. If it remains in the Bill unamended, it will give the Government even more power to wreak havoc and misery on the lives of some of the most vulnerable people in our society.

1.45 pm

In the light of yesterday's announcement of BAE job losses, what message does the clause send to workers such as those at BAE? It says, "You've lost your job—a well-skilled job at the forefront of our defence industry—and you may lose your tax-free redundancy sum or have it reduced."

The Prime Minister was handed a fake P45 last week. That was a joke. Many sacked workers get a real P45, and now, under these proposals, they may also get a big tax bill to accompany it. That is no joke—[*Interruption.*] Conservative Members may snigger and laugh, but it is no laughing matter. I ask the Minister once again to withdraw this proposal.

Mr Harper: I will deal with the amendments and some of the issues introduced by the hon. Member for Bootle (Peter Dowd).

Let me cover first the jobs position. The only criticism I have of my hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer), who raised this matter, is that, of course, jobs are created not by the Government but by businesses operating under the conditions that are created by the Government. It is important we remember that, because we should not take it for granted. The jobs performance of many countries in the European Union has been pitiful by comparison. Not that long ago, this country created more jobs than the rest of the European Union put together. That is not a trivial point; it makes a difference to millions of people across the country.

The hon. Member for Bootle ought not to sneer at the number of jobs. He is also wrong about the quality of those jobs. Figures from the Office for National Statistics clearly show that most of the jobs that have been created are permanent, full-time and skilled managerial or professional jobs. They are not rubbish jobs, as he calls them in that slightly sneering way. They are good-quality jobs and are providing good livelihoods for people across our country.

Kelvin Hopkins: The right hon. Gentleman suggests that Governments effectively have no role in creating jobs. The reality is that macroeconomic policies have an enormous effect on the creation of jobs. Those countries that have chosen foolishly to join the euro and now have a massively overvalued currency, in effect, have lost millions of jobs in some cases. We have fortunately not been part of the euro, and currency flexibility is a crucial part of that; that is Government policy.

Mr Harper: I completely agree, but the hon. Gentleman misquotes me. I did not say that Government have no role. I said that Government do not create the jobs, but I explicitly said that Government create the conditions within which businesses operate and can create jobs. He is absolutely right about that, and I do not necessarily demur from what he said. The euro and the straitjacket of monetary policy across Europe has led to appalling situations in some countries where unemployment rates are very high, which I do not think is sustainable. That is why our economic performance is incredibly strong. We should not throw that away.

Catherine West (Hornsey and Wood Green) (Lab): Could the right hon. Gentleman explain how, when he was Chief Whip, Thames Water failed to pay taxation between 2010 and 2014?

Mr Harper: I have not got any idea. I was not Chief Whip between 2010 and 2014. Individual taxpayer matters are for Her Majesty's Revenue and Customs, and Ministers do not get involved in individual taxpayer decisions. As the Financial Secretary to the Treasury and several other hon. Members have pointed out, we have reduced the scope for businesses to avoid and evade paying taxes. We have closed that gap and are collecting more revenue that we can spend on our important public services, which I want to turn to.

The hon. Member for Bootle mentioned multinationals. He will know that there is nothing we can do unilaterally to collect money from multinationals that operate in different countries. That has to be part of an international process. He will know that David Cameron's Conservative Government led that process and set up the initiatives. It is not very exciting, Mrs Winterton, but we are part of what I think is called the base erosion and profit-shifting programme. I am a non-practising chartered accountant, and I am afraid that we talk about such exciting things over coffee, but it is important because it relates to a set of international rules for treating where companies earn income consistently so that we tax them where they are genuinely doing their economic work. This Government cannot do that unilaterally; we have to co-operate. This Government have been leading and shaping that work across the world, not following others or trying to avoid it. Not only do we not have anything to be ashamed of, we have a lot to be proud of, which is shown in the revenue that we have been collecting.

Moving on to the substance of clause 5 and the amendments, I want to return to the point I made when intervening on the hon. Member for Bootle. There is nothing in the proposals that should alarm anybody—particularly those on lower incomes—who is playing by the rules. That issue came up when there were votes on the Ways and Means motions, and the Minister made the Government's intentions clear and they are not what the hon. Gentleman suggested. Anybody worrying about their job at Bombardier, BAE Systems, about which we heard yesterday, or any other company should know that the Government have not proposed to alter the £30,000 tax-free limit at all. If the Government were to bring forward such a proposal, it would be governed by a statutory instrument under the affirmative procedure, meaning that the matter would come to the House and that Ministers would have to make the case at the Dispatch Box and persuade the House to back a change. There is no such proposal. The hon. Gentleman knows that it is not true and in saying that it is he is scaremongering and worrying people when they have no reason to be worried. He should be ashamed of himself.

As the Minister set out on Second Reading, clause 5 is necessary because the rules are unclear and complex and there is some abuse. Some 85% of termination payments are below the £30,000 threshold and will not be affected, but we must make sure that people do not abuse rules that are there for a good reason: to ensure that employees who lose their jobs are properly compensated and have some money to help them as they look for another job. There is no proposal to change that; this is about dealing with abuse.

On amendment 4 and "injured feelings", there is a clear reason why it is foolish. Were it agreed to, it would introduce a large loophole into the process that would absolutely be abused. If someone wanted to offer some tax-free payments on loss of office, the payment could

be labelled as “injured feelings”, rather than as something in the contract, and they could avoid paying tax and national insurance on it. The Minister should be congratulated on thinking things through and ensuring that people cannot dream up loopholes. Dealing with tax evasion is not just about acting after it has happened; it is about smartly drafting legislation so that loopholes are not left open in the first place.

Charlie Elphicke (Dover) (Con): My right hon. Friend is making an incredibly powerful argument. I was just considering his remarks on tax avoidance, loopholes and, indeed, Thames Water, which was mentioned by the hon. Member for Hornsey and Wood Green (Catherine West), and it is important to remember that industrial-scale tax avoidance arose under the previous Labour Government, who did nothing at all to stop this egregious practice. This Government have been passionate, trenchant and active in righting that wrong.

Mr Harper: My hon. Friend is right. We hear a lot from the Opposition about clamping down on evasion and aggressive tax avoidance, and I give them credit for talking about it a lot. Unfortunately, they did not do anything about it when they were in government. The Minister and this Government talk about it a little bit, but we spend most of our time dealing with it and collecting the money, which is the right balance.

Catherine West: The list definitely dates from 2010—if I am not mistaken, that was when the Tory Government came to power—and includes Google, the Vodafone sweetheart deal, and Amazon. Government Members should concede that, despite some gradual improvements, we are still not where we ought to be and that this group of amendments includes things that taxpayers would like to see this House take much more seriously.

Mr Harper: There are a couple of things in what the hon. Lady says. She is absolutely right that we need to do more to ensure that multinational companies pay tax in the appropriate jurisdiction, but we cannot do that unilaterally. We have to work with other countries, because we need international agreement on where a company’s profits are earned. The media sometimes does not understand this, but companies pay tax on profits, not revenues, so the whole argument is about where the profits land and that has to be addressed internationally. This Government are leading that international work, not following it—[*Interruption.*] It is no good the hon. Member for Oxford East (Anneliese Dodds) shaking her head. UK tax professionals have been leading this work and continue to drive it forward. We have a proud record.

Anneliese Dodds (Oxford East) (Lab/Co-op): I have seen some of this from the inside, within the European Union. For example, I have seen measures against trusts and measures to introduce country-by-country reporting blocked by Conservative MEPs, and I frequently saw measures to attempt to introduce international co-ordination blocked by Conservative-related politicians.

Mr Harper: No. First, it cannot just be done at European Union level—[*Interruption.*] No, we have to do it globally, because many of the companies involved are US companies. The base erosion—[*Interruption.*]

I do not know why the Opposition Front-Bench team are laughing. The base erosion and profit sharing programme comes from the OECD.

Catherine West: Will the right hon. Gentleman give way?

Mr Harper: I cannot take an intervention when I am still dealing with the first one. The base erosion and profit sharing programme is a global initiative, and we are leading on that work.

As for the point of the hon. Member for Oxford East about the EU, if I remember rightly, the reason why the Government blocked the French-driven proposals for country-by-country reporting was that they were part of an EU plan to try to drive up the total amount of tax that we take from business, not to ensure that companies pay tax in the right way. We are not an anti-tax country. That move was part of an EU plan to avoid countries being able to have competitive tax regimes and to avoid businesses locating in the United Kingdom. The French wanted to stop that because many of their businesses and smartest people now work in London or other parts of the UK, but the change was not in our national interest and I believe that that was why we blocked it. However, we need to continue the international work, and I am pleased that we have been leading on it.

My final point is about workers’ rights. I understand that the hon. Member for Bootle has to do this stuff to please people on his side, but he is absolutely wrong. This Government have absolutely no agenda of the sort that he mentioned. When talking about our leaving the European Union, my right hon. Friend the Prime Minister has made it clear that we want to protect workers’ rights. We stand four-square behind the rights that are in place, and we will be legislating for them in the European Union (Withdrawal) Bill, which I am sure will provide many hours of joy and fun in Committee. You may even be in the Chair, Dame Rosie, to listen to some of those exciting debates. We are going to protect workers’ rights, and there is nothing at all in the proposals to concern somebody who is worried about losing their job. This is about cracking down on people who have been abusing the provisions that protect legitimate workers who lose their jobs, using them as an excuse to get tax-free cash out of the system and cheat the taxpayer. That is what the proposals are about and that is why I hope that the Committee rejects all the amendments and supports clause 5.

Kirsty Blackman (Aberdeen North) (SNP): It is good to be back in the House after a bit of a recess and to be here again talking about the Finance Bill. It is our second such Bill this year—our second of three—so we are here for the long haul. I want to discuss termination payments and the relevant amendments tabled by the Scottish National party and Labour. The Government have been clear that they are just closing a loophole, but the Budget suggested that the measure will generate an extra £430 million a year. That is £430 million a year that these workers will not be getting when they receive their termination payments. However the Government want to dress it up, this is additional tax on these people who are losing their jobs and receiving termination payments. These people are in a vulnerable situation, as they are receiving a termination payment and are no longer in employment and they will be taxed more as a result.

2 pm

Like the Labour party, the Scottish National party has concerns about the impact of that measure on low-income workers, and we have made that clear in our amendments. I understand that the Government are saying that 85% of those who get these termination payments and will be affected by this change are not low-income workers, but the other 15% are, and my concern is for them. If someone finds themselves out of a job, an amount of money is needed to allow them to get back on their feet and to ensure that they do not have a significant knock to their confidence, so that they can get back to the workplace after a relatively short time.

The right hon. Member for Forest of Dean (Mr Harper) used the phrase “we have closed the gap”. I am not sure that it is quite closed yet. There is still a gap as regards non-payment of tax. Fair enough, measures have been taken to move towards ensuring that tax is paid by the rich in the way it should be, but the gap has not yet closed.

Kelvin Hopkins: The hon. Lady may remember that the tax expert Richard Murphy calculated at one point that the genuine tax gap—not the one that the Government give us—was £119 billion a year. That has no doubt come down slightly, but there is a long way to go before we collect that tax. That figure overwhelms the amount of money that the Government will squeeze out of workers who are losing their jobs.

Kirsty Blackman: I absolutely agree and I think that the tax gap is probably significantly larger than the Government are suggesting. On that note, small countries are very good at having a very small tax gap—a wee plug for Scottish independence there.

We have a couple of other specific concerns about termination payments. We are still not clear about people who have faced termination as a result of injury, injury to feelings or psychiatric injury. We do not want them to receive less as a result of this change. I heard what the Minister said about those people who have been involved in discrimination cases when the decision has been in their favour, but we want to ensure that people who are trying to move on from a situation after termination but who have been injured or have suffered an injury to feelings or a psychiatric injury are not disadvantaged by this change in the rules.

I will not speak for much longer, but let me say one more thing. The Government’s explanatory notes say that the Government are looking to ensure that all payments in lieu of notice, not just contractual payments in lieu of notice, are taxable earnings. That way of putting it is what most concerns me, because it is clear that workers will be impacted by this change when it comes in. I expect that this change will be proposed by the Government and accepted, so I would very much like a commitment from the Minister that, if it comes in in the next tax year, the Treasury will do an impact assessment one or two years in to see the specific impact on that group of low-income workers who the Government suggest are in the minority. I would like to see its impact, and if it proves to be particularly negative, I want the Treasury to take mitigating steps to change it.

James Cleverly (Braintree) (Con): “The narrative”—those were the words used by the Opposition Front-Bench spokesman in response to the measure. We should remind ourselves that the narrative is that we are discussing employment-related tax treatments against a backdrop of a significant increase in employment and a significant decrease in unemployment. That goes to the heart of this whole debate. Employment is something that we all want to see expanding through the UK economy. Having started and run a small business and having recruited people to that business, I know that no employer recruits someone with the intention of kicking them out. I hope that that goes without saying, but I have said it nevertheless.

Rachel Maclean: Does my hon. Friend agree that a small business owner with just a couple of staff has to go through a lot of stress in the whole process of making someone redundant? We should not forget that small business owners are people as well, often quite low paid because they are sacrificing salary. That can lead to mental health issues, stress and anxiety.

James Cleverly: My hon. Friend is absolutely right. I will respond to her point in a few moments, but it is a very important one and we must not overlook it.

We have had a jobs boom over the past few years, in stark contrast to many other developed economies around the world and across Europe, which has struggled. In particular, in the UK, which is dominated by small and medium-sized enterprises and, indeed, microbusinesses, which often have only one or two principals and one or two employees, it is important that we continue to give confidence to those businesses, many of which do not have a large administrative back-office function. That is often the case, as it was in the business that I started. I was doing the client interaction and sales, and a colleague of mine was doing the journalism side of the business, but we were also the accountants and the HR department. To give confidence to small and microbusinesses that they can employ people, it is incredibly important that everything to do with employment is as simple and transparent as possible.

At the moment, the tax treatments around severance payments are very competitive. Depending on the combination of events, the payment can be taxed any one of a number of ways. Although I did not speak about this set of clauses on Second Reading, I did welcome the Bill, and I welcome this general move to simplify, to clarify and to give small businesses in particular—although of course this affects businesses of all kinds—the confidence to employ people, knowing that the HR and financial treatment around that employment will be as simple as possible.

The Opposition spokesman kept talking as though severance payments were not taxed at the moment, and of course they are. They are taxed—

Anneliese Dodds *indicated dissent.*

James Cleverly: Above the £30,000 threshold, there are tax treatments. Through the Bill, the Government are seeking to make the treatment of the figure above £30,000 most important and straightforward—*[Interruption.]* I absolutely welcome that.

Anneliese Dodds: The threshold.

James Cleverly: Yes, but at the moment it is £30,000, and that is what it says here—*[Interruption.]*

The Second Deputy Chairman of Ways and Means (Dame Rosie Winterton): Order. There are too many sedentary interventions, and it makes it rather difficult for the *Hansard* writers, as well as everyone else.

James Cleverly: I am happy to take interventions, but I have never been a particularly good lip reader, so the Opposition will have to help me out on that one.

The Opposition suggested that somehow there would be some terrible Government sleight of hand to try to diddle people out of their money at a point at which they have lost their job, but it has been made absolutely clear by the Minister and in the speech made by my right hon. Friend the Member for Forest of Dean (Mr Harper) that there will be transparency in any changes. None are proposed, but if they were, they would follow the affirmative procedure, which would mean a Minister at the Dispatch Box, in front of the House, being quizzed and questioned by the House. They would have to be voted on by the House. So the idea that there would be some sort of back-office sleight of hand in this is inaccurate.

At a time when we have, unfortunately, heard news of proposed job losses in one of our key businesses, the Opposition's approach is unwise. I understand why their Front Benchers have done this—they want to attack the Bill—and I am sure that if I were in their shoes, I would find whatever means I could to try to criticise the Bill. The simple truth is that there are no such proposals and nothing in the Bill to imply that there would be, but it is right that the Government maintain the opportunity to be flexible in the future.

Peter Dowd: Does the hon. Gentleman agree that in the light of the shake-up in these organisations and the dreadful stress that these people are under, introducing this clause at this time is completely inappropriate and heartless? The Government can bring it back another time if they wish.

James Cleverly: The hon. Gentleman will be unsurprised to hear that I do not agree with him. The Bill is where the proposal is and the passage of the Bill has been timetabled in the way that it has. The idea that we delay changing the tax treatments of severance payments to a point in time when no one in British society is in the process of losing their job is farcical, as I am sure that, on reflection, he will recognise.

As has been said, the £30,000 threshold means that 85% of termination payments are completely unaffected. I am sure we have all heard anecdotes about businesses seeking to manipulate the definitions of the various elements of severance payments specifically to avoid the tax that is owed. Surely, Opposition Members would wish to make sure, as Government Members would, that tax is applied fairly, dispassionately and transparently, and that it affects all people equally. Once again, a disproportionate burden would otherwise fall on small businesses, which do not have that administrative back-office function and cannot play manipulative games to avoid tax. They are the ones that have to pay the full tax, as is right.

Some companies may have clever back-office accountants looking at ways in which to massage the definitions of the various elements of a severance payment to minimise the tax—tax that is due to the Treasury and that we want and need to fund public services. Surely, the Labour party is not suggesting we should turn a blind eye when a clever set of accountants can massage figures, making sure that the burden falls wholly and solely on small businesses, which do not have the opportunity to employ people to do that kind of smoke-and-mirrors work? I cannot imagine that is what Labour would want to do.

Amendment 4 proposes including the words “injured feelings”. Again, I am sure that this is being proposed with the best intentions, but the Labour party must realise that putting into a Bill a definition that is so vague and open to abuse is just inviting unscrupulous businesses to use it as a means of avoiding the tax that should be fairly paid upon a severance.

Kirsty Blackman: I am guessing that the hon. Gentleman is unaware—perhaps he is not—that “injury to feelings” is a legal term. It is used within that profession, and it is recognised and understood. Therefore, it is completely reasonable to include it in an amendment.

2.15 pm

James Cleverly: I thank the hon. Lady for informing me of that. I am more than happy to look in more detail at that definition, because I do not have it at my fingertips, but putting it in the Bill would present to unscrupulous employers something that looks like an invitation to use this as a back-door route to avoid the tax that should rightly be paid upon severance. It would be unwise for that to go through, because it would send exactly the opposite signal to what we are trying to achieve with the relevant clauses elsewhere in the Bill, which is to say, “If you play by the rules, fine.” The vast majority of people who receive severance pay have no need to concern themselves and neither do the vast majority of businesses. The only individuals who should be a little distressed by what is going through in the Bill are the very small number of companies that have abused the severance payment structures to avoid paying the tax that is fair. I have little sympathy for those companies. If they play by the rules, we are on their side. If they seek to bend or break the rules, I have no sympathy whatsoever.

Kit Malthouse (North West Hampshire) (Con): I am seeking to ensure my hon. Friend understands that this does not benefit the companies; this is of benefit to individuals who take advantage. There is no tax benefit to the companies because it is income tax that is payable. *[Interruption.]* Well, there is national insurance—employers' NI.

James Cleverly: I thank my hon. Friend for that intervention. There is little direct financial benefit to the company—

Chris Philp (Croydon South) (Con): NI.

James Cleverly: Although, as I am reminded, there is an NI implication. Again, I have heard a number of anecdotes about conversations with departing employees from not the most honourable of companies in which things have been said such as, “If this complaint were to

[James Cleverly]

gently disappear, I am sure we can squeeze a little more money into your severance payment, using this route or that one.” This is one of the areas where simplicity and clarity are important, because companies may be using massaging methods to try to get a bit more money into the pocket of a departing employee, so that employee does not to have recourse to the law where inappropriate behaviour has taken place. Dangling some cash in front of them may be being used as an enticement not to take a constructive dismissal case, for example, and that is exactly the kind of thing we want to avoid.

In conclusion, I will be generous in spirit and assume that these amendments are just poorly thought through, rather than anything that is attempting to be more damaging. They would undermine the core direction of travel of the Bill, so I will not support them.

Ellie Reeves (Lewisham West and Penge) (Lab): I am grateful for the opportunity to speak in this debate. Before entering this place, I was an employment rights lawyer for more than a decade, so this issue is very important to me. I represented dismissed and discriminated against employees for many years, and saw at first hand the devastating effect that the way they had been treated had on their lives. The Bill clearly seeks to narrow the scope of termination payments. Of course tax avoidance should be clamped down on, but the Government’s own consultation did not reveal evidence of widespread abuse. The hon. Member for Dover (Charlie Elphicke) said that there was tax avoidance on an industrial scale in this area, but that simply is not borne out by the evidence or indeed my experiences as an employment rights lawyer.

Charlie Elphicke: The hon. Lady is making a strong and passionate case. My concern was industrial-scale tax avoidance, because big corporates were allowed to game the tax system without any action being taken to stop them doing that, largely because of the Brownite prawn cocktail circuit that was pursued in the early 2000s. In the last Parliament, I fought a campaign to get a lot of the law in this area tightened, and I am glad to say that a lot of that was taken forward.

Ellie Reeves: This is not about big corporates; I am talking about adequately compensating people who have been sacked or discriminated against at work. In my experience, a sacked worker’s priority is to receive a fair settlement, not to avoid tax. It seems to me to be another example of the Government hounding people when they are at their most vulnerable, when instead they should be helping and supporting them.

The introduction of measures that will allow the Government to reduce the £30,000 tax-free threshold via the backdoor of delegated legislation could lead to profound effects on people’s lives without there being any proper scrutiny in Parliament. That is even more important given the fact that the threshold has not been increased since 1988; had it risen in line with prices, it would be £71,000 today. Amendment 2 would mean the threshold could only be increased, not decreased.

Catherine West: Does my hon. Friend agree that it is curious that, between 2010 and 2014, such a large company as Thames Water paid zero corporation tax, yet here we are talking about sums of £30,000? It is

estimated that there is £6 trillion in tax havens, yet we are quibbling the amounts that go to individuals who have had a difficult time in the workplace.

Ellie Reeves: I absolutely agree. The clause will penalise people who have lost their jobs and people who have been discriminated against—

Rachel Maclean: Will the hon. Lady give way?

Ellie Reeves: May I deal with the intervention I am currently dealing with first?

People who have lost their jobs and been discriminated against often get small amounts of money in the wider scheme of things, but it makes a huge difference to their lives while they are looking for another job, getting back on their feet and getting their confidence back after the treatment they have been through.

Rachel Maclean: The hon. Lady is talking about people who have lost their jobs who have been discriminated against. All our hearts would go out to someone in that situation, but is she aware that the tax-free threshold for people who have been discriminated against is not affected by the provisions in the Bill? Such awards will be wholly tax-free under the Bill, so does she agree that discrimination is not relevant to the debate?

Ellie Reeves: Discrimination is relevant to the debate, because the Bill would introduce legislation that would tax injury-to-feeling awards on termination. Discrimination can of course have a devastating effect on a worker’s life and career, yet the Government seem to treat victims of discrimination as a way to top up the Government coffers.

Rachel Maclean: Will the hon. Lady give way?

Ellie Reeves: I have already given way several times; I wish to make some progress.

Consider the example of a mother who has been discriminated against and dismissed for taking maternity leave. Rather than enjoying her time at home with her baby, she feels stressed and anxious about the future and her capacity to provide for her family.

Rachel Maclean: The hon. Lady is being extremely generous in giving way. I just wish to put on the record that discrimination awards will not be affected by the Bill. I have a copy of the Bill here: there is full exemption for compensation awarded by an employment tribunal relating to discrimination awards. She is talking about a case of a mother who is discriminated against, and none of us would wish to see that—I am a mother myself and I have employed mothers—but that is not what the Bill is about.

Ellie Reeves: The hon. Lady is talking about discrimination awards in employment tribunals; I am talking about discrimination awards as part of termination payments. They are two distinct things. As I understand it, the Bill would tax as earnings discrimination awards as part of termination settlements. For example, were someone to settle with their employer rather than go to tribunal, any injury-to-feelings element of the settlement that was above the £30,000 threshold would be taxed. That is a significant change for people who suffer discrimination. It might affect the mum who settles with her employer following her dismissal after having a

child, or the disabled worker whose employer would rather sack them and make a termination payment than make adjustments for them. Such people will be worse off because that element of their award will be taxable.

It cannot be right that, rather than supporting victims of discrimination, the Government seem to want to use them as a source of revenue. These people need protections, not to be used to provide a revenue stream, so I urge all Members to vote for the Labour amendments.

Neil O'Brien (Harborough) (Con): The shadow Minister said that the measures in the Bill are part of a wider pattern of Government behaviour. Indeed they are: they follow in the footsteps of the 75 different measures we have already taken to clamp down on tax avoidance and the £160 billion we have already raised for our public services by doing so. They follow in the footsteps of the changes we have made to capital gains tax, which have increased the amount we have raised and ended the disgraceful situation in which hedge fund bosses were famously paying less tax than their cleaners. They follow in the footsteps of the changes we have made to corporation tax to prevent international avoidance—the so-called Google tax. They follow the changes we have made to the taxation of non-doms to create more balance and end the situation whereby people could be here for 25 years and still claim to be non-doms. So the Bill is part of a wider pattern of behaviour: it is part of an ongoing war on tax avoidance that the Government are waging.

On the specifics of the amendments, it seems to me that the Opposition are incredibly well intentioned. We all want the same things—we all want to drive down tax avoidance—but the problem with amendment 1 is that, in the real world, the Treasury is constantly engaged in a war of attrition with people who are constantly trying to create new loopholes and ways to avoid tax. As quickly as the Treasury closes one loophole, there are people trying to create others.

Catherine West *rose*—

Neil O'Brien: I shall make some progress.

Realistically, we cannot will the end of reducing tax avoidance without willing the means. The idea that, every time the Treasury needs to make a small change to a definition to clamp down on a new form of avoidance, we should have to come back with not just new statutory instruments but new primary legislation would really put sand in the wheels of the war on tax evasion and slow down our ability to tackle this serious problem.

Amendment 4 brings a more serious problem. If it is accepted, there will be people in the tax-avoidance industry rubbing their little hands together because the Opposition will have created, completely unwittingly, a huge new loophole, which will be used to abuse the system and avoid tax.

Catherine West *rose*—

Neil O'Brien: I am just about to conclude.

The measures in clause 5 are good, and they are part of a wider pattern of behaviour: a war on tax avoidance that we have waged in order to get more money for schools, hospitals and police in my constituency and others. They are part of a wider economic policy that has delivered not just record employment—the highest since 1975—and record tax cuts for those at the bottom

end, but a record increase in the national living wage that will give us one of the highest living wages in the entire developed world. It is a pattern of behaviour that sees us making those who need to pay their tax pay it, so that we can have an economy that works for everybody.

Kelvin Hopkins: I will speak only very briefly in support of the Labour amendments as most of what I would say has been said by my hon. Friends. The reality is that, in this country, we have a revenue problem, not an expenditure problem. The Government are constantly imposing austerity measures on ordinary people and on public services, and we see the result of that in the health service, local government and education. We need to get more money into the Treasury, which means dealing with tax avoidance and tax evasion among the corporates—the big money people—not squeezing the relatively small amounts of income given to people who lose their jobs.

2.30 pm

Catherine West: Does my hon. Friend agree that it is a pity that, since the start of the new Government, Mr Pickles, who was formerly a Member in this House and is now in the other place—*[Interruption.]* To the best of my knowledge, he has not been replaced as the anti-corruption tsar. Indeed, unless the House has been informed otherwise, that particular thread of Government policy seems to be lost.

Kelvin Hopkins: My hon. Friend makes an interesting point.

The reality is that many Government Members have close associations with the City and with big money. I do not want to accuse anyone individually, but that is the reality. Many have been in hedge funds and wherever. The biggest scandal of all took place within Her Majesty's Revenue and Customs. A few years ago, Dave Hartnett, who was the boss of HMRC, was involved in sweetheart deals with the corporates, losing countless billions for the Treasury. He was not doing anything illegal, but cosy deals with corporates is not exactly public service. When he finally left HMRC, he set himself up as a consultant, advising the same corporates on how to avoid taxes. That is an absolute scandal. We should be stopping such practices.

Tax officers should be public servants who are driven by the public service ethos. At the grassroots level, the ordinary members of staff are driven in that way. Many of them are members of the Public and Commercial Services Union, with which I am associated. The PCS has argued for many years that we should have more tax officers, and that they should be better paid and better appreciated for the work that they do. I would like to think that, instead of closing tax offices and squeezing the number of tax officials, this Government would increase their number. PCS has told me on many occasions that every tax officer collects many times their own salary, so every time we appoint another tax officer, we get more than their salary coming back. That is what we should be doing. It has been a scandal for many years. Even before this dreadful Conservative Government, we were not collecting sufficient tax. We were allowing tax evasion and tax avoidance to go unchallenged. I want to see a world in which people, particularly those with plenty of money, pay their taxes at the highest level. I am not talking about ordinary working people.

[Kelvin Hopkins]

Finally, it was recently suggested that quantitative easing, which is not strictly relevant to this amendment, is benefiting the better-off and not the ordinary people. It would be good if some of that QE could find its way into the Treasury coffers and help the spend on public services. That would be a better way of generating more jobs, more demand and better services in our economy.

Rachel Maclean: This is indeed an important Bill. I look forward to serving on the Public Bill Committee and to helping it to become law.

We have heard a number of things about narrative and the tone from the Opposition. I say to the hon. Member for Luton North (Kelvin Hopkins) that I have nothing to do with hedge funds or with rich people in the City—unless we are talking about the city of Birmingham and about my friends who are rich in happiness and goodwill, if not money.

There is always a fine balance to strike when seeking to legislate on these matters. Generally speaking, we have a good regime of employment law in this country, notwithstanding some of the questions about the gig economy, which we are currently examining in the Business, Energy and Industrial Strategy Committee. Although the gig economy is outside the scope of this debate, it does need further scrutiny.

I am worried about Labour's amendments. This Bill provides protections. It protects the public purse against those who seek to avoid and evade tax. The Opposition have raised some examples, and they were right to do so. This Bill does not condone those people or support their actions at all.

We know that, in most cases, the British taxpayer agrees with the system of taxation, but when that system is seen as unfair, it does lose the consent of ordinary workers. It is usually people with deep pockets and the resources to take advantage of the loopholes who cause deep anxiety among the British public. Therefore, I welcome the measures that we have set out in the Bill as they will end such practice.

The Opposition's answer to the issue of taxation and revenue is to raise taxes on everyone. That is not the Conservative view. We prefer to keep taxes on the low paid and on small businesses low—that is what we have done already—and, at the same time, to crack down on the tax avoiders. Ultimately, that brings in more tax, and underpins a thriving economy.

There are measures in this Bill that will end some exploitative practices of big businesses and of a minority of individuals in this country. That will help the Government to collect the tax that is due to them from big businesses as well as from overseas investors and rich non-doms. We cannot allow a minority of businesses to tarnish the reputation of UK plc and our small and medium-sized businesses. However, we must remember that 99% of businesses in this country are SMEs. They are not this caricature of rich, greedy hedge fund people which, frankly, I do not recognise, but we hear about from the Opposition. They are ordinary men and women up and down this country, advancing their dream of a better life by setting up a small business. In so doing, they are creating jobs for other people. I worry about the tone of this debate as it sends out a message from this Chamber.

We need to send out a message that encourages people to take that risk and start businesses. That is why we need to strike the right balance.

I speak from experience. Before I entered this House, I spent 25 years working in small businesses. I ran my own business and I was a human resources director in other businesses. I have worked for some small midlands manufacturing companies, advising them on employment issues. I have seen the stress and worry that employers go through when they are dealing with a termination. Of course, termination has an impact on the employee, but let us not forget that these employers are trying to do their best under difficult circumstances. Without doubt, there are some unscrupulous employers, but I have seen small business owners lose sleep and suffer from stress and anxiety. Sometimes, despite the best efforts of management, a job does not work out. We are dealing with a trust relationship after all. We are talking about the vagaries of human nature, and, as my hon. Friend the Member for Braintree (James Cleverly) observed, small businesses often do not have access to qualified HR advice and employment lawyers as they are too expensive and beyond their budget.

Some of Labour's amendments, particularly those on the injury-to-feelings issue, cloud the whole legislative landscape for small business owners, making it extremely difficult for them to know what to do in a stressful situation. That is why I do not support these amendments. The provisions are purely about preventing the manipulation of the rules.

Kelvin Hopkins: Just on that point about small businesses, I agree with the hon. Lady that they are immensely valuable to the economy and we must support them. However, would the Government not do better to stop banks such as RBS squeezing the life out of small businesses by very, very unfair financial practices, which has certainly happened to businesses in my constituency?

Rachel Maclean: I thank the hon. Gentleman for his intervention. I am sure that members of the Treasury team are doing everything they can on those points, and I welcome the work that they are doing in that regard. I have also seen small businesses in my constituency being affected by such practices. I do not condone them at all. We all want a country where good work is rewarded, and where employers and employees can work together. No system of legislation is perfect, but this Bill does strike the right balance. It is sensible and well thought out and we will continue to scrutinise it in Committee. Therefore, I will not vote for Labour's amendments.

Eddie Hughes (Walsall North) (Con): I often think, when I get to my feet in the Chamber, that my job is not really to talk to the people in the Chamber. I am sure that there are many clever people in here—far better educated than me—who know all the complex details of the Bill and the nuances of the financial implications. But my job is to represent the people of Willenhall and Bloxwich in Walsall North. If they were to tune into the Parliament channel at the moment, they might be slightly perplexed as to what was going on, so I thought I would try to assist them by considering amendment 1 particularly.

I would tell my constituents that £30,000 of a termination payment is currently untaxed and this Government have no plans to change that. Opposition Members

might say, “Come on—what are you playing at? You’re putting something in here so you can do something sneaky in the future.” My answer is that there is actually a statutory instrument that requires an affirmative procedure. The people of Walsall would say, “What the hell is that?” And I would tell them it means that if the Minister wants to do something in future, he needs to come back to the Chamber to get the approval of this House and he also needs the approval of the House of Lords.

My constituents would then say, “That sounds pretty reasonable, but can we trust you? Surely you’re looking to take more tax off us in the future.” I would say, “Are you kidding? Look at this party. What have we done for you? We have increased the level above which you will pay tax from £6,500 to £11,500—almost doubling it. This country has the highest level of employment it has ever had and there are more women in jobs than ever before. And which party gave you the minimum wage? Not only was it the Conservative party”—[*Interruption.*] My apologies—small technical problem. Okay, I would say, “Which party subsequently increased the minimum wage to the level that we are at now—a massive increase on the original introduction level?” [HON. MEMBERS: “Ah!”] And I would tell my constituents that this party has the aspiration to increase the minimum wage even further in the future.

Peter Dowd: Was it not the hon. Gentleman’s party that voted against the minimum wage?

Eddie Hughes: I think I remember the hon. Gentleman saying, “Let’s not talk about the past. Let’s talk about what this Labour Government might do for you in the future.” Well, there is not going to be a Labour Government. There is going to be a Conservative Government who will continue to increase the minimum wage. If my constituents are going to trust anybody in the House, it should be the Conservatives. We have no intention of taking more tax off people. If we did, we would have to come back to the House to get approval anyway.

Ms Nusrat Ghani (Wealden) (Con): Thank you Madam Deputy Speaker—sorry, I mean Dame Rosie. I have just been thrown by that magnificent speech by my hon. Friend the Member for Walsall North (Eddie Hughes). His constituents must be very proud of him.

Let us ground ourselves for a moment. I am proud of this Government’s record on tax avoidance. Since 2010, our policies clamping down on tax avoidance and evasion have collected more than £140 billion, ensuring that our tax system is just and that everyone pays their fair share. Clause 5 makes the tax system fairer, which should be the ambition of all responsible political parties. A fairer tax system means that we can fund our vital public services without increasing taxes or passing more debt on to future generations. It is not rocket science; these are the basic rules for responsible government. To that end, I welcome the clauses we are discussing today, especially clause 5. They tighten the rules and close loopholes that have been exploited for too long, denying the Treasury what it is owed and short-changing the vast majority of individuals and small and medium-sized enterprises that pay their fair share.

I cannot be the only Member of Parliament who represents a constituency whose jobs, prosperity and opportunities are dependent on small businesses thriving,

and I take every opportunity to stand up in the Chamber and back small businesses across Wealden. But back to clause 5. The tax rules on termination payments are currently unclear and confusing. Clause 5 tightens and clarifies the rules governing the tax due on these payments. The changes make the rules fairer, minimising the potential for manipulation by some larger employers, which often give the most generous pay-offs.

Colin Clark (Gordon) (Con): The oil downturn has had an enormous effect in my constituency and that of the hon. Member for Aberdeen North (Kirsty Blackman). Like my hon. Friend the Member for Redditch (Rachel Maclean), I am a business owner. There are already too many barriers to employment. The Bill seeks to give clarity and the amendment would add to the complexity of employment. We do not want further barriers to employment. Does my hon. Friend the Member for Wealden (Ms Ghani) agree that we want clarity, which will ultimately help employment and small businesses?

Ms Ghani: My hon. Friend is spot on. We want absolute clarity. As I continue with my speech, the Committee will realise that the changes in clause 5 will barely have an impact on most people in our constituencies.

The changes are not asking someone who has been made redundant to pay more tax. The first £30,000 of the termination payment remains exempt from tax as well as national insurance contributions. As a result, the changes in clause 5 will not have an impact on 85% of people who receive termination payments. If we have constituencies where 90% of businesses are SMEs, our figure will probably be even higher than 85%. On average, 25% receive a payment of more than £54,000, so they are not exactly the least well-off in society. Those who are not following the rules and are not manipulating the loopholes will pay no additional tax. It is simply about clarifying the fine details.

2.45 pm

I was disappointed that Labour tabled amendment 4. The whole point of clause 5 is to close loopholes, preventing tax avoidance and ensuring that everyone pays their way. Amendment 4 will open up more wriggle room. If we accept it, what is to stop larger companies routinely reclassifying termination payments on account of injury to feelings with the sole aim of paying less tax? It is a naive amendment that would create new loopholes. The public will see this as political point scoring by the Opposition. Not only did Labour not close loopholes when it was in power; it is trying to open new ones when it is in opposition.

The changes in clause 5 will bring in £430 million a year by 2022. They clarify and tighten the regulations, but I urge the Committee to reject all Opposition amendments to ensure that the changes are as effective as they can be. The Finance Bill is about addressing imbalances in the system and making important changes to the tax regime system to ensure that the rules do not unfairly benefit large companies. It will build on the hard work of the Government since 2010 that has seen tax payments increase by £1 billion. The tax gap, which has been mentioned so often this afternoon, has fallen to one of the lowest in the world at just 6.5%, down

from 10% under Labour, so let us just stick with the facts. I welcome clause 5, which will add to that record and ensure the tax system works for everyone.

Mel Stride: What a pleasure it is to serve under your chairmanship, Dame Rosie, and to respond to the first of what I am sure will be a series of lively and exciting debates on the Finance Bill. Before I respond to some of the more detailed points raised, as well as the amendments, let me remind the Committee of the overall purpose of clause 5.

The clause is designed to tighten and clarify the tax treatment of termination payments to make the rules fairer and to prevent manipulation. Our tax treatment of termination payments is one of the most generous in the world. That is something of which we can be proud and something that this clause does not change, but the current rules can also be unclear and complicated, as many hon. Members have suggested. Some payments are taxed as earnings, others are taxed only above £30,000 and others are completely exempt from income tax and national insurance contributions. Most employers use the rules as intended, but the complexity in the system leaves it open to manipulation. Indeed, a small minority of individuals and employers, particularly those with the most generous pay-offs—this is an important point—have thought to manipulate the rules by categorising large pay-offs as termination payments, rather than earnings.

Kelvin Hopkins: My hon. Friend the Member for Lewisham West and Penge (Ellie Reeves) made the point that the tax-free amount has not been indexed for many years. Had it been indexed properly, it would now be £71,000, not £30,000. Would not that be a way of avoiding any of these difficulties, as the lump sum would be so much bigger?

Mel Stride: This is one of the most generous thresholds in the world. In fact, there is no threshold at all in Germany and the United States of America, because none of these payments is treated as being tax-exempt.

Such categorisation means that payments qualify for the £30,000 tax exemption and an unlimited employer national insurance contributions exemption. The situation is clearly unfair for the vast majority of employees, who are unable to manipulate their payments in this way. Clause 5 makes changes to prevent such manipulation in the future, while still ensuring that the vast majority pay no income tax on their payment. The first £30,000 of all termination payments will remain exempt from tax.

The hon. Member for Bootle (Peter Dowd) made a general point about the Conservative party's treatment of workers, and I make no apologies for the way this Government have stood up for workers up and down our country. We are committed to enhancing workers' rights. We introduced the national living wage, and we doubled fines for firms that break the rules in that respect. We appointed the first director of labour market enforcement, and we are committed, as we have constantly said, and as our Prime Minister has made clear, to protecting workers' rights as we leave the European Union.

Nearly 85% of payments are below £30,000, so retaining the threshold will ensure that the vast majority of people going through the difficult experience of being

made redundant will still pay no tax whatever. That means that the UK continues to have one of the most generous tax exemptions for termination payments, and I have mentioned Germany and the United States having no tax exemption at all.

Clause 5 tightens the tax rules for termination payments to prevent manipulation—a point made by my right hon. Friend the Member for Forest of Dean (Mr Harper) in an excellent contribution. He highlighted our overall record on bringing in taxes where attempts are made to avoid tax, and I referred to the £160 billion raised since 2010. He referred to our being at the forefront of the OECD base erosion and profit shifting project, and we have also brought in the diverted profits tax to clamp down on the kind of behaviour he referred to.

Let us not lose sight of the purpose of bringing in tax, which is to raise public finances so that we can employ doctors, nurses, paramedics, police and soldiers and pay for all those great public services that all of us hold so dear. That is why I am so proud of this Government's record on clamping down on tax avoidance more generally.

The Office of Tax Simplification has said:

“the well-advised can often end up better off than the unadvised, as they are more able to structure their employment contract (or, indeed, their termination payment) to achieve the better tax treatment.”

The hon. Member for Bootle said in this House only last month:

“If there is genuine evidence of the abuse of payments in lieu of notice, that needs to be acted on”—[*Official Report*, 6 September 2017; Vol. 628, c. 206.]

It is fair to say that, while the hon. Gentleman is a very amiable fellow, he is not right about everything, but on this point he is actually very right. This clause is to deal with the very abuse about which he has previously expressed concern. We will prevent employers from categorising large pay-offs as tax-free payments, rather than earnings. Instead, employers will now be required to tax what the employee would have earned if they had worked their notice period in full. All payments in lieu of notice will now also be taxable as earnings to equalise the treatment of those with and without a contractual right to such a payment.

Finally, clause 5 clarifies that there is a total tax exemption for payments on account of injury or disability of an employee. In 2014, the Office of Tax Simplification raised the possibility of removing this exemption. It recognised that that would be a draconian approach, but it noted that interpretation is

“often a problem area for employers and their advisers.”

However, we have not pursued that approach. Instead, we have provided certainty by confirming the current position established by case law in statute. The total exemption relates to termination payments provided on account of a physical or psychiatric injury that prevents the employee from carrying on the duties of the employment, which hopefully addresses the point raised by the hon. Member for Aberdeen North (Kirsty Blackman). Therefore, employees with evidence of an identified medical condition will pay no tax on related termination payments.

Some Members raised concerns in previous debates that the Government would be taxing compensation paid to employees where it is proven that they have been

discriminated against. Once again, I am happy to reassure them. All compensation for awards for proven discrimination during work will continue to remain completely exempt from tax. There was an interesting interaction between my hon. Friend the Member for Reddich (Rachel Maclean) and the hon. Member for Lewisham West and Penge (Ellie Reeves) on this point. We accept that, where there is a tribunal award in respect of injury to feelings, it is treated in exactly the same way as when an employer accepts that discrimination has actually occurred. All the clause seeks is to confirm the long-standing position that genuine compensation payments are tax exempt, while ensuring there is no loophole that can be used to reduce the tax that is owed.

Let me now turn to the amendments. As the hon. Member for Bootle set out, amendment 1 would remove the power to amend the meaning of basic pay for the purposes of calculating post-employment notice pay by regulation. When we consulted on this measure, we listened to responses that asked us to make the basic pay definition more simple. It now excludes overtime, bonuses, commission and tips. However, we introduced this power to allow the Government to act quickly and to remain flexible if there is manipulation in the future. Any amendment to the meaning of basic pay would be subject to a statutory instrument under the affirmative procedure, so the House would have to expressly approve any change to the meaning. I therefore urge the House to resist the amendment.

Amendment 2 and consequential amendment 3, also tabled by the Labour party, would remove the power to reduce the £30,000 threshold by regulation. Some Members have raised concerns during the debate that the Government intend to reduce this tax-free amount. We have no intention to do so. If we were to do so, we would, as my hon. Friend the Member for Braintree (James Cleverly) pointed out in his excellent speech, be required to do so by an affirmative statutory instrument. However, I repeat that we have no intention of reducing this tax-free amount. I therefore urge the House to resist the amendment.

Amendment 4 would include injured feelings within the definition of injury. As I outlined earlier, clause 5 confirms that termination payments provided on account of physical or psychiatric injury will be completely tax exempt—an important point raised by the hon. Member for Aberdeen North. However, the clause also confirms the established position that injury to feelings is not covered by this definition. The reason for this restriction is clear: without it, there would be a large loophole—as identified by my hon. Friend the Member for Braintree and my right hon. Friend the Member for Forest of Dean—allowing payments to be routinely reclassified on account of injury to feelings, and without medical evidence, simply in order for people to pay no tax. These things are hard to prove or disprove, and would be difficult for HMRC to police. However, it remains the case that payments on account of an injury to feelings, like any normal termination payment, will qualify for the £30,000 tax exemption. I therefore likewise urge the House to resist the amendment.

Kirsty Blackman: The Minister is concerned that some people might be exploiting a loophole, but as a result he has decided to disadvantage everybody who is subject to termination as a result of injury to feelings, rather than giving them the benefit of the doubt, which seems pretty unfair to me.

Mel Stride: The problem is that one cannot escape the possibility that the employer and the employee, who could both gain from reduced tax, will work together to suggest that there has been an injury to feelings, even when in fact there has not been. How does one prove whether or not there has been an injury to feelings? That is why there is a loophole.

Amendment 12, tabled by the hon. Member for Aberdeen North, would require a review of how these changes will affect low-income workers. That is unnecessary because only 85% of the payments are below £30,000. As I have explained, the provisions do not affect awards for discrimination at work, for example. We have also maintained the £30,000 income tax exemption. We have considered the impact on low-income workers throughout, and we will continue to do so.

In conclusion, the Government recognise that losing a job is a challenging time, but we must remain vigilant to opportunities for the tax rules to be manipulated. That is why clause 5 sets out a fair and proportionate set of changes that will continue to protect the vast majority of employees. The first £30,000 of a termination payment will remain tax-free, as will the whole of the compensation payment for discrimination during employment. However, where there were opportunities for manipulation, the loopholes must be closed, and they now will be. I therefore urge hon. Members to reject the amendments and agree to clause 5.

Peter Dowd: The Government seem to have taken a scattergun rather than forensic approach to this matter, affecting everyone regardless of the circumstances. Time after time they go for easy targets. If they have no intention of revising thresholds downwards, what is the point? Why are they wasting the Committee's time? The key point is whether people who have been made redundant should have further worries about their financial future vis-à-vis redundancy, and that sets a hare running, whether the Government like it or not.

3 pm

As for the consultation, the bottom line is that it was at best inconclusive. Many non-vested respondents suggested that it would be appropriate to uprate the threshold, rather than reduce it—I do not necessarily agree, but that was the case—but there is absolutely no evidence of that, which in the current climate will unnerve many people. Therefore, once again, at the last minute, I ask the Minister to withdraw this iniquitous proposal.

Question put. That the amendment be made.

The Committee divided: Ayes 269, Noes 311.

Division No. 19]

[3 pm

AYES

Abbott, rh Ms Diane	Barron, rh Sir Kevin
Abrahams, Debbie	Beckett, rh Margaret
Alexander, Heidi	Benn, rh Hilary
Ali, Rushanara	Berger, Luciana
Allin-Khan, Dr Rosena	Betts, Mr Clive
Amesbury, Mike	Blackford, Ian
Antoniazzi, Tonia	Blackman, Kirsty
Ashworth, Jonathan	Blackman-Woods, Dr Roberta
Austin, Ian	Blomfield, Paul
Bailey, Mr Adrian	Brabin, Tracy
Bardell, Hannah	Bradshaw, rh Mr Ben

Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carden, Dan
 Champion, Sarah
 Chapman, Douglas
 Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna
 Coaker, Vernon
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 David, Wayne
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 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
 Fitzpatrick, Jim
 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
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Killen, Gerard
 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
 Lewis, Clive
 Lewis, Mr Ivan
 Linden, David
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian

Mc Nally, John
 McCabe, Steve
 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
 McMahan, Jim
 McMorrin, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 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
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Reed, Mr Steve
 Reeves, Ellie
 Reeves, Rachel
 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
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Cat
 Smith, Eleanor
 Smith, Laura
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul J.
 Tami, Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Turley, Anna
 Turner, Karl
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Walker, Thelma
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Woodcock, John
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Jeff Smith and
Thangam Debbonaire

NOES

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	Glen, John	Little Pengelly, Emma	Rudd, rh Amber
Bruce, Fiona	Goldsmith, Zac	Lopez, Julia	Rutley, David
Buckland, Robert	Goodwill, Mr Robert	Lopresti, Jack	Sandbach, Antoinette
Burghart, Alex	Gove, rh Michael	Lord, Mr Jonathan	Scully, Paul
Burns, Conor	Graham, Luke	Loughton, Tim	Seely, Mr Bob
Burt, rh Alistair	Graham, Richard	Mackinlay, Craig	Selous, Andrew
Cairns, rh Alun	Grant, Bill	Maclean, Rachel	Shannon, Jim
Campbell, Mr Gregory	Grant, Mrs Helen	Main, Mrs Anne	Shapps, rh Grant
Cartlidge, James	Gray, James	Mak, Alan	Sharma, Alok
Cash, Sir William	Grayling, rh Chris	Malthouse, Kit	Shelbrooke, Alec
Caulfield, Maria	Green, Chris	Mann, Scott	Simpson, David
Chalk, Alex	Green, rh Damian	Masterton, Paul	Simpson, rh Mr Keith
Chishti, Rehman	Greening, rh Justine	May, rh Mrs Theresa	Skidmore, Chris
Chope, Mr Christopher	Grieve, rh Mr Dominic	Maynard, Paul	Smith, Chloe
Churchill, Jo	Griffiths, Andrew	McLoughlin, rh Sir Patrick	Smith, Henry
Clark, Colin	Hair, Kirstene	McPartland, Stephen	Smith, Julian
Clark, rh Greg	Halfon, rh Robert	McVey, rh Ms Esther	Smith, Royston
Clarke, rh Mr Kenneth	Hall, Luke	Menzies, Mark	Soames, rh Sir Nicholas
Clarke, Mr Simon	Hammond, Stephen	Mercer, Johnny	Soubry, rh Anna
Cleverly, James	Hancock, rh Matt	Metcalfe, Stephen	Spelman, rh Dame Caroline
Clifton-Brown, Geoffrey	Hands, rh Greg	Miller, rh Mrs Maria	Spencer, Mark
Coffey, Dr Thérèse	Harper, rh Mr Mark	Milling, Amanda	Stephenson, Andrew
Collins, Damian	Harrington, Richard	Mills, Nigel	Stephenson, John
Costa, Alberto	Harris, Rebecca	Milton, rh Anne	Stewart, Bob
Courts, Robert	Harrison, Trudy	Mitchell, rh Mr Andrew	Stewart, Iain
Cox, Mr Geoffrey	Hart, Simon	Moore, Damien	Stewart, Rory
Crabb, rh Stephen	Hayes, rh Mr John	Mordaunt, Penny	Streeter, Mr Gary
Crouch, Tracey	Heald, rh Sir Oliver	Morgan, rh Nicky	Stride, rh Mel
Davies, Chris	Heapey, James	Morris, Anne Marie	Stuart, Graham
Davies, David T. C.	Heaton-Harris, Chris	Morris, David	Sturdy, Julian
Davies, Glyn	Heaton-Jones, Peter	Morris, James	Sunak, Rishi
Davies, Mims	Henderson, Gordon	Morton, Wendy	Swayne, rh Sir Desmond
Davies, Philip	Hermon, Lady	Mundell, rh David	Swire, rh Sir Hugo
Dinenage, Caroline	Hinds, Damian	Murray, Mrs Sheryll	Syms, Mr Robert
Djanogly, Mr Jonathan	Hoare, Simon	Murrison, Dr Andrew	Thomas, Derek
Docherty, Leo	Hollingbery, George	Neill, Robert	Thomson, Ross
Dodds, rh Nigel	Hollinrake, Kevin	Newton, Sarah	Throup, Maggie
Donaldson, rh Sir Jeffrey M.	Hollobone, Mr Philip	Nokes, Caroline	Tolhurst, Kelly
Donelan, Michelle	Huddleston, Nigel	Norman, Jesse	Tomlinson, Justin
Dorries, Ms Nadine	Hughes, Eddie	O'Brien, Neil	Tomlinson, Michael
Double, Steve	Hunt, rh Mr Jeremy	Offord, Dr Matthew	Tracey, Craig
Dowden, Oliver	Hurd, Mr Nick	Opperman, Guy	Tredinnick, David
Doyle-Price, Jackie	Jack, Mr Alister	Paisley, Ian	Trevelyan, Mrs Anne-Marie
Drax, Richard	James, Margot	Parish, Neil	Truss, rh Elizabeth
Duddridge, James	Javid, rh Sajid	Patel, rh Priti	Tugendhat, Tom
Duguid, David	Jayawardena, Mr Ranil	Paterson, rh Mr Owen	Vaizey, rh Mr Edward
Duncan, rh Sir Alan	Jenkin, Mr Bernard	Pawsey, Mark	Vara, Mr Shailesh
Duncan Smith, rh Mr Iain	Jenrick, Robert	Penning, rh Mike	Vickers, Martin
Dunne, Mr Philip	Johnson, rh Boris	Penrose, John	Villiers, rh Theresa
Ellis, Michael	Johnson, Dr Caroline	Percy, Andrew	Walker, Mr Charles
Ellwood, rh Mr Tobias	Johnson, Gareth	Perry, Claire	Walker, Mr Robin
Elphicke, Charlie	Johnson, Joseph	Philp, Chris	Wallace, rh Mr Ben
Eustice, George	Jones, Andrew	Pincher, Christopher	Warburton, David
Evans, Mr Nigel	Jones, rh Mr David	Poulter, Dr Dan	Warman, Matt
Evennett, rh David	Jones, Mr Marcus	Pow, Rebecca	Watling, Giles
Fabricant, Michael	Kawczynski, Daniel	Prentis, Victoria	Whately, Helen
Fallon, rh Sir Michael	Keegan, Gillian	Prisk, Mr Mark	Whittingdale, rh Mr John
Fernandes, Suella	Kennedy, Seema	Pritchard, Mark	Wiggin, Bill
Field, rh Mark	Kerr, Stephen	Pursglove, Tom	Williamson, rh Gavin
Ford, Vicky	Knight, rh Sir Greg	Quin, Jeremy	Wilson, Sammy
Foster, Kevin	Knight, Julian	Quince, Will	Wollaston, Dr Sarah
Fox, rh Dr Liam	Kwarteng, Kwasi	Raab, Dominic	Wood, Mike
Francois, rh Mr Mark	Lamont, John	Redwood, rh John	Wragg, Mr William
Frazer, Lucy	Latham, Mrs Pauline	Rees-Mogg, Mr Jacob	Wright, rh Jeremy
Freeman, George	Leadsom, rh Andrea	Robertson, Mr Laurence	Zahawi, Nadhim
Freer, Mike	Lee, Dr Phillip	Robinson, Gavin	
Fysh, Mr Marcus	Leigh, Sir Edward	Robinson, Mary	
Garnier, Mark	Letwin, rh Sir Oliver	Rosindell, Andrew	Tellers for the Noes:
Gauke, rh Mr David	Lewer, Andrew	Ross, Douglas	Craig Whittaker and
Ghani, Ms Nusrat	Lewis, rh Brandon	Rowley, Lee	Mrs Heather Wheeler
Gibb, rh Nick	Lewis, rh Dr Julian		
Girvan, Paul	Lidington, rh Mr David		

Question accordingly negated.

Amendment proposed: 2, page 14, line 15, leave out “different” and insert “higher”.—(Peter Dowd.)

This amendment removes the power for the Treasury to reduce the £30,000 threshold in connection with the taxation of termination payments by regulations.

Question put, That the amendment be made.

The Committee divided: Ayes 272, Noes 312

Division No. 20]

[3.20 pm

AYES

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
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Coaker, Vernon
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crausby, Sir David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
David, Wayne

Day, Martyn
De Cordova, Marsha
De Piero, Gloria
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
Fitzpatrick, Jim
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
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendry, Drew
Hepburn, Mr Stephen
Hill, Mike
Hillier, Meg
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Huq, Dr Rupa
Hussain, Imran
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Kendall, Liz
Khan, Afzal
Killen, Gerard
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewis, Clive
Lewis, Mr Ivan
Linden, David
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
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
Morden, Jessica
Morgan, Stephen
Morris, Grahame
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
Phillipson, Bridget
Pidcock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Reed, Mr Steve
Reeves, Ellie
Reeves, Rachel
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
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Cat
Smith, Eleanor
Smith, Laura
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Streeting, Wes
Stringer, Graham
Sweeney, Mr Paul J.
Tami, Mark
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Turley, Anna
Turner, Karl
Twigg, Stephen
Twist, Liz
Umunna, Chuka
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:
Jeff Smith and
Thangam Debbonaire

NOES

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
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
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
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
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
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
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
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
Hermon, Lady
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
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
Jenrick, Robert
Johnson, rh Boris
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
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Lidington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
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
Mercer, Johnny
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
 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
 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:
Craig Whittaker and
Mrs Heather Wheeler

Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 Davey, rh Sir Edward
 David, Wayne
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 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
 Farron, Tim
 Fellows, Marion
 Field, rh Frank
 Fitzpatrick, Jim
 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
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Killen, Gerard
 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
 Lewis, Clive
 Lewis, Mr Ivan
 Linden, David
 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
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison

Question accordingly negated.

3.36 pm

More than two hours having elapsed since the commencement of proceedings, the proceedings were interrupted (Programme Order, 12 September).

The Chair put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Amendment proposed: 4, in clause 5, page 14, leave out lines 27 and 28 and insert—

- “(2) “Injury” in subsection (1) includes—
 (a) psychiatric injury, and
 (b) injured feelings.”—(Peter Dowd.)

This amendment explicitly includes (rather than excludes) injured feelings within the definition of “injury” for the purposes of payments which are excluded from the provisions of Chapter 3 of Part 6 of the Income Tax (Earnings and Pensions) Act 2003 (payments and benefits on termination of employment).

Question put, That the amendment be made.

The Committee divided: Ayes 281, Noes 312.

Division No. 21]

[3.36 pm

AYES

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
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 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

McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 McMorrin, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 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
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Reed, Mr Steve
 Reeves, Ellie
 Reeves, Rachel
 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
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin

Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Cat
 Smith, Eleanor
 Smith, Laura
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 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
 Turley, Anna
 Turner, Karl
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 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:
Jeff Smith and
Thangam Debbonaire

NOES

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
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair

Cairns, rh Alun
 Campbell, Mr Gregory
 Cartledge, 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
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 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
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 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
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 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
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 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
 Jenrick, Robert
 Johnson, rh Boris
 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
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 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
 Mercer, Johnny
 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
 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
 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:
Craig Whittaker and
Mrs Heather Wheeler

Question accordingly negated.

Clause 5 ordered to stand part of the Bill.

Clause 15

BUSINESS INVESTMENT RELIEF

Kirsty Blackman: I beg to move amendment 13, page 22, line 21, leave out “on or after 6 April 2017”

and insert

“on or after the date on which the Chancellor of the Exchequer lays before the House of Commons a report of the review undertaken under section 809VP of ITA 2007”.

This amendment would provide that the changes in Clause 15 do not have effect until after the Chancellor of the Exchequer has laid before the House of Commons the review provided for in NC3.

The Temporary Chair (Mr George Howarth): With this it will be convenient to discuss the following:

Clause stand part.

New clause 1—*Review of conditions under which business investment relief is available*—

‘(1) Chapter A1 of Part 14 of ITA 2007 (remittance basis) is amended as follows.

(2) After section 809VO (investments made from mixed funds), insert—

“809VP Review of conditions under which business investment relief is available

(1) Within six months of the coming into force of section 15 of the Finance (No. 2) Act 2017, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review of the conditions under which business investment relief is available.

(2) For the purposes of this section “the conditions” means—

(a) Condition A as defined in section 809VD,

(b) Condition B as defined in section 809VF.

(3) The review shall make an estimate of the value of the reliefs granted as a result of the conditions in respect of each tax year for which the relief has been available.

(4) The review shall make an estimate of the change in the value of the reliefs granted as a result of—

(a) changes to the conditions relating to eligible hybrid companies,

(b) changes to the periods specified in sections 809VD and 809VH,

(c) changes to the grace period in section 809VJ.

(5) The review shall make an assessment of the effectiveness of the conditions in relation to the stated policy aims of the Government in relation to business investment relief.

(6) The review shall prepare an analysis of the characteristics of beneficiaries of reliefs having particular regard to—

(a) income distribution,

(b) gender and other protected characteristics under the Equality Act 2010,

(c) domicile (including deemed domicile).

(7) A report of the review under this section shall be laid before the House of Commons within one calendar month of its completion.”’.

This new clause requires HMRC to carry out a review of the conditions under which business investment relief is available, including estimates of the value of the reliefs (before and after the changes proposed in this Bill) and an analysis of the characteristics of those using the relief, including their domicile status.

New clause 3—*Review of the efficacy of the conditions for business investment relief*—

‘(1) Chapter A1 of Part 14 of ITA 2007 (remittance basis) is amended as follows.

(2) After section 809VO (investments made from mixed funds), insert—

“809VP Review of efficacy of the conditions for business investment relief

(1) Within two months of Royal Assent to the Finance (No. 2) Act 2017, the Commissioners for Her Majesty's Revenue and Customs shall complete a review of the impact of the conditions for business investment relief in encouraging investment in the UK.

(2) The review shall make an estimate of additional investment as a result of the condition for business investment relief—

- (a) prior to Royal Assent being given to the Finance (No. 2) Act 2017, and
- (b) if the changes to those conditions in section 15 of the Finance (No. 2) Act were brought into force.

(3) The Chancellor of the Exchequer shall lay the report of this review before the House of Commons.””.

This new clause requires HMRC to carry out a review of efficacy of the conditions under which business investment relief is available and the Chancellor to lay it before the House of Commons.

Kirsty Blackman: I appreciate having the opportunity to speak in this second part of our debate on the Finance Bill.

The matter in hand now has been discussed a number of times over the past few months, specifically around business investment relief. Some aspects of it were discussed while tackling the Ways and Means resolutions and on Second Reading. We are still not clear what impact this will have; the Government have still not told us. An overview of tax legislation was produced at the tail end of last year, when the Bill was first in draft form. It said there was likely to be a negligible impact on the public finances, but that does not explain what is actually going to happen. It also says that between 200 and 400 individuals a year benefit from business investment relief, but again that does not really explain the impact of this relief.

We do know, however, that everybody who benefits from the relief is a non-dom. The Government claim that they are changing the way non-doms are considered and are making it less easy for them to get away with dodging taxes, but this serves to increase the ability of non-doms to get away with not paying tax. The Government suggest this is about increasing investment, but they have not been able to produce any evidence of how much investment has been created as a result of business investment relief.

I am concerned about the amount of time and energy that the House is spending on this matter. It is spending a significant amount of time: we put this measure in place, presumably, at some point in the past few years, yet only 200 to 400 individuals have taken it up. Despite the fact that the numbers are so small, however, we are again debating the matter; this is the third time that we have done so this year, when there are many very important other items on the agenda.

Craig Mackinlay (South Thanet) (Con): The amount of investment that has come to the UK from non-doms is £1.6 billion since 2012. I hope that is of some assistance to the hon. Lady.

Kirsty Blackman: Is that through business investment relief or from non-doms in general? We asked for those figures before, at the last stage of this discussion, and they were not forthcoming from the Front Bench. It would be nice to have those figures in writing from the ministerial team.

The hon. Member for Walsall North (Eddie Hughes) talked about why we should trust the Tories and what he would tell his constituents about that. He included

things such as the living wage and increasing employment, both of which have happened, but the living wage is not a living wage, because people cannot actually live on the current living wage. If he made that proposition to his constituents, what he would actually have to say is that their wages have not gone up in a decade, that household debt is spiralling and that their savings are going down. If the Tories are doing such a good job, why are people poorer as a result?

One of our concerns is that we are facing a hard Brexit that will significantly damage the economy, but measures such as this one, which is projected to bring in only a small amount of investment from non-doms, will not undo the damage created by a hard Brexit; this will not undo the 5% reduction in GDP that Scotland is set to experience as a result of Brexit.

Vicky Ford (Chelmsford) (Con): As I understand it, business investment relief ensures that overseas funds can be invested in the UK. It has resulted in £1.6 billion being invested in the UK—not a small amount of money. Of course it affects overseas people because it is overseas money that we want to be invested here. I do not understand the hon. Lady's complaint about the relief only affecting overseas people—of course it does, because it is to introduce them.

Kirsty Blackman: My complaint was about the fact that people are being allowed to not pay tax on stuff they are doing in this country. My complaint is that the background note provided by the Treasury does not mention anything to do with £1.6 billion and that the overview of tax legislation put forward in December last year does not mention £1.6 billion. Despite our asking the Government for that figure on a number of occasions, this is the first time it has been forthcoming. I am very pleased that it is and that we can have a reasonable discussion about whether we should increase the ability of people from other countries to come under this.

I did not want to talk for a very long time, because we have already had a number of votes and two hours of debate on the Bill. As I said, the House has spent an incredible amount of time on this, and it probably should not have. The Labour party has tabled a new clause along similar lines to the new clause tabled by the Scottish National party.

Ms Ghani: I am concerned that we must not put inaccuracies on record. The HMRC figures published in August 2017 show that over £1.6 billion has been invested in UK businesses under the BIR scheme. We must not say that figures are not available when they are; we just have to go to the right place to find them.

Kirsty Blackman: I am very glad that those figures are there, but sadly, when we asked about them in September during our discussion on the Bill, after their production, they were not mentioned. I appreciate that they are being brought up now—that is great—but they were not brought up then.

As I said, I do not want to take up much of the Committee's time discussing this matter. We have asked the Government to provide us with more data. We have also asked them to provide data on what effect they think this change will have on the amount of investment coming in. We would very much like to see that.

Anneliese Dodds: I will get straight to the point. Members will not be surprised to hear that many of my concerns have already been raised by the hon. Member for Aberdeen North (Kirsty Blackman). Labour Members have expressed a number of concerns many times about the extension and scope of business investment relief, to no avail. We find it very concerning that in a context where the current Government have borrowed more than any Labour Government ever have, our Treasury is intentionally depriving itself of revenue. That might be acceptable if the deprivation served to boost our economy, but we have no evidence of any positive impact from business investment relief.

Government Members have stated that they know the raw figure for how much has been invested through this relief. That is correct. We kept calling for that, and finally, at the last minute before we started debating the Bill after the summer recess, we got some figures. They were rounded up to the nearest hundred, and when we are talking of only about 400 people, it is rather strange not to have more granularity.

That is just the figure for the overall amount that has gone through this relief. We have not been told which sectors the investment directed through this relief goes into. We have no clarity about whether, for example, funds invested through this relief might have contributed to the overheating of the British property market in high-cost areas, and we have not received any assurances that the funds going through this relief will help to promote the increase in business and human capital formation that we so desperately need, given Britain's falling productivity.

The Government's impact assessment published when this relief was brought in said that it would have a negligible impact on economic development. This is not a relief that has a proven beneficial impact. Until the Government accept our proposals and agree at least to review the operation of the relief, I will remain unpersuaded that its extension does anything other than offer yet another concession to non-doms and provide even greater scope for tax advisers to indicate how UK taxes can be avoided. That is why the new clauses call for a review.

4 pm

From the Opposition's perspective, the changes form part of a piece that, along with the other patchwork of measures in the Bill, could lead to pinching from sacked workers instead of root-and-branch reform of the non-dom system. They will fuel a race to the bottom on corporation tax, rather than boost skills, education and investment. The measures against tax avoidance are insipid and weak, not the decisive action we need to ensure a level playing field for small companies and the biggest multinationals, and for British taxpayers and those who benefit from non-dom status.

Much has been said this afternoon about the size of the tax gap, and there has been some confusion over the figures. Members who have looked into the matter will know that the Government's tax gap calculation contains a growing element of error, which is a concern given the forthcoming closure of HMRC offices. The figure does not cover tax avoidance resulting from profit shifting, on which the Opposition have a strong record.

To return to our previous discussion and the points made by the right hon. Member for Forest of Dean

(Mr Harper) and the hon. Member for Dover (Charlie Elphicke), measures to deliver change on an international level have been blocked by the Government.

Mr Harper: The hon. Lady made a relevant point in the previous debate that I did not mention at the time. Some of the things that we had to deal with early in the last but one Parliament involved multinational tax arrangements that were put in place under the previous Labour Government. We did our best to get at least some money from those multinationals. It was not enough, but we did at least move things in the right direction. Profit shifting can only be dealt with internationally by agreement. If we do not do that, we will not make any progress. As I said in the previous debate, we are leading that international effort, which did not happen under the Labour Government.

Anneliese Dodds: I am sorry, but it is not the case that Governments are completely unable to do anything unilaterally to prevent profit shifting. They can, for example, decide whether to execute secret sweetheart deals with large multinationals through their tax authorities, or they can decide to be transparent.

James Cartlidge (South Suffolk) (Con): Is the hon. Lady seriously suggesting that, under a Labour Government, HMRC would never negotiate with a company over its tax bill?

Anneliese Dodds: I referred to secret sweetheart deals, of which the experience in this country has been negative. The problem is with transparency. It is important to have an open tax system that allows for discussion, but many commentators would suggest that the relationship between some of the tax authorities and some of the companies they deal with is too cosy. The problems here are not to the same extent as those in many other countries, but we need to do something when the revenue from companies, particularly those focusing on intangibles, is going down.

One way to do that is to work with other nations, but we have again seen many negative developments in that area. The right hon. Member for Forest of Dean suggested that that was uniquely down to measures promoting a particular rate of tax, but that does not bear witness to what occurred. For example, the Government pushed strongly to prevent trusts from being included in registers of beneficial ownership. That is not about tax rates; it is about transparency. Again, when Conservative MEPs voted against country-by-country reporting, that was not about tax rates; it was about transparency.

Many of the most significant developments to remove harmful tax arrangements, particularly those exploited by multinational companies, occurred under Dawn Primarolo, who was a Labour representative when she chaired the multinational code of conduct group in which dozens of harmful tax practices were identified and removed. Labour therefore has a clear and strong record in dealing with these matters.

The Opposition will do everything we can to remove the gaping loopholes that still exist in the Bill, to toughen measures against aggressive tax avoidance and to prevent the burden being placed on some of the biggest casualties of austerity: those workers who have been made redundant. I hope that the Government will pay heed. In the interests of the British economy, they need to.

Bambos Charalambous (Enfield, Southgate) (Lab): One of the strange anomalies in our tax system over the years has been the framework constructed to enable non-doms to avoid paying tax in the United Kingdom. The outdated concept of tax exemption for non-doms, which I understand dates back to 1799, is not fit for purpose in the 21st century. It takes no account of the mobility of the rich and their ability to shift wealth across jurisdictions at the click of a button and of the fact that some non-doms can use tax havens to channel their income overseas so that they can avoid paying tax.

Let us be clear that the idea that the place of birth of a wealthy individual's parents should affect how much tax they pay in the United Kingdom is nonsensical. The fact that the UK Government should play along with that by setting various inducements in the form of remittance charges of between £30,000 and £90,000 or via business investment relief is also very concerning, as is the potential lack of scrutiny into the non-doms' affairs and background.

In 2014-15, 84,500 non-doms living in the UK paid the UK Government £9 billion in tax, or a total of £105,000 each. Considering the size of the wealth of some non-doms this is very good business indeed, as some offshore money is brought in to the UK for investment purposes and taxed at these knockdown rates but much of it will remain outside UK jurisdiction. The generous tax breaks given to non-doms do not apply to other UK residents and take for granted the many benefits of life in the UK and of London as a financial capital. Why would non-doms who have lived in the UK for more than a decade, who perhaps send their kids to schools in the UK, carry out business in the UK and own property here, need further incentives via tax breaks to invest here? There would be an outcry if we gave non-doms a reduced rate of income tax or capital gains tax that was not available to ordinary UK tax payers, so why are we carrying on with this charade right now? The USA makes sure that residents pay tax on their worldwide income and seems to have little problem attracting people to New York.

A good business investment is a good business investment whether it gets tax relief or not, and let us not kid ourselves that the sweetener of business interest relief is anything more than a sugar-coated inducement for non-doms who have already made their money. It is clear that stringent tests are not even done to assess whether someone applying for non-dom status meets the right criteria.

People who are temporarily resident in the UK pay tax on what they earn in the UK, as do permanent UK residents. Everyone else should pay tax on their worldwide income. It cannot be fair to be giving better treatment to some people who have lived in the UK for most if not all their lives but who, because of some convenient accident, can elect how much tax they can be liable for. Any changes to this loophole are of course welcome.

I am sceptical about how much investment into the real economy any changes to the business investment relief scheme will bring to the UK. If the Government do not decide to abolish the whole concept of non-doms, they should not allow non-doms to keep their assets outside the jurisdiction if the overseas trusts were created before they were deemed domiciled, and the Government should clamp down on any tax avoidance from mixed funds brought in to the UK.

Mel Stride: Clause 15 expands the scope of the business investment relief scheme because it supports economic growth and investment by encouraging foreign individuals to invest in UK businesses. Business investment relief was introduced in April 2012 and is aimed at individuals who are taxed on the remittance basis. As Members will be aware, a remittance basis taxpayer is subject to UK tax on their overseas income or gains only if they bring them to the UK. That can discourage them from bringing their overseas money into the country, even when doing so would benefit the UK economy by investing in UK business. The business investment relief scheme seeks to address this by allowing those who are taxed on the remittance basis to bring their income and gains to the UK without incurring a tax charge, provided those funds are invested in a qualifying UK business. In other words, the scheme enables overseas funds that would otherwise remain outside the UK to be invested in UK businesses.

The independent Office for Budget Responsibility has confirmed in the costings that, without this scheme, this money would simply be left offshore, and so the UK would not benefit from it. Any UK gains and income arising from the investment will be fully taxable in the UK. It is worth noting that elsewhere in the Finance Bill—contrary to the views expressed by the hon. Member for Enfield, Southgate (Bambos Charalambous)—the Government have introduced the most fundamental change to non-dom taxation in history, ending permanent non-dom status. That is more than the Labour party managed the last time it was in government. This clause supports these wider reforms by ensuring that the UK remains attractive to those people who want to live here and use their foreign income and gains to invest in Britain.

Clause 15 expands the types of businesses in which investment can be made. The new rules widen the relief so that it can be used to purchase existing shares, not just new shares. The changes also lengthen the time before a new start-up company has to become a trading business from two to five years. That will enable investment in large infrastructure projects, which can take a long time to complete. Finally, clause 15 updates the anti-avoidance rules to ensure that genuine investment is not discouraged.

Let me turn to the amendment and new clause tabled by the Scottish National party. As the hon. Member for Aberdeen North (Kirsty Blackman) outlined, amendment 13 and new clause 3 would delay the commencement of these provisions until the Government had laid before the House a review of the efficacy of the conditions for BIR. I can be clear that the Government are confident of the effectiveness of this scheme. Investment using BIR increased from £197 million in 2012-13 to £837 million in 2014-15. In only three years, that has meant total investments of more than £1.6 billion in our economy since the scheme was first introduced.

Kirsty Blackman: I would very much appreciate it if the Treasury would commit to publishing that information and details of the sectors in which the money has been invested. If it does that, we will all be much happier, across the House.

Mel Stride: I thank the hon. Lady for her intervention, and I will come on to deal with the information that the Treasury is already publishing, which is very comprehensive.

[Mel Stride]

As I was saying, that includes investment in the hospitality and energy sectors, and in many different types of businesses, including small and medium-sized ones. It includes investment in manufacturing and pharmaceutical science businesses in the midlands and north of England, and a £3 million investment in aerospace businesses in the north-west of England. As I outlined earlier, the independent OBR has certified that these changes do not have any cost to the Exchequer. In other words, this is money coming to this country which would not otherwise have done so. I am sure that these are investments in our country that the whole House wants to see—investment in British businesses right across the country. I therefore urge Members to reject new clause 3 and amendment 13.

Let me also address new clause 1, tabled by the official Opposition. In a similar vein to new clause 3, it would require the Government to review the conditions under which BIR is available, including estimates of the value of the relief and an analysis of the characteristics of those using it. Such a review is wholly unnecessary, as Her Majesty's Revenue and Customs publishes much of this information already. As my hon. Friend the Member for Wealden (Ms Ghani) pointed out, in August HMRC published official statistics on non-domiciled taxpayers in the UK, which includes a commentary document and tables. This publication contains statistics on the number of individuals who are non-domiciled, and on the total income tax, capital gains tax and national insurance contributions of the non-domiciled population. Moreover, it includes information on the current number of investments and the amount invested in the UK by non-domiciled individuals using business investment relief.

To provide the report, HMRC uses information provided by taxpayers through the self-assessment process. It is impossible to determine from an individual's tax return whether or not they have characteristics that are protected under the Equality Act. HMRC does not have the capacity or the resource to acquire such information, so it would be unduly burdensome to place on HMRC a statutory obligation that it would be incapable of meeting. For those reasons, I urge Members to reject the new clause.

4.15 pm

To conclude, the clause builds on the notable success of the business investment relief scheme by expanding its scope, and it will bring more money into our country. I therefore call on Members to reject the new clauses and the amendment and to agree to clause 15.

Kirsty Blackman: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 15 ordered to stand part of the Bill.

New Clause 1

REVIEW OF CONDITIONS UNDER WHICH BUSINESS INVESTMENT RELIEF IS AVAILABLE

(1) Chapter A1 of Part 14 of ITA 2007 (remittance basis) is amended as follows.

(2) After section 809VO (investments made from mixed funds), insert—

“809VP Review of conditions under which business investment relief is available

(1) Within six months of the coming into force of section 15 of the Finance (No. 2) Act 2017, the Commissioners for Her Majesty's Revenue and Customs shall complete a review of the conditions under which business investment relief is available.

(2) For the purposes of this section “the conditions” means—

(a) Condition A as defined in section 809VD,

(b) Condition B as defined in section 809VF.

(3) The review shall make an estimate of the value of the reliefs granted as a result of the conditions in respect of each tax year for which the relief has been available.

(4) The review shall make an estimate of the change in the value of the reliefs granted as a result of—

(a) changes to the conditions relating to eligible hybrid companies,

(b) changes to the periods specified in sections 809VD and 809VH,

(c) changes to the grace period in section 809VJ.

(5) The review shall make an assessment of the effectiveness of the conditions in relation to the stated policy aims of the Government in relation to business investment relief.

(6) The review shall prepare an analysis of the characteristics of beneficiaries of reliefs having particular regard to—

(a) income distribution,

(b) gender and other protected characteristics under the Equality Act 2010,

(c) domicile (including deemed domicile).

(7) A report of the review under this section shall be laid before the House of Commons within one calendar month of its completion.”—(*Anneliese Dodds.*)

This new clause requires HMRC to carry out a review of the conditions under which business investment relief is available, including estimates of the value of the reliefs (before and after the changes proposed in this Bill) and an analysis of the characteristics of those using the relief, including their domicile status.

Brought up, and read the First time.

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

The Committee divided: Ayes 274, Noes 309.

Division No. 22]

[4.16 pm

AYES

Abbott, rh Ms Diane	Bradshaw, rh Mr Ben
Alexander, Heidi	Brake, rh Tom
Ali, Rushanara	Brennan, Kevin
Allin-Khan, Dr Rosena	Brock, Deidre
Amesbury, Mike	Brown, Alan
Antoniazzi, Tonia	Brown, Lyn
Ashworth, Jonathan	Brown, rh Mr Nicholas
Austin, Ian	Bryant, Chris
Bailey, Mr Adrian	Buck, Ms Karen
Bardell, Hannah	Burden, Richard
Barron, rh Sir Kevin	Burgon, Richard
Beckett, rh Margaret	Butler, Dawn
Benn, rh Hilary	Cable, rh Sir Vince
Berger, Luciana	Cadbury, Ruth
Betts, Mr Clive	Cameron, Dr Lisa
Blackford, Ian	Campbell, rh Mr Alan
Blackman, Kirsty	Campbell, Mr Ronnie
Blackman-Woods, Dr Roberta	Carden, Dan
Blomfield, Paul	Carmichael, rh Mr Alistair
Brabin, Tracy	Champion, Sarah
	Chapman, Douglas

Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 Davey, rh Sir Edward
 David, Wayne
 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
 Duffield, Rosie
 Eagle, Ms Angela
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Farron, Tim
 Fellows, Marion
 Field, rh Frank
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 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

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
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, Mr Kevan
 Jones, Sarah
 Jones, Susan
 Elan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Killen, Gerard
 Kinnock, Stephen
 Laird, Lesley
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Lee, Ms Karen
 Leslie, Mr Chris
 Lewis, Clive
 Linden, David
 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
 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
 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
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Reed, Mr Steve
 Reeves, Ellie
 Reeves, Rachel
 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
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis

Slaughter, Andy
 Smeeth, Ruth
 Smith, Cat
 Smith, Eleanor
 Smith, Laura
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 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
 Turley, Anna
 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:
Jeff Smith and
Thangam Debonnaire

NOES

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
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair

Cairns, rh Alun	Graham, Luke	Lord, Mr Jonathan	Rutley, David
Campbell, Mr Gregory	Graham, Richard	Loughton, Tim	Sandbach, Antoinette
Cartlidge, James	Grant, Bill	Mackinlay, Craig	Scully, Paul
Cash, Sir William	Grant, Mrs Helen	Maclean, Rachel	Seely, Mr Bob
Caulfield, Maria	Gray, James	Main, Mrs Anne	Selous, Andrew
Chalk, Alex	Grayling, rh Chris	Mak, Alan	Shannon, Jim
Chishti, Rehman	Green, Chris	Malthouse, Kit	Shapps, rh Grant
Chope, Mr Christopher	Green, rh Damian	Mann, Scott	Sharma, Alok
Churchill, Jo	Greening, rh Justine	Masterton, Paul	Shelbrooke, Alec
Clark, Colin	Grieve, rh Mr Dominic	Maynard, Paul	Simpson, David
Clark, rh Greg	Griffiths, Andrew	McLoughlin, rh Sir	Simpson, rh Mr Keith
Clarke, rh Mr Kenneth	Gyimah, Mr Sam	Patrick	Skidmore, Chris
Clarke, Mr Simon	Hair, Kirstene	McPartland, Stephen	Smith, Chloe
Cleverly, James	Halfon, rh Robert	McVey, rh Ms Esther	Smith, Henry
Clifton-Brown, Geoffrey	Hall, Luke	Menzies, Mark	Smith, Julian
Coffey, Dr Thérèse	Hammond, Stephen	Mercer, Johnny	Smith, Royston
Collins, Damian	Hancock, rh Matt	Metcalfe, Stephen	Soames, rh Sir Nicholas
Costa, Alberto	Hands, rh Greg	Miller, rh Mrs Maria	Soubry, rh Anna
Courts, Robert	Harper, rh Mr Mark	Milling, Amanda	Spelman, rh Dame Caroline
Cox, Mr Geoffrey	Harrington, Richard	Mills, Nigel	Spencer, Mark
Crabb, rh Stephen	Harris, Rebecca	Milton, rh Anne	Stephenson, Andrew
Crouch, Tracey	Harrison, Trudy	Mitchell, rh Mr Andrew	Stevenson, John
Davies, Chris	Hart, Simon	Moore, Damien	Stewart, Bob
Davies, David T. C.	Hayes, rh Mr John	Mordaunt, Penny	Stewart, Iain
Davies, Glyn	Heald, rh Sir Oliver	Morgan, rh Nicky	Stewart, Rory
Davies, Mims	Heapey, James	Morris, Anne Marie	Streeter, Mr Gary
Davies, Philip	Heaton-Harris, Chris	Morris, David	Stride, rh Mel
Dinenage, Caroline	Heaton-Jones, Peter	Morris, James	Stuart, Graham
Djanogly, Mr Jonathan	Henderson, Gordon	Morton, Wendy	Sturdy, Julian
Docherty, Leo	Hermon, Lady	Mundell, rh David	Sunak, Rishi
Dodds, rh Nigel	Hinds, Damian	Murray, Mrs Sheryll	Swayne, rh Sir Desmond
Donaldson, rh Sir Jeffrey	Hoare, Simon	Murrison, Dr Andrew	Swire, rh Sir Hugo
M.	Hollingbery, George	Neill, Robert	Syms, Mr Robert
Donelan, Michelle	Hollinrake, Kevin	Newton, Sarah	Thomas, Derek
Dorries, Ms Nadine	Hollobone, Mr Philip	Nokes, Caroline	Thomson, Ross
Double, Steve	Huddleston, Nigel	Norman, Jesse	Throup, Maggie
Dowden, Oliver	Hughes, Eddie	O'Brien, Neil	Tolhurst, Kelly
Doyle-Price, Jackie	Hunt, rh Mr Jeremy	Offord, Dr Matthew	Tomlinson, Justin
Drax, Richard	Hurd, Mr Nick	Opperman, Guy	Tomlinson, Michael
Duddridge, James	Jack, Mr Alister	Paisley, Ian	Tracey, Craig
Duguid, David	James, Margot	Parish, Neil	Tredinnick, David
Duncan, rh Sir Alan	Javid, rh Sajid	Patel, rh Priti	Trevelyan, Mrs Anne-Marie
Duncan Smith, rh Mr I	Jayawardena, Mr Ranil	Paterson, rh Mr Owen	Truss, rh Elizabeth
ain	Jenkin, Mr Bernard	Pawsey, Mark	Tugendhat, Tom
Dunne, Mr Philip	Jenrick, Robert	Penning, rh Mike	Vaizey, rh Mr Edward
Ellis, Michael	Johnson, rh Boris	Penrose, John	Vara, Mr Shailesh
Ellwood, rh Mr Tobias	Johnson, Dr Caroline	Percy, Andrew	Vickers, Martin
Elphicke, Charlie	Johnson, Gareth	Perry, Claire	Villiers, rh Theresa
Eustice, George	Johnson, Joseph	Philp, Chris	Walker, Mr Robin
Evans, Mr Nigel	Jones, Andrew	Pincher, Christopher	Wallace, rh Mr Ben
Evennett, rh David	Jones, rh Mr David	Poulter, Dr Dan	Warburton, David
Fabricant, Michael	Jones, Mr Marcus	Pow, Rebecca	Warman, Matt
Fallon, rh Sir Michael	Kawczynski, Daniel	Prentis, Victoria	Watling, Giles
Fernandes, Suella	Keegan, Gillian	Prisk, Mr Mark	Whately, Helen
Field, rh Mark	Kennedy, Seema	Pritchard, Mark	Whittingdale, rh Mr
Ford, Vicky	Kerr, Stephen	Pursglove, Tom	John
Foster, Kevin	Knight, rh Sir Greg	Quin, Jeremy	Wiggin, Bill
Fox, rh Dr Liam	Knight, Julian	Quince, Will	Williamson, rh Gavin
Francois, rh Mr Mark	Kwarteng, Kwasi	Raab, Dominic	Wilson, Sammy
Frazer, Lucy	Lamont, John	Redwood, rh John	Wollaston, Dr Sarah
Freeman, George	Latham, Mrs Pauline	Rees-Mogg, Mr Jacob	Wood, Mike
Freer, Mike	Leadsom, rh Andrea	Robertson, Mr Laurence	Wragg, Mr William
Fysh, Mr Marcus	Lee, Dr Phillip	Robinson, Gavin	Wright, rh Jeremy
Garnier, Mark	Leigh, Sir Edward	Robinson, Mary	Zahawi, Nadhim
Gauke, rh Mr David	Letwin, rh Sir Oliver	Rosindell, Andrew	
Ghani, Ms Nusrat	Lewer, Andrew	Ross, Douglas	Tellers for the Noes:
Gibb, rh Nick	Lewis, rh Brandon	Rowley, Lee	Craig Whittaker and
Girvan, Paul	Lewis, rh Dr Julian	Rudd, rh Amber	Mrs Heather Wheeler
Glen, John	Lidington, rh Mr David		
Goldsmith, Zac	Little Pengelly, Emma		
Goodwill, Mr Robert	Lopez, Julia		
Gove, rh Michael	Lopresti, Jack		

Question accordingly negated.

Clause 25

TRADING PROFITS TAXABLE AT THE NORTHERN IRELAND RATE

Question proposed, That the clause stand part of the Bill.

The Temporary Chair (Mr George Howarth) With this it will be convenient to discuss new clause 2—*Review of changes to chargeability of trading profits to corporation tax at Northern Ireland rate*—

“(1) CTA 2010 is amended as follows.

(2) After section 357WH (Allocation of Northern Ireland profits etc of firm to company), insert—

‘357WI Review of changes to chargeability of trading profits to corporation tax at Northern Ireland rate

(1) As soon as practicable after the completion of the first financial year in respect of which the Northern Ireland rate is set by the Northern Ireland Assembly in accordance with the provisions of section 357IA, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review of the effects of the changes to chargeability of trading profits to corporation tax at the Northern Ireland rate made in Schedule 7 to the Finance (No. 2) Act 2017.

(2) A review under this section shall consider in particular the effect of those changes on the extent to which companies are based in—

- (a) Northern Ireland, and
- (b) Great Britain.

(3) A review under this section shall also consider the effect of those changes on the extent to which the profits or losses of companies and firms are Northern Ireland profits or losses.

(4) A review under this section shall also consider the effect on employment in—

- (a) Northern Ireland, and
- (b) Great Britain.

(5) A report of the review under this section shall be laid before the House of Commons within one calendar month of its completion.”

This new clause requires HMRC to carry out a review after the first year of operation of the Northern Ireland rate of the effect of the changes in Schedule 7 on the location of companies in Northern Ireland and in Great Britain, the extent to which trading profits and losses are treated as subject to the Northern Ireland rate and on employment in Northern Ireland and in Great Britain.

4.30 pm

Mel Stride: As with my contributions earlier this afternoon, I will set out why the Government have included this measure in the Bill, before turning to new clause 2.

Clause 25 and schedule 7 make amendments to the Northern Ireland corporation tax regime. The Government are committed to supporting growth across all parts of the UK. Creating a stronger Northern Ireland economy will benefit the entire United Kingdom.

Northern Ireland faces a unique set of circumstances and challenges. That was why, in 2015, this House legislated to devolve corporation tax rate-setting powers to the Northern Ireland Assembly, subject to commencement regulations. The introduction of the regime received nearly unanimous support from Northern Ireland’s political leaders and business community. The rate-setting powers given to the Northern Ireland Assembly are another tool to help to rebalance the Northern Ireland economy by revitalising private enterprise and attracting new investment.

This clause and schedule amend the regime to allow all small companies with trading activity in Northern Ireland the opportunity to benefit from future changes in the Northern Ireland corporation tax rate. They also make changes to ensure that the regime is robust against abuse and ready for commencement once a restored Northern Ireland Executive demonstrate that their finances are on a sustainable footing.

It may help the House if I set out how the devolved rate regime has been designed to focus on incentivising genuine investment in Northern Ireland. The regime was set out in the Corporation Tax (Northern Ireland) Act 2015.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Minister is making a powerful case as to why the devolution of corporation tax is a good thing for the Northern Ireland economy, but should the same case not apply to Wales and Scotland, because it creates an imbalance if one devolved Government have a set of fiscal powers that the other devolved Governments do not have?

Mel Stride: I thank the hon. Gentleman for his intervention, but there is, of course, one key distinction between Wales and Northern Ireland, and that is that Northern Ireland has a land border with the Republic of Ireland, which has a corporation tax rate of just 12.5%. It is particularly important in that context that we make these provisions.

Jonathan Edwards: The Minister makes a fair point about the land border, but large parts of Wales, including my part of Wales—the west of Wales—have a sea border with the Republic of Ireland.

Mel Stride: I do not think it is within the scope of this particular clause to start getting too much into the devolutionary settlement for Wales.

The regime was set out in the 2015 Act, which, subject to commencement regulations, will devolve corporation tax rate-setting powers to the Northern Ireland Assembly. The Government have committed to working with an incoming Northern Ireland Executive on options for commencement, including on timing and adjustments to the Northern Ireland Executive block grant to reflect tax revenues forgone by the UK Government.

There are two key features to the regime’s design. First, the devolved rate will apply only to a company’s trading profits; investment activities, which are highly mobile, are not in scope. Secondly, the Act requires large companies with a substantial trading presence in Northern Ireland to calculate their Northern Ireland profits separately from the rest of their profits. That calculation must follow internationally accepted principles for attributing cross-border profits. Broadly, that means that companies with profits generated in different tax jurisdictions must calculate their branch profits as though each branch were an independent entity. These profit attribution rules are important to make sure the regime works as intended.

An SME with 75% or more of employment time and costs in Northern Ireland would have all its trading profit taxed at the Northern Ireland corporation tax rate. An SME below the 75% threshold would have all its trading profits, including those generated in Northern Ireland, taxed at the UK corporation tax rate.

Ian Paisley (North Antrim) (DUP): Does the Minister accept that the introduction of this will allow for the rebalancing of the Northern Ireland economy in a very beneficial way? It will allow us to generate more investment and, potentially, more private sector jobs. Of course, this corporation tax will not apply to the financial service sector, so it will not wrongly attract businesses away to Northern Ireland.

Mel Stride: My hon. Friend makes the very powerful point that this is not about brass-plating and shifting profits; it is about generating growth in a very important part of the United Kingdom.

Since we legislated in 2015, we have heard that some small businesses want the option to benefit from the Northern Ireland corporation tax rate on the proportion of their profits generated by trading activity in Northern Ireland. The changes made by clause 25 will give all SMEs trading in Northern Ireland the potential to benefit from the devolved rate, should they choose to do so. That will be done without watering down the rules, and it will ensure that the regime is focused on incentivising genuine economic activity in Northern Ireland. Like large companies, those SMEs that opt to take advantage of this measure will be required to calculate their Northern Ireland profits according to well-established principles. These changes deliver a fair outcome for small companies.

Let me be clear that under these rules a company's trading profits will be taxed at the Northern Ireland rate only if the company has a substantial physical presence in Northern Ireland and if that is where the economic activity that generates the profit takes place.

New clause 2 would require HMRC to conduct a review of the impact of the changes in schedule 7 on the corporation tax system, the location of companies and the levels of employment across Northern Ireland and Great Britain. A mandated formal review is not an appropriate response to a regime that has been carefully designed to be robust in relation to avoidance and abuse, and one that, as I have said, builds on tried and tested rules when doing so. As with all policies, the Government will monitor the regime closely once it is commenced to ensure that it operates as intended. I urge the Opposition not to press the new clause.

Ian Paisley: Does the Minister accept that those who espouse the peace process also want to see an economic dividend post that process? Therefore, why would anyone want to vote against something that allows that economic dividend, building upon the peace in Northern Ireland?

Mel Stride: My hon. Friend makes a powerful point. This is about strengthening Northern Ireland's economy, society and infrastructure, to the end that we all seek, which is a stronger and more united Northern Ireland.

In conclusion, these provisions include changes that will ensure that the regime is robust against abuse, in order to maintain the regime's focus on encouraging genuine additional economic activity in Northern Ireland.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I thank the Financial Secretary for introducing this group. This is an important debate, not only for the future of Northern Ireland, but for this country's overall approach to taxation and devolution.

We know—we have discussed it frequently throughout this process—that our country faces a substantial tax gap. The official estimate of the UK's tax gap is at least £36 billion, up from £33 billion in 2010, but that is at best a conservative estimate, given that the Government's definition of the tax gap excludes convoluted corporate structures, which we know are used by multinationals to minimise their tax liabilities. The view that the tax gap is underestimated is shared by the Institute for Fiscal Studies and the Public Accounts Committee. I think that we all agree that that £36 billion, and possibly more, is money that should be used to fund our public services, and that everybody should pay their fair share.

Corporation tax is an important part of the UK's tax revenue. In 2016-17, HMRC collected £56 billion in corporation tax receipts. Although it is important that we keep the rate competitive, particularly in the light of the UK's exit from the European Union, it is worth noting that we face a law of diminishing returns in this regard. At 19%, the UK's corporation tax rate is already one of the lowest in Europe. We should be confident that we do not need to plunge the rate to rock bottom in order to encourage businesses to invest and domicile here. The UK plays host to a wealth of resources that enable it to be globally competitive, including our legal system, our language, our time zone, our infrastructure, our regulatory bodies and, most of all, our people.

It is equally important that Northern Ireland is equipped with the tools to compete in that international landscape, as has been brought to the fore recently with the punitive tariffs aimed at Bombardier in the United States. As the Financial Secretary has explained, the corporation tax rate has already been devolved to the Northern Ireland Assembly, through the Corporation Tax (Northern Ireland) Act 2015. Now that that legislation has been decided, it is for Northern Ireland's politicians to work together and use those powers to see where the line lies between a lower tax rate and the broader appeal of Northern Ireland as a business destination. At present, the decision has been that 12.5% best achieves those ends. It is not my intention to revisit those arguments today, and nor would it be appropriate to do so, given the reasons already outlined.

What is relevant, and the reason Labour has proposed new clause 2, is the relationship between that rate and the rest of the UK. The gap between 12.5% and 19% represents a significant potential for arbitrage between Northern Ireland and the rest of the UK. Some businesses might base their decisions on where to domicile purely with regard to taxation, and that is a risk that we accept—indeed, we already compete with the rest of Europe on that basis. Our concern is that the Government are introducing measures that could be exploited by companies that will seek to abuse the proximity between Northern Ireland and the UK simply to divert profits and benefit from a lower tax regime, which would benefit neither the UK nor Northern Ireland.

Mr Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman spoke a few moments ago about the importance of competitiveness throughout Europe. Does he agree that the argument that he is making runs counter to the attempts to make Northern Ireland's private sector business more competitive, when we have a difficult relationship with the Irish Republic and its very low corporation tax, which he has alluded to?

Jonathan Reynolds: I take the hon. Gentleman's point, but I would not agree with his characterisation of the situation. We are making the case that our amendment will really benefit Northern Ireland, because if the relationship was abused and firms sought to benefit from the lower rate without investing in Northern Irish jobs or business production, that would surely defeat the purpose of having a lower corporation tax rate—that is the sole point of trying to devolve the rate to Northern Ireland. Our concern is that loosening the rules could lead to brass-plating, where UK businesses are given a loophole that allows them to domicile their businesses in lower-tax jurisdictions while they continue, in reality, to operate in the UK.

Ian Paisley: The hon. Gentleman recognises that the one sector in which the proposals might be abused, the financial services sector, is specifically precluded from taking advantage of them. Could he provide the House with an example of a sector that he thinks would abuse the rules?

Jonathan Reynolds: I do not agree with the hon. Gentleman's assertion that only the financial services sector will seek to do that. We are proposing a very reasonable review of the measure after one year, and he has nothing to fear from such an amendment.

Labour, more than any other party in this House, has consistently made the case for a level playing field between larger and smaller businesses, but a level playing field cannot be simply an equal race to the bottom in which smaller businesses are given the same tax avoidance opportunities as larger ones. That is not to say that the rule changes will necessarily lead to a flight of small and medium-sized enterprises rushing to domicile in Northern Ireland. We note that the majority of enterprises operating in the UK are honest and committed to paying their fair share. We should be vocal in praise of that contribution and its role in making the UK economy a success. However, opening what could become a loophole is significant, and it is critical that we protect against unforeseen consequences.

At this stage we have little indication of the potential impact of this measure, because behavioural effects are notoriously unpredictable to model. For that reason, we have tabled an amendment that calls on the Government to review the measure as soon as is practicable after the completion of the first financial year in which it has been fully in force. The report of that review would be presented to the House within one month. That would allow us to understand fully the impact of chargeability, see how companies are responding and react accordingly if the measure is being treated as a loophole. In turn, if evidence shows that the measure is forging stronger business links between Northern Ireland and the rest of the UK, and that the impact to the Exchequer is minimal, at least a proper assessment will have been made.

We are at a critical time when the UK economy simply cannot afford to lose revenue to tax avoidance. We have heard in the Chamber many times the arguments about why it makes little sense to drop corporation tax rates to below European averages. To do so betrays a lack of confidence in the many attractions of the UK as a domicile for ambitious companies that seek to grow their businesses. We should not be compounding revenue loss by opening a back door to even lower corporation tax rates without a framework in place to assess the impact properly.

Jonathan Edwards: I am sure that the hon. Gentleman agrees that one of the biggest economic challenges that we face is the huge and gross geographical wealth inequality within the British state. Is the Labour position that fiscal devolution has no part to play in the strategy for dealing with geographical wealth inequalities?

Jonathan Reynolds: The hon. Gentleman is not correct in that assessment. I certainly agree with him that regional disparity in the UK is one of the principal economic challenges that we face, but I do not agree that the solution is a race to the bottom in corporation tax rates between different parts of the UK. That would be neither effective nor the right way forward, and it would almost certainly fail to address the problems that he raises.

I put it to the House that new clause 2 is a sensible, pragmatic and effective proposal to deliver objectives that are widely shared by Members from all parts of the House: a prosperous Northern Ireland, an effective partnership across the nations of this country and a competitive UK with strong public finances supporting quality public services.

4.45 pm

Sammy Wilson (East Antrim) (DUP): First, I welcome the proposal in the Finance Bill, which adds to the previous decision about devolving corporation tax to Northern Ireland and giving us autonomy to make decisions about what the appropriate level may be.

I am a bit bemused by new clause 2. The argument is that devolving corporation tax to Northern Ireland and our having a different rate will somehow or other open the door to abuse. That objection could of course have been made, and more appropriately made, when the decision was made to devolve the tax in the first place. If it is open to abuse, it will create the kind of problems described by the shadow Minister, but if that were the case, I cannot understand why these issues were not raised at the time we voted on the principle of devolution. I suspect this is more to do with the fact that the Labour party is opposed to any reduction in corporation tax.

Let me address a couple of the points that have been made about extending this to small and medium-sized enterprises. The Minister made it quite clear that the criteria are, first, that they have to have a physical presence in Northern Ireland; and, secondly, that they have to register profits commensurate with the activities they engage in in Northern Ireland. That of course will have to be shown—by accounts, by employment, by the physical infrastructure that such a business would have in Northern Ireland—so there are already safeguards anyway. It can be measured whether an SME is simply moving paper money to register profits in Northern Ireland, or whether it is creating genuine jobs.

The biggest safeguard will be the decisions made by the Executive in Northern Ireland—if, indeed, an Executive is ever up and running again in Northern Ireland. We hope there will be, but that is one of the problems at the moment. It is not in the interests of the Northern Ireland Government to allow the situation that has been described by the Labour spokesman, for the simple reason that the payment for the devolution of corporation tax comes from the block grant. If we allow companies simply to migrate their business to Northern Ireland, register their accounts in Northern Ireland and declare their profits in Northern Ireland, but they do not actually

[Sammy Wilson]

create any physical activity in Northern Ireland, we will have to pay the amount of tax lost from the block grant. There will be no better policeman or policewoman of this than the Northern Ireland Executive themselves.

The review asked for—if there is any point in a review after a year—is therefore superfluous. First, there is the evidence that the company has to produce, and then there will be the scrutiny of HMRC. When we negotiated the devolution of corporation tax, compliance costs were built in, because of the additional scrutiny. It will also be in the interests of the Northern Ireland Executive to ensure that the system is not abused. For all those reasons, I believe that the new clause is superfluous. It is not needed, and we will therefore vote against it.

Emma Little Pengelly (Belfast South) (DUP): I want to raise one additional point. My hon. Friend the Member for East Antrim (Sammy Wilson) has set out very well a number of our concerns about the proposed new clause. We have looked at this issue in the Northern Ireland Assembly, and I had the privilege of being the Chairperson of the Finance Committee when we considered the detail of it. We listened to concerns from small business and to those outlined by the Opposition spokesperson, but the key objective is to attract new business and jobs to the UK. We do not necessarily want movement from the rest of the UK to Northern Ireland. This is about foreign direct investment, trying to create new jobs and contributing positively to the economy of Northern Ireland and of the UK.

In Northern Ireland, we have looked at this issue for many years. It has been scrutinised by committees. We have had a range of consultants and others look at the detail of the proposal because we want it to work. As my hon. Friend the Member for East Antrim said, we do not want it to be simply an exercise in brass-plating or anything like that. We want jobs, employment and further investment in Northern Ireland.

One of the big issues in terms of the movement and type of jobs we want is certainty. Certainty is essential if we are to get commitment from companies—hopefully, big companies—to move into the UK for the first time and to invest in plant and staff recruitment. The proposal in new clause 2 to have a review after 12 months will create uncertainty. What international business would look at the UK and invest in plant, employees and recruitment when one of the big incentives to moving—the lower corporation tax rate—could be removed following a review after just 12 months? It is essential that we remain positive about the measure and have certainty about it. I reiterate: we want new jobs for the UK, and we want them in Northern Ireland.

Question put and agreed to.

Clause 25 accordingly ordered to stand part of the Bill.

New Clause 2

REVIEW OF CHANGES TO CHARGEABILITY OF TRADING PROFITS TO CORPORATION TAX AT NORTHERN IRELAND RATE

(1) CTA 2010 is amended as follows.

(2) After section 357WH (Allocation of Northern Ireland profits etc of firm to company), insert—

“357WI Review of changes to chargeability of trading profits to corporation tax at Northern Ireland rate

(1) As soon as practicable after the completion of the first financial year in respect of which the Northern Ireland rate is set by the Northern Ireland Assembly in accordance with the provisions of section 357IA, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review of the effects of the changes to chargeability of trading profits to corporation tax at the Northern Ireland rate made in Schedule 7 to the Finance (No. 2) Act 2017.

(2) A review under this section shall consider in particular the effect of those changes on the extent to which companies are based in—

- (a) Northern Ireland, and
- (b) Great Britain.

(3) A review under this section shall also consider the effect of those changes on the extent to which the profits or losses of companies and firms are Northern Ireland profits or losses.

(4) A review under this section shall also consider the effect on employment in—

- (a) Northern Ireland, and
- (b) Great Britain.

(5) A report of the review under this section shall be laid before the House of Commons within one calendar month of its completion.”” —(*Jonathan Reynolds.*)

This new clause requires HMRC to carry out a review after the first year of operation of the Northern Ireland rate of the effect of the changes in Schedule 7 on the location of companies in Northern Ireland and in Great Britain, the extent to which trading profits and losses are treated as subject to the Northern Ireland rate and on employment in Northern Ireland and in Great Britain.

Brought up, and read the First time.

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

The Committee divided: Ayes 231, Noes 308.

Division No. 23]

[4.51 pm

AYES

Abbott, rh Ms Diane	Chapman, Jenny
Alexander, Heidi	Charalambous, Bambos
Ali, Rushanara	Coaker, Vernon
Allin-Khan, Dr Rosena	Coffey, Ann
Amesbury, Mike	Cooper, Julie
Antoniazzi, Tonia	Cooper, Rosie
Ashworth, Jonathan	Cooper, rh Yvette
Austin, Ian	Corbyn, rh Jeremy
Bailey, Mr Adrian	Coyle, Neil
Barron, rh Sir Kevin	Crausby, Sir David
Beckett, rh Margaret	Creasy, Stella
Berger, Luciana	Cruddas, Jon
Betts, Mr Clive	Cryer, John
Blackman-Woods, Dr Roberta	Cummins, Judith
Blomfield, Paul	Cunningham, Alex
Brabin, Tracy	Cunningham, Mr Jim
Bradshaw, rh Mr Ben	Dakin, Nic
Brennan, Kevin	David, Wayne
Brown, Lyn	De Cordova, Marsha
Brown, rh Mr Nicholas	De Piero, Gloria
Bryant, Chris	Dent Coad, Emma
Buck, Ms Karen	Dhesi, Mr Tanmanjeet Singh
Burden, Richard	Dodds, Anneliese
Burgon, Richard	Doughty, Stephen
Butler, Dawn	Dowd, Peter
Cable, rh Sir Vince	Drew, Dr David
Cadbury, Ruth	Duffield, Rosie
Campbell, rh Mr Alan	Eagle, Ms Angela
Campbell, Mr Ronnie	Eagle, Maria
Carden, Dan	Efford, Clive
Carmichael, rh Mr Alistair	Elliott, Julie
Champion, Sarah	Ellman, Mrs Louise

Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 Gill, Preet Kaur
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Gwynne, Andrew
 Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hepburn, Mr Stephen
 Hill, Mike
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Huq, Dr Rupa
 Hussain, Imran
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Killen, Gerard
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lavery, Ian
 Lee, Ms Karen
 Leslie, Mr Chris
 Lewis, Clive
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Ian C.
 Lynch, Holly
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon

Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 McCabe, Steve
 McDonagh, Siobhain
 McDonald, Andy
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahan, Jim
 McMorrin, Anna
 Mearns, Ian
 Miliband, rh Edward
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Nandy, Lisa
 Norris, Alex
 O'Mara, Jared
 Onasanya, Fiona
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Rashid, Faisal
 Reed, Mr Steve
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Robinson, Mr Geoffrey
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Ryan, rh Joan
 Shah, Naz
 Sheerman, Mr Barry
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Cat
 Smith, Eleanor
 Smith, Laura
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul J.
 Swinson, Jo
 Tami, Mark

Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Turley, Anna
 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
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Woodcock, John
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Jeff Smith and
Thangam Debbonaire

NOES

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
 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
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dods, 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
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 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
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 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
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 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
 Jenrick, Robert
 Johnson, rh Boris
 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
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 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
 Mercer, Johnny
 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
 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 Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 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:
Craig Whittaker and
Mrs Heather Wheeler

Question accordingly negated.

The Deputy Speaker resumed the Chair.

Bill (Clauses 5, 15 and 25) reported, without amendment, and ordered to lie on the Table.

PETITIONS Consumer Rights

5.7 pm

Martyn Day (Linlithgow and East Falkirk) (SNP): I rise to present a petition relating to consumer rights. The petition stems from a problem that a constituent of mine—*[Interruption.]*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I ask Members to leave the Chamber quietly. I am struggling to hear what the hon. Gentleman is saying.

Martyn Day: Thank you, Mr Deputy Speaker.

As I was saying, the petition arises from a problem experienced by my constituent Mrs Johnston with a firm called R & J Leather, of Uddingston, in purchasing a three-piece suite. The terms of the petition are fairly self-explanatory. It states:

The petition of residents of Linlithgow and East Falkirk,

Declares that the Consumer Rights Act of 2015 does not do enough to protect consumers against rogue traders who do not comply with the terms of the Act; further that the change to the Act in 2015, which gives consumers the right to reject goods within 30 days, which are not as described or faulty, is unenforceable; and further that currently, consumers cannot take any action against companies who do not participate in the Consumer Ombudsman scheme, and this leaves the consumer with the laborious task, if the company will not co-operate, of having to take a small claims action in court.

The petitioners therefore request that the House of Commons urges the Government to review the Consumer Rights Act (2015) to ensure better protection for consumers; further asks the Government to review the terms of the Act, to make membership of a

professional body for traders compulsory; and further that this action would allow consumers the ability to pursue a complaint with the Consumer Ombudsman.

And the petitioners remain, etc.

[P002063]

Myanmar's Muslim Ethnic Minority

5.9 pm

Nic Dakin (Scunthorpe) (Lab): I want to praise the work that the Bangladesh Welfare Association in North Lincolnshire does in the community, and also to thank the association for co-ordinating the petition and bringing it to me. The petition states:

The petition of residents of Scunthorpe County Constituency,

Declares that urgent action should be taken to stop the violence against Myanmar's Muslim ethnic minority, the Rohingya including genocide, ethnic cleansing and crimes against humanity; and further declares that the petitioners believe Rohingya Muslims are not recognised as citizens in Myanmar.

The petitioners therefore request that the House of Commons urges the Government to issue an urgent statement calling for an immediate end to all violence in Myanmar; further calling for immediate entry aid into Myanmar; and further requests that the House of Commons urge the Government to reach out to State Counsellor Aung San Suu Kyi to recognise the Rohingya Muslim community as citizens and grant legal status.

And the petitioners remain, etc.

[P002064]

University Vice-Chancellors: Pay

Motion made, and Question proposed, That this House do now adjourn.—(*Graham Stuart.*)

5.10 pm

Dr Andrew Murrison (South West Wiltshire) (Con): It is a pleasure to have the opportunity to introduce this Adjournment debate and to have two hours and 20 minutes in which to discuss this important matter.

I would like to set out a bit of the context around my request for this debate. During the summer, a league table of vice-chancellors' pay was published, showing that the average pay of a university vice-chancellor was somewhere in the region of £280,000 a year. That struck me as a large sum of money, particularly in the current atmosphere of relative austerity. I was particularly upset to notice that the vice-chancellor of my own local university, the University of Bath, a non-Russell Group, middle-ranking university, should be right at the top of that league table, in pole position at No. 1, on £451,000 a year, plus a very generous package.

Since being elected in 2001, I have been an ex officio member of Bath University's court. I confess that it does not involve me in a great deal of hard work, but nevertheless I have been very pleased to be associated with Bath University, which—let me be absolutely clear—is a good institute of higher education that has done exceptionally well over the past several years. However, it seemed to me that I could no longer be part of the governance of Bath university, in however much a titular capacity, while its remuneration committee showed such an error of judgment as it displayed on this occasion, hence my action over the summer.

Since then, I have been inundated with correspondence from all sorts of people—not only constituents, but young people who are burdened with debt, and university lecturers, particularly those working at the University of Bath—in support of the action I took, and in some cases providing me with very long accounts about why it was right that we should look at restraining this part of public sector expenditure. I found those arguments to be compelling.

I very much welcome recent Government interventions on higher education funding, as announced by the Prime Minister recently in Manchester and reiterated by the Minister in his statement earlier today. They are absolutely right, and that will have given a great deal of comfort to those going through higher education, as well as to universities themselves. As the Minister rightly pointed out earlier, the quality of British higher education is of vital importance, and the changes made—to be fair, by the Labour party when in government, and then continued by the coalition and then Conservative Governments—were necessary to safeguard the quality of British universities and higher education in the UK. They are to be wholly welcomed and are absolutely right, but we do need to address the fundamental issue of student debt, which is causing so much grief to young people and, by extension, to the party of government. I hope that in the review the Minister alluded to earlier today we can find a solution that goes some way towards satisfying the concerns of young people in this respect and of course their families, who are usually co-contributors to higher education costs.

[*Dr Andrew Murrison*]

Mounting student debt is one of the problems of our time. Currently, young people are leaving university with an average debt of £42,000. Although, theoretically, that debt may never be repaid, and in lots of cases never will be, it is a burden that young people feel acutely. The Minister understands that and is doing what he can to look at that issue. I wish him well in his quest.

This is not simply about tuition fees; it is also about housing costs and the high rates that young people have to pay for university-related accommodation, which is often of an inferior or distinctly mediocre standard. It seems to me that that is sometimes a covert way of universities raising yet more money.

Given that universities are relatively well off, I think we all would agree that they need to be particularly careful about spending money. That comes to the crux of what I want to discuss. This debate is at a time of relative restraint in pay across the public and quasi-public sectors. We have seen, as Members of Parliament, the results of that, with the concerns expressed in our mailbags and the bow wave of pressure to relax restraint that has been in place for some years now. People see that and examples of where it has not applied, and they make adverse comparisons. When people see very high pay leaping up and up, they are entitled to feel aggrieved, particularly when they feel they have some direct involvement in paying for what they see as excess. That certainly is the case here, as my mailbag has demonstrated.

In the past five years, vice-chancellors' pay has increased by 17.4%. It now averages £278,000 a year. At Bath, it is £451,000 a year. By comparison, the chief executive of the Royal United Hospitals Bath NHS Foundation Trust receives £185,000 a year, which most people would think is pretty good. He runs an organisation that is just as complex as, if not more so than, the University of Bath; the university employs 4,800 people against the Royal United's 3,015.

It is right to compare those salaries with that paid to the Prime Minister, and the reason is that people generally feel it is inappropriate for people in the quasi-public sector and public sector to be paid multiples of the income of the Prime Minister unless there is a very good reason.

Dr David Drew (Stroud) (Lab/Co-op): I was happy to join the hon. Gentleman in resigning from the University of Bath's court. I never quite understood why I was on the court. I resigned in a previous incarnation, so it was only right and proper that I resigned on this occasion. Does he agree that one problem with university vice-chancellors is that they have other ways in which to supplement their income, such as where they live and their expenses, and that that information should be in the public domain? The University of Bath was very hesitant to share that information.

Dr Murrison: I absolutely agree with the hon. Gentleman. I will come on to some of the benefits later on in my remarks, and it will not surprise him to know—I suspect he has read the report, as I have—that the University of Bath features large in the University and College Union's report on this subject, regrettably, as one of the arguably worst examples of what I certainly represent as excess at the top of higher education in this country, which is the matter we are seeking to resolve.

The Prime Minister is paid £152,000 a year. The Prime Minister, of course, heads the Government, and it is extraordinary therefore that the vice-chancellor of Bath University should be paid £451,000, which is pretty much three times the salary of the Prime Minister. I think most people in this country would have a general sense that that is odd, to put it mildly, and needs quite considerable justification.

Robert Halfon (Harlow) (Con): I thank my hon. Friend for securing the debate and congratulate him and the hon. Member for Stroud (Dr Drew) on the principled way in which they resigned because of what I and many other people see as an outrageous amount of money. Does he agree that the pay of vice-chancellors should be clearly linked to performance measures? One performance measure must be successful job destinations, with highly skilled and highly paid jobs for students.

Dr Murrison: Yes, up to a point. If my right hon. Friend will allow me, I will come on to performance-related pay later in my remarks, which I have a little over two hours to make.

Jim Shannon (Strangford) (DUP): I spoke to the hon. Gentleman about this matter earlier today at the Northern Ireland Affairs Committee. The Government have advised that they will deal with fat cats in the boardroom, but little has been done on this issue, which is why this debate is appropriate and necessary. At Queen's University in Belfast, the vice-chancellor's wage rose from £230,000 to £249,000 in 2014, but the university does excellent work and has partnerships involving medical research and discovering new drugs. That figure pales into insignificance when one discovers that the vice-chancellor of the University of Huddersfield earned £364,564 in the financial year to 2016. Is it not time to address that?

Dr Murrison: The hon. Gentleman is obviously correct. That is why I am bringing this matter to the Floor of the House. There is an issue with Governments seeking to control pay in that way in the private sector, but not in the public and quasi-public sectors, where things are quite different due to the large sums of public money. It is perfectly legitimate for this place and for Ministers to be involved in some of that, certainly in setting the right environment for the determination of pay settlements. We will be in an unhappy, uncomfortable place if we continue to see the escalation of recent years.

Wera Hobhouse (Bath) (LD): The University of Bath is in my constituency, so I take a great interest in this. A motion raising concerns over the vice-chancellor's pay was discussed during a meeting of the university court in February this year. The motion was defeated by the votes of the very people who had benefited from decisions on pay, despite the clear conflict of interest, which raises grave concerns about the governance of our universities.

Dr Murrison: I absolutely agree. The functioning of remuneration committees in universities needs to be addressed. Ministers have recently set out a vehicle for doing so, and I will come on to discuss the Office for Students and how it might be used to increase transparency about remuneration.

Remuneration committees are, to put it mildly, opaque. How they are constituted and how they operate varies, and their willingness to be open also varies greatly between institutions, as the University and College Union has made clear. Bath is probably not an exceptional example of transparency in the setting of vice-chancellors' pay, and that lack of transparency means that the quality of those settlements is likely to be diminished. We know that well in this place, because we have been through some of this in our not-too-distant past. Sunlight is the best disinfectant, and the public getting to see what is going on often acts as a restraint on pay and benefits. Any transparency that can be linked to the process and to this part of the quasi-public sector has to be a good thing.

We also need to discuss what has happened to pay more generally within higher education. Much of the disaffection that has been expressed to me since the early summer has come from the academic staff of our universities. They have expressed some frustration that the rewards for institutions achieving great things appear to be accruing to higher management staff and vice-chancellors, whereas they have seen little benefit. They have seen their salaries increase by 3.8% over five years, which is in contrast to the average 17.4% increase for vice-chancellors, and the average pay for a tenured academic is a little over £49,000.

That seems rather strange, particularly in the context of performance-related pay. If we seriously believe in performance-related pay in the public and quasi-public sectors, we cannot simply exempt the majority of the workforce from that form of remuneration. That makes no sense, particularly since the drivers of quality in universities are clearly those at the chalk face—those at the laboratory bench. They are the drivers of the good-quality student experience and quality research for which this country is renowned and which we must maintain. Those people are being alienated by the egregious awards that they see coming out of remuneration committees to senior people in universities. The demoralising effect must be fully understood. When remuneration committees consider top-level pay and their legitimate need to attract high-quality people to the top of their institution, they must also understand more clearly the effect of such rewards on those who do the work.

Wera Hobhouse: Less than a week ago, a group of students came to my surgery telling me that rents on campus are going up by 8%. Is there any wonder that people think that students who are already under huge financial pressure will pay the high salaries of some of the management of the university? The public perception is there and it reflects badly on the reputation of our universities.

Dr Murrison: I am particularly concerned about university accommodation, as I said earlier. As I understand it, the position at the University of Bath is that accommodation is ring-fenced, in the sense that receipts from halls of residence are ploughed back into more halls of residence. The position in Bath is slightly unusual and it would certainly not be right, from what I have seen, to suggest that the University of Bath is using accommodation directly as a cash cow. However, it is certainly the case that the university is making a significant profit year on year from the accommodation it provides to its captive audience on the fringes of the city of Bath.

Robert Halfon: My hon. Friend is being incredibly generous in giving way, and that is typical of him. Does he agree that it is not just an issue of vice-chancellor pay but of senior management pay and the random way in which professors are paid from university to university, sometimes using significant amounts of funds? There is also an issue of pay disparity in senior management between men and women. There is some suggestion that BBC-type problems might be affecting our universities.

Dr Murrison: I am at a slight disadvantage on my right hon. Friend's latter point, because my interest in this matter was sparked by Dame Glynis Breakwell, the vice-chancellor of the University of Bath. She is right at the top of the pay league table, so my local experience clearly does not bear his point out. I would not be surprised, however, if that was the case. The trouble is that the lack of transparency around a lot of this material in the university sector means that it is quite difficult to make that comparison. Were it to be the case—and I suspect he is right—I would clearly want the universities to address it, as it is simply not acceptable.

I was interested in my right hon. Friend's earlier point about performance-related pay, and in preparing for the debate I did look at those universities that had significantly increased the level of vice-chancellor pay in the recent past and compared that with improvements as judged by the Complete University Guide set of metrics, which is used by most pundits and commentators to compare universities. The students certainly look at those figures very closely when deciding where to go.

I stared at the figures and compared and contrasted them for some time, and I could not see any correlation between improved pay for vice-chancellors and improved metrics. Indeed, there is some suggestion that there is an inverse correlation, which rather bears down on the point about performance-related pay. I can see very little evidence of it operating here. We need to be careful about performance-related pay, because it is set by remuneration committees and, unless its terms are available for scrutiny, the goals could be eminently achievable. That would make a mockery of the whole thing, which comes back to my central point: we must have transparency in how pay is set if we are to have any confidence in our current system.

I absolutely accept that vice-chancellor pay and benefit packages are a tiny part of a multi-billion-pound consideration in higher education. That point was made clearly by Lord Willetts when he was the universities Minister. He rightly sought to put the whole thing into perspective, but my worry is that in the remuneration of vice-chancellors and senior people in higher education we have a window into what might be going on more generally in the universities sector. If we are seeing such egregious examples of the misuse of public funds and student indebtedness, as I believe we are in this case, we wonder what is happening more generally in this sector.

Universities have charitable status. The Higher Education Funding Council governs that, with this subcontracted by the Charities Commission, which has written to me on this subject. It is important that we emphasise that charities—universities, in this case—have charitable purposes; they are meant to use their moneys for charitable purposes, to demonstrate charitable good. They should not be using money unless they can demonstrate that that expenditure in some way satisfies their charitable purposes.

[*Dr Murrison*]

The University and College Union's report of February 2016, for which I am in its debt, sheds interesting light on this subject, because it discusses not only pay, but other benefits. Although many universities did not respond to the UCU's request for information, and so we need to be slightly guarded about its conclusions, this report nevertheless gives us some useful data. For example, it shows that Bath's vice-chancellor spends an average of £313 a night for hotel accommodation and that Middlesex University's vice-chancellor spends an average of £448 a night, whereas the Independent Parliamentary Standards Authority will allow MPs £150 a night in London and £120 a night outside it. I make no comparison between MPs and vice-chancellors; what I would say is that £150 a night seems reasonable. People will not often hear a Member of Parliament being nice about IPSA, but I am nice about it; for the record, I think it does a good job in general and it has pitched that about right, because we can certainly get accommodation in London for £150 a night or outside London for £120 a night and we will not be living underneath the arches. How someone can spend £448 or £313 a night, inside or outside London, is a little beyond me—it is probably beyond my experience. That is an example of what I mean about the use of funds for charitable purposes. In what way does that expenditure advance the charitable purposes of these institutions?

It gets worse, however, because the report goes on to consider air fares. Twenty-one universities that responded to the request for information—there may well be more that decided not to respond, because they do not want to share their information, for obvious reasons—ranging from high-end Bristol to the frankly obscure, send their principals only by first-class or business-class air travel. That is a remarkable thing. The vice-chancellor of the University of Bath spent £23,000 in 2014-15 on air fares and, according to the report, flew exclusively by first or business class. Members of Parliament will know full well that IPSA will take a dim view of any Member seeking to claim for anything other than economy. The Minister may well be familiar with the ability of Ministers to fly long haul by business class if they have a meeting the next day—most Departments would allow that for Ministers, and I certainly recall it—but for short-haul flights of less than three hours most certainly that particular benefit would not be got. It seems excessive for universities—remember the point about their charitable status—to have their principals and senior staff fly first or business class habitually. In this day and age, that seems wholly excessive.

It gets worse still. Many universities provide accommodation for their vice-chancellors. The report lists accommodation occupied by vice-chancellors, and some of it looks rather attractive, particularly that in Bath. At No. 2 in the catalogue is the vice-chancellor of the University of Bath, who in 2014-15 occupied accommodation worth nearly £3 million, which I think would seem excessive to most. It would probably seem excessive to the parents who have recently delivered their children to university halls of residence, many of which are distinctly shabby.

My chief concern about all this is the lack of transparency. The University and College Union makes transparency the crux of its survey and report, and it is

right to do so. In seeking the information it has sought, it has found that universities have in many cases been reluctant to engage, and we are beginning to see why. It found that 71% of those universities that responded had their vice-chancellors as members of their remuneration committees. In most walks of life, that would be considered a strange feature of a remuneration committee, even if the individual who was the subject of a particular discussion absented him or herself from the room while their issue was being discussed, because pay for an individual is not seen in isolation; it is seen against the backdrop of other senior pay within the institution and senior pay in other institutions.

I perceive a cartel operating in higher education, with vice-chancellors, and senior university staff generally, sharing each other's remuneration processes to their mutual benefit. I am of course not in any way suggesting that there is some deliberate attempt to do that, but that seems to me to be how it might work in practice. In short, remuneration committees appear to be unsatisfactorily shadowy for organisations operating in the public or quasi-public sectors. We see instances of minutes not being published, and of redacted minutes being published. When we are dealing with public funds and student indebtedness, that is unacceptable.

My other concern is about leadership. Vice-chancellors are quintessential leaders; leading is what they do. If they are not leaders, they are nothing at all. Yet some of the most senior, such as the vice-chancellor of the University of Oxford, have been bleating about being paid less than footballers and bankers. That does not strike me as leadership. At a time of pay restraint in the university sector, as well as in others, it seems to me wholly inappropriate for the leaders of these organisations to be complicit in a system that gives them a pay rise that is way out of kilter with that being awarded to their staff. That is wholly wrong and I hope that, going forward, we will see the same sort of restraint among the senior echelons of higher education as we have seen further down the pay scale.

I shall finish by being nice about the vice-chancellor of the University of Bath, because Dame Glynis Breakwell has done a grand job, over many years, and the University of Bath is a fine institution. Dame Glynis deserves warm thanks and praise for all the hard work she has put in. I do not blame her for her extraordinarily generous remuneration package; I do blame the system that has allowed it. I am pleased that a lot of the things the Government have been talking about recently—particularly the Office for Students, which I know my hon. Friend the Minister will talk about in a moment—will help in that respect. In particular, the OfS will add transparency to the way in which senior people in higher education are paid, bearing in mind the charitable status of those institutions, and the fact that they are in receipt of large sums of public money and the proceeds of student indebtedness. If it manages to achieve that through reforming not only remuneration committees, but the general atmosphere and ethos around this, it will have done a good job and that will be an early indication that it will be a worthy successor to the Higher Education Funding Council.

The purpose of this debate was simply to discuss how we might restore some balance and confidence to this particular element of university finances. I fear that I have hardly ingratiated myself with senior university administrators. I hope very much that we will continue

to remunerate appropriately these heads of our wonderful national institutions, but most can agree that pay for university vice-chancellors has become excessive and that, in the months and years ahead, we need to do something about it.

5.40 pm

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): I congratulate my hon. Friend the Member for South West Wiltshire (Dr Murrison) on securing this important debate on university vice-chancellors' pay. I am grateful for the opportunity to set out how the Government have prioritised value for money in the higher education sector, and to touch on our plans to address the issue of senior staff pay.

With students and taxpayers heavily invested in our world-class higher education system, the Government are determined that value for money should be a key priority. To that end, the Higher Education and Research Act 2017 introduced reforms to increase competition between providers and to promote greater choice for students.

The Act introduced a new regulator for the higher education sector, the Office for Students. Once it comes into being next year, the OfS will develop a new risk-based approach to regulation. For the first time, all registered higher education providers in England will be part of the same system. This new regulatory framework will promote diversity and innovation in the higher education sector in the interests of students. It will drive up quality and standards, incentivise better teaching and learning, and inspire the growth of sector-relevant skills to increase employability.

Under the Act, one of the duties of the OfS is to have regard to the need to promote value for money in the provision of higher education by English providers. It will ensure more transparency for students so that they can have greater confidence that their money is being well spent.

We introduced the Teaching Excellence Framework with the intention of raising the standard of teaching in higher education and giving students clear information about where they are likely to receive good teaching and to get great outcomes from their time at university. Almost 300 providers took part in the first trial year of the TEF, including all but two English universities and more than 100 colleges and private providers. Excluding those with provisional ratings, roughly 75% of entrants received either a gold or silver award.

We are making it a priority for students to know their rights and to have fair contracts that enable them to take action if the reality of their experience does not match what was advertised. With a view to ensuring students obtain value for money, the OfS will use its powers, including setting a regulatory condition for providers to create an environment in which providers fully meet their obligations to students as consumers, and students will be able to build an understanding of their corresponding rights.

If a student is not satisfied with their course or provider, they may wish to switch to a different one. That has been difficult for many students up until now. The Act places a duty on the OfS to monitor and report on arrangements for students to transfer, and empowers the OfS to facilitate, encourage and promote such arrangements.

The Department for Education will shortly be launching a consultation on behalf of the OfS. That will include a proposed condition of registration requiring providers to publish information on their student transfer arrangements.

Many universities are large and complex organisations. Highly skilled and talented individuals are needed to run these organisations effectively. In some cases, universities may be competing internationally to secure the right managerial expertise. Higher education providers are rightly private, autonomous and independent institutions—they are not in the public sector and they are not really in the quasi-public sector—and they are solely responsible for setting the salaries of their staff. Nevertheless, these providers also have a public service mission, as my hon. Friend mentioned. With public funding providing the sector's most significant single source of income, there is a legitimate public interest in promoting the efficiency of providers. This must include senior staff pay.

There is a risk that increasing salaries diverts money away from a provider's core mission of teaching and research. Exceptional pay can only be justified by exceptional performance. The Government have consistently used their annual grant letter to HEFCE to call on universities and their remuneration committees to exercise restraint on senior staff pay. In my most recent letter, I made it clear that efficiency must include demonstrating restraint in setting senior pay. The Department's consultation will contain proposals reflecting my requests that the OfS introduces a new condition of registration requiring the governing bodies of providers with access to student support to publish the number of staff paid more than £100,000 a year. For staff paid more than £150,000, providers will be required to publish their justification for these salaries. In the event that a provider fails to meet the requirements of this condition of registration, the OfS will be able to use its powers, which include monetary penalties, to take action.

The OfS will also issue guidance to help providers to meet the requirements of the condition of registration, and use its power to investigate the governance of an institution through assessments of management effectiveness, economy and efficiency where there are substantiated concerns.

Robert Halfon: I thank my hon. Friend for his work on this. Will the consultation also look at potential gender-related pay disparities?

Joseph Johnson: I am grateful to my right hon. Friend for mentioning that because we do indeed plan to ensure that such issues are considered by the OfS.

Arrangements will also be made to compile and publish data on the levels of HE senior staff remuneration beyond what is required by the registration condition, with a particular focus on protected characteristics such as gender and ethnicity. Further to this, I have called on the sector to work through the Committee of University Chairs to develop and introduce its own remuneration code. Such a code should encourage greater independence of remuneration committees, the publication of the pay ratio of top to median staff pay and explanations of top pay increases that are greater than increases in average pay in an institution as a whole. I am pleased that the CUC has confirmed that it plans to take forward the development of this code.

[Joseph Johnson]

I am confident that these actions, in addition to our wider reforms to the higher education sector as a whole, will deliver much greater transparency and accountability, as well as improved value for money for taxpayers and for students. We have legislated to facilitate greater competition within the sector and choice for students. We have successfully promoted measures such as the TEF to help to students to make better informed decisions that affect their futures and enhance teaching quality, and we have acted to address escalating senior staff pay.

Let me be absolutely clear, for the avoidance of all doubt, that I want to see the relentless upwards ratchet in senior staff pay come to a halt, and I am confident that the measures the Government have put forward through the OfS will achieve that. I hope that my hon. Friend the Member for South West Wiltshire is reassured by the Government's strong action and, once again, I congratulate him on securing this important debate.

Question put and agreed to.

5.49 pm

House adjourned.

Westminster Hall

Wednesday 11 October 2017

[MS KAREN BUCK *in the Chair*]

Iran: Human Rights

9.30 am

Theresa Villiers (Chipping Barnet) (Con): I beg to move,

That this House has considered human rights in Iran.

It is an honour to serve under your chairmanship, Ms Buck. Many observers hoped that the election of President Rouhani in Iran would lead to an improvement in the subject matter of our debate: respect for human rights in Iran. Unfortunately, there is no convincing evidence for that; in a number of respects, the situation appears to have worsened in recent years. In July, the Minister described the human rights situation in Iran as “dire”. In my view, he was correct to do so.

Earlier this year, Amnesty International highlighted a wave of floggings, amputations, blindings and other vicious physical punishments, which it described as exposing the Iranian authorities’ “utterly brutal sense of justice”.

Hundreds are routinely flogged in Iran each year, sometimes in public. The country executes more people than anywhere else in the world except China. In 2015, 977 people were executed: the highest level in a quarter of a century. In January alone this year, Iran executed 87 people—that is, on average, one every nine hours.

Amnesty International reported in 2007 that Iran had executed more children between 1990 and 2005 than any other country in the world. Sadly, as recently as last Monday, 21-year-old Alireza Tajiki was executed. He was 15 when he was arrested and 16 when he was sentenced to death. He is believed to be the fourth person executed this year in Iran who was arrested as a child. Amnesty reports that there are 88 juvenile offenders on death row. It has also highlighted concerns that the court system lacks independence and impartiality.

Nick Thomas-Symonds (Torfaen) (Lab): The sister-in-law of Nazanin Zaghari-Ratcliffe, who is serving a prison sentence in Iran, lives in my constituency. Nazanin’s case was raised in the July Westminster Hall debate to which the right hon. Lady referred. While she has been in prison, two further charges have been proffered against Nazanin: accusations of involvement in organisations to overthrow the Government. Will the right hon. Lady join me in calling on the Foreign Secretary to do more and redouble his efforts on this case?

Theresa Villiers: I am happy to do that; I was planning to raise that worrying case slightly later in my remarks. I hope that the Minister and Foreign Secretary will do everything they can to try to secure the release of Mrs Zaghari-Ratcliffe.

In terms of the court system, the concern is that people are often executed for offences that are vague or overly broad—or, in some cases, really not justified as criminal offences at all. Trials in front of so-called

revolutionary courts can be grossly unfair. In some cases, long prison sentences have been imposed after trials lasting as little as 45 minutes.

I come back to the issue raised by the hon. Gentleman. Many of us in this House have spoken out in support of two British Iranian nationals held unjustly in prison in Iran. As we have heard, the first is Nazanin Zaghari-Ratcliffe, who has spent over a year in Tehran’s Evin prison after being sentenced to five years for non-specific charges relating to national security. I understand that the Prime Minister and the Foreign Secretary have both raised that case with their counterparts in Iran. Of course, I welcome that those representations have been made at such a high level, but it is gravely worrying that so far they have had little effect. Only yesterday, news emerged that Mrs Zaghari-Ratcliffe could face additional criminal charges and a further prison sentence of 16 years.

The second case is that of 77-year-old Kamal Foroughi, a British Iranian businessman who has spent six years in jail in Iran. He has been denied medical leave, despite significant health problems. I urge the Minister to repeat the Government’s call for consular access to Nazanin and Kamal. I hope he will go further today and call for the immediate and unconditional release of both prisoners.

I am afraid that Iran continues to detain many civil society activists and opposition figures. Press freedom is heavily curtailed: the world press freedom index for 2016 ranks the country as the 11th worst in the world for free speech. Reporters Without Borders has dubbed Iran as

“the Middle East’s biggest prison for journalists”.

According to the “journalism is not a crime” project, 55 journalists, bloggers and cartoonists are currently in prison.

In June 2016, two Iranian musicians and one film-maker began a three-year prison sentence for online distribution of underground music. The Foreign and Commonwealth Office’s February report on human rights noted that more than 170 people were arrested in November purely on the basis of messages they posted on social media.

It is deeply worrying that the rights of lesbian, gay, bisexual and transgender people are wholly unprotected in Iran and that homosexuality is a crime punishable by death. In August last year, gay teenager Hassan Afshar was executed. He had no access to a lawyer and was sentenced to death two months after being arrested.

The rights of women are heavily restricted, with strict rules on dress being just one of many ways in which their freedom is severely limited. Iran has no law against domestic violence and women’s rights activists are treated as criminals or even enemies of the state. A married woman is also not allowed to leave the country without the permission of her husband. In September 2015, for example, the captain of Iran’s female football team was unable to take part in an international tournament because her husband forbade her from travelling.

The minimum legal age for marriage for girls is generally 13, but that can be lowered in cases where the father and a court agree. Human Rights Watch published the deeply worrying statistic that there were more than 40,000 marriage registrations in one year where the girl was aged between 10 and 14. The Iranian legal system views girls as criminally responsible from the age of nine, permitting them to be sentenced to death. In 2015, a woman was sentenced to death by stoning in an Iranian court.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the right hon. Lady on securing the debate. She outlines in graphic detail the appalling litany of offences in Iran. Does she agree that it is time that not just our Government but the international community indicate to Iran that although it occasionally opens up towards being more transparent towards the west and appears to pursue moderation, it needs to make its mind up? The international community needs to ensure that Iran knows it has crossed the line. If Iran wishes to open up towards the west, these sorts of activities have to come to an end.

Theresa Villiers: The hon. Gentleman makes a fair point. After all, many said that securing the Iran deal would lead to change and open up relationships. The international community now needs to ensure that those opportunities are used to drive forward the urgently needed change and end the kind of terrible cruelty I have been outlining.

There is increasing concern about the plight of minority groups in Iran. All those communities, including Christians, Baha'is and Sunni Muslims, face discrimination and significant limitations on their political and democratic rights. Attempts by Muslims to change their faith can be met with criminal prosecution. There are also, I am afraid, regular reports of the arrest of members of the so-called house churches. Christian Solidarity Worldwide contacted me before the debate and told me that, earlier this year, 12 Christians were arrested while engaged in activities such as Christmas celebrations and a church picnic. They were later sentenced to prison terms considerably in excess of those stipulated by law.

Christians have often been detained for lengthy periods without being informed of what offences they will be charged with. Christian Solidarity Worldwide believes that since the presidential election in May 2017, there has been a sharp increase in the number of Christians receiving excessive sentences after being charged with vaguely worded and unsubstantiated national security charges such as “insulting the sacred” or “propaganda against the State”. That action has often been targeted at converts to Christianity, but even people from long-standing Christian communities have fallen victim to arrest and unfair imprisonment. Among recent worrying cases is that of the Assyrian pastor, the Rev. Victor Bet-Tamraz, who led the Pentecostal Assyrian Church in Tehran. On 3 July he was given a 10-year prison sentence for offences including “conducting evangelism” and “illegal house church activities”. His wife and son are also facing criminal prosecution.

The Baha'i community in Iran also faces continuing oppression. I have received reports that in the period since President Rouhani's election in 2013, more than 150 Baha'is have been arrested, 28 have been expelled from universities for their religious beliefs, and more than 400 have suffered economic disadvantage as a result of actions such as intimidation of Baha'i business professionals or closure of Baha'i businesses. There is also grave concern about the demonisation of Baha'is by the authorities in Iran. It is believed that the virulent incitement to hatred and the propaganda that regularly emanate from official media outlets may have helped to create the conditions that led to the brutal murder in September 2016 of a member of the Baha'i community, Mr Farhang Amiri.

Finally, I draw the House's attention to a series of events that are a source of great hurt and sadness for a number of my constituents, some of whom are present in the Public Gallery. The issue that they have raised with me is the mass killings that took place in Iran in 1988. It is believed that at least 30,000 people were summarily executed and buried in unmarked graves—all because they were calling for change, democracy and human rights. With us today are people who lost close relatives in those killings. In a report published in August, the UN special rapporteur for human rights in Iran, Asma Jahangir, concluded:

“If the number of persons who disappeared and were executed can be disputed, overwhelming evidence shows that thousands of persons were summarily killed. Recently, these killings have been acknowledged by some at the highest levels of the State.”

Ms Jahangir also referred to the publication of an audio tape, which implicated the Minister of Justice in Iran and a high court judge in those horrendous crimes. Ms Jahangir's report tells us that following the publication of the audio recording, some clerical authorities and the chief of the judiciary admitted that the executions had taken place and, in some instances, even sought to defend them.

It is astonishing that people heavily associated with the violent events of 1988 have continued to play leading roles in the Rouhani Administration and Iranian public life. It is a source of deep regret that the international community has paid such minimal attention to what happened. The UN special rapporteur has called for a wide-ranging independent investigation. My constituents want the UK Government to condemn the 1988 killings as a crime against humanity and to back the call for an investigation. I appeal to the Minister to do that today. Next year is the 30th anniversary of those horrific events in Iran. It is time the relatives of those who lost their lives were given answers about what happened.

It is with real sadness that I have set out for the House just a part of the long list of human rights abuses carried out in the Islamic Republic of Iran on a daily basis. The Iranian Government are well known for their state sponsorship of terrorism, and their malign involvement in so many conflicts around the region is causing injury and death on a massive scale; but we should never forget the suffering they also inflict on their own population. No bright new dawn for Iran has emerged under the Rouhani regime. Nor has the nuclear deal led to any improvement in the situation. While diplomatic and business ties with Iran are steadily being restored and strengthened, the suffering continues and Mrs Zaghari-Ratcliffe and Mr Foroughi continue to languish in prison.

I urge the Minister today to ensure that the UK Government seize every opportunity to press for change in Iran and for an end to the cruelty inflicted by the authorities there on so many people. I hope that at the most senior levels the UK Government will use bilateral channels as well as the UN to strongly condemn the abuse of human rights in Iran. I understand that the UN General Assembly will vote on a resolution on the situation in Iran in November. I urge the Minister to take a tough line when those matters are debated. Above all, I ask him to condemn the 1988 massacre and give his support to the bereaved families who want answers about what happened to their loved ones, and who want those responsible for that terrible atrocity finally to be brought to justice.

9.46 am

Tom Brake (Carshalton and Wallington) (LD): It is a pleasure to take part in the debate. There is one organisation that I have been a member of longer than I have been in the Liberal Democrat party, and that is Amnesty International. Iran is of great concern to Amnesty, and I congratulate the right hon. Member for Chipping Barnet (Theresa Villiers) on securing a debate on it.

It is sad that many hon. Members will also have participated in the debate on 20 December, when Nazanin's and Kamal's cases were raised. I am afraid that since then things have not got better; they have got significantly worse for both of them. Meanwhile, of course, Iranian-UK relations have probably, if anything, improved. The UK is clearly playing an important role in trying to safeguard the Iran deal, and a large contract has been agreed with a UK company for solar power in Iran. From that perspective relationships are improving—but for Nazanin and Kamal the situation has deteriorated.

The latest allegations made against Nazanin are as risible as they are depressing for her and her family. I do not think that anyone, including, possibly, the judge hearing the case, believes that there is any substance in them. Many hon. Members present today will be perplexed by Iran's approach. Going back over millennia, perhaps the longest running major civilisation has been based in that country; so the way it is dealing with Nazanin and Kamal is something people fail to understand.

Something else that is pertinent, both at present and in relation to future UK Government arrangements, is the fact that many hon. Members are concerned about whether there is a risk, in a bid to secure trade deals—either between UK companies and Iranian counterparts, or the UK as a whole and other countries—of human rights falling off the agenda. I hope that the Minister will reassure us that that will not happen. We need to hear the Government use some frank, blunt words to put their position on Nazanin's case to the Iranian Government. That is something that has been lacking.

I received an email from Kamal Foroughi's son this morning; he said there are particular concerns about his health, which continues to deteriorate, with a need for a cataract operation and time off outside prison to recover from it. No one has been able to see the results of the medical tests that have been carried out on him since December, and he has not been able to have any visitors—humanitarian, family or social—for more than six years. For someone of his age that will clearly be detrimental.

One further point that he asked me to make is that our Foreign Secretary has not met the affected families. I assume he is correct—certainly Kamran will know whether our Foreign Secretary has met him—and if that is the case, I suggest that it is perhaps time that the Foreign Secretary took the trouble to meet him. As I understand it, when Kamran was in Whitehall last October, on the occasion of his father's 2,000th day anniversary, and saw or tried to talk to the Foreign Secretary, the Foreign Secretary did say something—"Oh," and "Right." That was all he had to say to Mr Foroughi about Kamal's case.

I know that the Minister is very focused on his brief, and that he will have something—I hope something positive—to say. It does seem, however, as though our Foreign Secretary is not from the same mould as the Minister, whom I greatly respect for his knowledge and understanding of foreign affairs.

David Simpson (Upper Bann) (DUP): Will the right hon. Gentleman join me in condemning the killings of innocent women and children when the police go in to do an anti-smuggling raid? Some 80 to 100 people per year, including women and children, are slaughtered by the police, and no one has been brought to book for that.

Tom Brake: Of course I join the hon. Gentleman in condemning that; in fact I was not aware of it, so I am grateful to him for drawing my attention to it. I am sure the Minister will respond to that at the end of the debate.

The right hon. Member for Chipping Barnet correctly mentioned the Baha'is. We know that they suffer persecution in Iran, whether targeted at Baha'i businesses or at students. We need some strong words from the Minister on what he can do about that and what contacts he has had with the Iranian authorities to ensure they are aware that we do not condone any of those activities. The right hon. Lady also mentioned the 1988 massacre in Iran. I asked a parliamentary question about this, and in reply the Government confirmed that they were aware that executions had taken place—they did not say massacre—but then went on to say that

"we have no plans to pursue this specific matter".

I ask the Minister to develop such plans and to reconsider the Government's attitude toward the massacre. I also ask him to come back to us prepared for a later debate in which he will be able to say what specific initiatives the Government will undertake to both put on record what happened in 1988 and perhaps find an international way of holding the Iranian Government to account for that massacre.

I am sure that all hon. Members here are well and truly aware of the large-scale human rights abuses that are taking place in Iran, and I am sure we all hope that Ministers will use any influence they have to try to not only secure the release of Nazanin and Kamal, but ensure that the rights of the Baha'is are respected and the massacre in 1988 is properly investigated.

9.53 am

Dr Matthew Offord (Hendon) (Con): It is a pleasure to serve under your chairmanship, Ms Buck, and to speak in the debate; I congratulate my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) on securing it. This is not the first debate we have held on Iran and human rights. We had a debate on 22 March 2017 on Iran's influence in the middle east, and one on British-Iranian relations on 12 October 2016. I secured my own debate on human rights in Iran on 28 June 2016. It is a great disappointment that little has changed since that time. Much has already been said, so I will not repeat everything, but I will touch on some points.

The first and most important point is the report from August this year on the human rights situation in Iran, in which the UN special rapporteur on Iran, Ms Asma Jahangir, highlights the alarming deterioration of the overall human rights situation and the abuses in Iran, and reports on the numerous violations that have taken place. Those violations include the execution of juveniles, suppression of women, persecution of religious and ethnic minorities, and a systematic crackdown on women's rights activists, human rights defenders, dissidents and

[Dr Matthew Offord]

their families. That the UN special rapporteur on Iran acknowledged the 1988 massacre in the report is a major achievement for the justice-seeking campaign. I pay tribute to my friends and colleagues at the National Council of Resistance of Iran, who have been campaigning vigorously on this issue and seeking for the British Government to acknowledge that it occurred.

My second point is that the human rights abuses concern not only Iranian but British citizens. Two people have already been mentioned today, but there is a third British citizen detained in Iran on spurious charges. Four Americans have been released since 2016, following the Iranian nuclear agreement, as part of a prisoner swap, but nothing similar has occurred for British citizens. Nazanin Zaghari-Ratcliffe and Kamal Foroughi have already been mentioned, but there is a third person, a 50-year-old lady named Roya Nobakht. She is an Iranian-British housewife who was put in prison after she returned to Iran in 2013 to visit her family. Two weeks after she arrived in the country, she flew to the city of Shiraz and was arrested by cyber police at the airport. Her crime, it seems, was that, while living in the UK, she had posted on Facebook that Iran was too Islamic.

The Iranian Government put her in prison and accused her of insulting Islamic sanctities, a crime that carries the death penalty. In June 2014, she was tried by branch 28 of the revolutionary court, and sentenced to 20 years in prison, later reduced to five years. Like others, she is in poor health; she has frequent seizures and has collapsed in her cell after being denied access to medication for depression. There is a fourth Briton, whose name we do not know. We are talking about human rights not just for citizens of Iran, but for British citizens.

Tom Brake: I would like the hon. Gentleman's comments on what British businesses should be worried about in trading with Iran—particularly their employees going to Iran—if the Iranians are examining people's social media in the way he has described. What is the potential risk to them?

Dr Offord: That is a good question. It is a huge risk for employees of British companies, or other companies working in Iran. Their media profiles and social media posts can be examined for any evidence of what the Iranian regime may wish to hold against them, or indeed their company. They may find themselves in some ways hostages to the trading activities of their companies. That is a great problem, but I believe that, as the right hon. Gentleman has said, we should not relegate human rights in favour of trade deals. That remains a great concern.

It has been more than two years since the Iranian nuclear deal was signed, yet human rights abuses in Iran have persisted, including the detention of British citizens and the denial of their basic rights, as well as Iran's regional ambitions and sponsorship of terrorist groups such as Hezbollah. Indeed, *Hansard* reflects the comments I have made on Yemen, Hezbollah, Syria and other parts of the middle east where the Iranian nuclear deal has allowed resources to pour into those countries. I have been very critical of that. Indeed, I found it galling this morning to hear former Foreign Secretary Jack Straw defending Iran. Questions remain about Jack Straw's

involvement in extraordinary rendition—issues that we in this House have never been able to bottom out—and hearing him defend the Iranian regime is similar to listening to Harvey Weinstein talking about women's rights. For him to speak about Iran today was greatly galling to me.

While Donald Trump may not be very popular with many people in this House or in the country more widely, I welcome his continuing to look at the Iranian nuclear deal. He will make an announcement later today on whether he will continue to agree to abide by that condition. I wish our own Foreign Secretary had not involved himself in that; it is a decision for the American President.

I have been very critical of the deal. I wish we had asked that human rights be part of the Iranian nuclear deal. We have found that there has been no progress not only in that area, but with our own people who are held in Iran, and most of all we have felt the malign influence of Iran in the middle east. Perhaps we, too, can look at that and the UK Government can decide whether we should continue to be a supporter of the agreement.

10 am

Brendan O'Hara (Argyll and Bute) (SNP): I congratulate the right hon. Member for Chipping Barnet (Theresa Villiers) on securing this important debate. She painted a bleak, sobering and depressing picture of life for those who step outside the accepted norms in Iran. She was absolutely right to say that many of us who have been concerned with human rights and freedom of religious belief for many years had hoped that with the re-election of President Rouhani in May, we would begin to see a lessening of the hard-line attitude that has become the hallmark of how Iran deals with people deemed to be out of step with the state's politico-religious ideology. Many of us dared to hope that a more progressive Iran that embraced increased social, religious and political freedoms would emerge. We hoped for an Iran that would finally adhere to the treaties on human rights and freedom of religious expression to which it was a signatory.

Unfortunately, that simply has not happened, and the December 2016 citizens' rights charter, which talked optimistically about freedom of expression and the right to life regardless of religion, seems as distant as ever. Indeed, there is ample evidence that intolerance, discrimination and persecution of both secular and religious minority groups has increased in Iran, with the regime increasingly hiding behind, as we have heard, that great catch-all offence—"conspiracy against Iran's national security". It is using that law to put both journalists and minority religious communities such as the Baha'i and Christian groups under enormous pressure. As we have heard, earlier this year the United Nations special rapporteur on Iran confirmed that "severe limitations and restrictions" on religious minorities persist and that the number of prisoners of conscience in Iran remains staggeringly high.

Every speaker today has rightly highlighted the appalling cases of the British citizens in jail in Iran and particularly that of Nazanin Zaghari-Ratcliffe. I add my voice and support to what has been said about her outrageous imprisonment, based on the nonsensical idea that because of her work with Thomson Reuters and previously with the BBC, she was, as the court case says, "specifically working to overthrow the regime".

Unfortunately, that is evidence of a mindset that still exists in Iran. It is confirmation, if any were needed, of Tehran's paranoia about a free press.

I was contacted last week by the National Union of Journalists, which told me that 152 of its members currently working in London for the BBC's Persian service had previously seen their assets frozen in Iran and were not allowed to buy or sell property in that country. All 152 of them have just been informed that they have been charged in their absence with

"conspiracy against Iran's national security".

Of course, the journalists cannot defend themselves against the charges unless they travel to Iran to stand trial. If they do so, the likelihood is, going by Iran's recent record, that they will end up in jail for a very long time. However, many of the journalists still have family living in Iran, and according to the NUJ, many of their family members have been interrogated by the security services and encouraged to put pressure on their relatives working at the BBC to leave their job or agree to spy on their colleagues.

As I said, the offence of "conspiracy against Iran's national security" is used extensively to pursue not only journalists, but minority religious communities. As the right hon. Member for Chipping Barnet said, in the last few weeks 12 Christians have been sentenced to prison terms far in excess of what is laid down in the law after being found guilty of

"acting against Iran's national security".

As the right hon. Lady rightly pointed out, the charges arose from such innocuous events as Christmas celebrations and attending a church picnic. I understand that the majority of the 12 involved are Christian converts—a group of people who seem to be particularly reviled in Iran by the theocratic regime, as they are deemed not only to have betrayed their faith, but to have rejected the state itself.

There are other examples. Only last month, two Christian converts, a married couple, Mehrdad Hushmand and his wife Sara Nemati, were reportedly detained the day after attending and participating in a Christian funeral. Since the day they were detained, only Sara has been able to contact her family, and has done so just once. No reason has been given for their detention, and nothing is known of their health, legal status or even their exact whereabouts. That is happening despite the fact that the rights of Christians and other religious minorities are explicitly protected under the Iranian constitution, and regardless of the fact that Iran is a signatory to many international agreements that guarantee the right of an individual to change their faith should they wish to do so.

However, it is not just minority Christian groups that are targeted. As we have heard, the Baha'i community, which has 300,000 members and is Iran's largest non-Muslim religious minority, suffers systematic persecution simply because of its religious belief. The Iranian authorities seem absolutely determined to marginalise and remove the social and economic rights of the Baha'i community. Indeed, an official memorandum, dating back to 1991, from the Supreme Cultural Revolution Council explicitly states that the Government's dealings with the Baha'i community should be conducted

"in such a way that their progress and development are blocked."

As a result, the Baha'i community is often demonised in official state media and from the pulpits of mosques. The authorities have given a green light for blatant discrimination—discrimination that, as we have heard, all too often leads to violence and murder.

Regardless of who it is done to, state persecution is wrong, and when it occurs, it is incumbent on us to say so. The Minister is a great champion of human rights and religious freedom. Will he add his voice and that of the UK Government to those around the world saying to Tehran that the harassment, imprisonment and punishment of individuals who exercise peacefully their right to practise their chosen faith must stop, that the smokescreen of hiding behind the catch-all "conspiracy against Iran's national security" is both intolerable and unacceptable and that we expect Iran to abide by its own constitution as well as the international treaties that it has signed up to and begin to uphold the rights of religious and ethnic minority communities within its own borders? And will the Minister promise to do everything he and his Department can do to secure the immediate release of Kamal Foroughi and Nazanin Zaghari-Ratcliffe?

10.8 am

Bob Blackman (Harrow East) (Con): Ms Buck, I apologise for being slightly late and entering the Chamber when my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) was speaking.

I am delighted to participate in the debate and I congratulate my right hon. Friend on initiating it. She is well known for her travails in Northern Ireland as Secretary of State. She brought together people who were polar opposites and did a brilliant job. I am glad that she has now been released from the shackles of government and can lead the campaign for human rights around the world and particularly in Iran.

I am pleased to see my right hon. Friend the Minister in his place, because he is one of those individuals who takes these issues very seriously; indeed, he has been a master of his brief during previous terms in government, so I look forward to his reply to this debate.

I take the view that a Government's first duty is to safeguard their borders and their citizens from external attack. Their second duty is to protect the rights of minorities within their borders. We have heard about the reality in Iran from colleagues. The Jewish community in Iran was quite extensive 60 years ago; it is now non-existent. The Christian community is reducing fast in numbers. The Baha'i community is under constant threat and attack, and the Government of Iran do nothing. Minority sects within Islam are under threat and the Government in Iran stand aside and do nothing. The sad reality is that we have a history of the failure by the Iranian Government to address the needs and rights of minorities. That is a fundamental duty.

I have been extremely sceptical and oppositionist to the Iran nuclear deal. I take the view that it has given the Iranian regime the opportunity not to take up human rights, and has actually blessed what they are doing. The sad fact is that whatever our views on the Iran nuclear deal—we will hear later today what the United States of America is going to do about the nuclear deal—it has not advanced human rights in Iran one inch. That has to be accepted.

[Bob Blackman]

I agree with the remarks made by my hon. Friends and by Opposition Members on human rights, but I particularly want to concentrate on the massacre of 30,000 political prisoners in 1988. Many of us have had the opportunity to attend conferences, in this place or externally, that have shown clear evidence of the extent of that massacre. I have heard the first-hand experiences of the relatives of those who were executed, people who escaped from that massacre, and the first-hand experience of the repression and persecution of minorities that routinely take place.

Theresa Villiers: Does my hon. Friend agree that the publication of the report by the UN special rapporteur, which clearly acknowledges that these events did happen, should be a reason for the Government to take this more seriously, and to begin to raise it more vigorously in international forums such as the UN?

Bob Blackman: I thank my right hon. Friend for that intervention. I was coming on to the special rapporteur's report, which gives a world view of the massacre. This is not a few itinerants saying, "We believe this happened." This shines the light of transparency on what happened 30 years ago in Iran. I regret that our Foreign and Commonwealth Office has not taken up this call, and not taken the view that we need to take action on the report. I would urge my right hon. Friend the Minister to make sure that we take up this issue in a particular way, and make sure that Britain lends its support to the rights of minorities and those people who were drastically affected by this massacre.

In the last Parliament, I was pleased to co-sponsor an early-day motion with the former Member for Mansfield, Sir Alan Meale, my hon. Friend the Member for Southend West (Sir David Amess), the hon. Members for Strangford (Jim Shannon) and for Belfast East (Gavin Robinson), and the former Member for Lewisham West and Penge. The early-day motion set out the position—I reiterate—that we note

"that the audio file of Ayatollah Montazeri, former heir to Khomeini, in 1988, reveals new evidence about the massacre of more than 30,000 political prisoners in Iran's prisons in the summer of 1988 including women and children and all political prisoners who supported the opposition movement of the People's Mujahedin of Iran (PMOI); understands that the massacre was carried out following a fatwa by the Supreme Leader Khomeini... is concerned by Montazeri's comments that this was the biggest crime that has occurred in the Islamic Republic and that the world will not forgive us"

if we stand idly by and allow the authorities of the Iranian regime to act with impunity, as they have done in the past few decades, which is the main cause for continuation of these crimes in Iran. We endorse the survivors' account that those in charge of the massacre go unpunished and are those in the highest positions in the Iranian Government.

The reality is that we can table early-day motions and make speeches in this place. That does have an effect, and builds pressure on the United Nations Human Rights Committee and the regime in Iran, but we need our Government and the Foreign and Commonwealth Office in particular to take up the issue. Last year, we had a similar cross-party statement by more than 100 MPs and peers. That demonstrates the wealth of support in Parliament for action on this issue.

On 21 September, the UN Security Council adopted an historic resolution proposed by the UK to bring Daesh to justice. That shows that Britain can bring war criminals to justice. Now is the time for the United Kingdom to co-sponsor a motion bringing justice for the victims of the 1988 massacre. I look forward to the Minister's reply. The FCO can do more, and it could acknowledge and support the viable 10-point democratic platform for the future, as presented by the NCRI president, Madame Maryam Rajavi, which calls for the abolition of the death penalty, torture and the theocracy's Shi'a laws, as well as the prohibition of the suppression of women and any forms of discrimination against followers of any religion and denomination, as required by the UN charter.

I would also urge, in conclusion, my right hon. Friend the Minister to address the fundamental issue that opposition to the theocratic regime in Iran should be given a voice and a platform in this country. I believe that Madame Rajavi should be issued with an invitation to visit this country and shine the light of transparency on what is going on in Iran. I look forward to the Minister's response to the proposal to give that opportunity to the NCRI and the PMOI, to expose once and for all to the British public what it is like to live in Iran and what could be done as an alternative to the current theocratic regime.

10.16 am

Clive Lewis (Norwich South) (Lab): I, too, would like to thank the right hon. Member for Chipping Barnet (Theresa Villiers) for securing this debate. It was quite shocking to listen to the seemingly inexhaustible list of human rights abuses by Iranian authorities. It was quite numbing to hear them all. I think it is right that we focus on human rights, as that issue has been a central thrust of my very short parliamentary career since being elected two years ago, but I would also like to focus on the fate of journalists, both those working inside Iran and those working remotely from the UK. I declare an interest as a former BBC journalist and the chair of the National Union of Journalists parliamentary committee. I do that for the record to state my solidarity with journalists both in Iran and around the world, who strive to do nothing more than ask questions in an attempt to hold power to account.

As we know, Iran has elections that many other inhabitants of the middle east can only envy. Here I state a truism, but it is essential that we set it down, that elections are only ever one element of a functioning democracy. A democracy where bloggers and reporters must risk their lives and the well-being of their families in order to comment on the political life of their country cannot be seen as a democracy in the true sense. Democracy is not worth the ballot paper it is printed on without freedom of the press. There is a barrier to informing the electorate, as the press provides feedback to the legislature. The often brutal suppression of those speakers also creates a chilling fear that acts as a cancer on all of those forming opinions and on the ability to take action in the public arena.

It is important to make the point that Iran is not a homogeneous political entity. I have heard other hon. Members make comments about the political situation in Iran. There are reformers, as they are called, as well as the politically established so-called hardliners. I do

not know where we place President Rouhani in all this, considering that much of the repression discussed today has occurred on his watch. However, I do know one hardliner, someone who is not a friend of civil liberties and human rights: President Trump. His suspected refusal to re-certify the Iran nuclear deal can only have the effect of pushing Iran ever further into the hands of those hardliners.

I will come back to the journalists. As my hon. Friend the Member for Torfaen (Nick Thomas-Symonds) mentioned a constituent of his who has been in prison, I would like to mention three journalists who are being held and are on hunger strike. Soheil Arabi has been in prison since 2013 and has been on hunger strike for over a month. Mehdi Khazali was arrested in August and has been on hunger strike since the day of his arrest. Ehsan Mazandarani was arrested in 2015 and has been denied early release despite very poor health. There are many more prisoners I could mention. Their stories make for chilling reading.

The long arm of control reaches way beyond Iran and stretches as far as those working in our very own BBC, as the hon. Member for Argyll and Bute (Brendan O'Hara) mentioned. Charges have been filed against almost all the Iranian journalists working for the BBC's Persian-language service in London; 152 journalists have been charged with conspiracy against Iran's national security and have faced constant harassment and intimidation and an effective freeze on all their Iran-based assets. Those charged cannot defend themselves unless they return to Iran, which they feel unable to do for fear of reprisal. I beg the Minister to raise these names whenever he meets his Iranian counterparts and to push the issues of journalism, freedom of the press and democracy very clearly, as I know he will.

To end with a general comment, there are far too many in politics today who wish to criticise only the countries that fit into a very black and white binary world view. I am not one of them. I believe it is entirely possible—nay, essential—to criticise and hold to account Iran just as much as Saudi Arabia for human rights abuses and attacks on civil liberties. The two are not mutually incompatible. The same applies to the US and Russia and the questionable choices those Governments continue to make domestically and internationally. In fact, our hand is strengthened and our criticism is more valid when we show neither fear nor favour to any country or regime, wherever they may be, whether they be friend or ally, when defending human rights and civil liberties.

10.21 am

David Linden (Glasgow East) (SNP): It is a pleasure to see you in the Chair, Ms Buck. I thank the right hon. Member for Chipping Barnet (Theresa Villiers) for securing this important debate. A number of hon. Members have spoken on this topic before; having been newly elected to the House in June, I appreciate this first opportunity to do so myself.

Before I speak about the more specific issues, I want to mention the use of the death penalty in Iran. As the right hon. Lady mentioned, the Foreign Office estimates that there were more than 530 executions in Iran in 2016. That figure is simply staggering, although, surprisingly, it represents a decrease on the previous year. Men and women risk capital punishment if they are found to be

gay. The human rights record for people from an LGBTQ background is appalling. Even more worryingly, the death penalty continues to be used against juveniles in the country, and the FCO's report notes that it is issued even in cases that are not deemed "the most serious" under international law, such as drugs offences.

There seems to have been some progress recently: in August, the Iranian Parliament approved a long-awaited amendment to legislation that significantly raises the bar for mandatory death sentences in drugs cases. Evidence given to the Iranian Parliament when the legislation was being drafted revealed that 5,000 people, the majority in their 20s and 30s, were currently on death row for drug-related offences. That in itself should highlight how ineffective the death penalty has been.

I am also deeply concerned about reports of mass executions in 2016: 20 members of the Kurdish minority were executed for terrorism-related offences and later in the same month, 12 people were hanged for drugs-related charges. Hopefully, future FCO reports will show the number of executions falling sharply because of the change in the law. Does it go far enough? Obviously not, but it is a step in the right direction.

I must also mention women's rights. Women in Iran face intolerable oppression and discrimination on issues such as marriage, divorce and child custody. Women have been sent to jail for publicly speaking out in favour of equal rights. They are severely restricted in Iran, to the point where they are even forbidden from spectating at male sports—including Iran's national obsession, volleyball. It is deeply troubling that Iran has no anti-domestic-violence legislation and that the legal age for marriage is just 13. For fear of getting emotional, I will not go into all the research around the age of consent, but what happens to young girls is deeply worrying.

Another matter is freedom of expression. There are signs of growing oppression, as Iranian authorities struggle to deal with the impact of new technology on freedom of speech. The de facto third-party messaging application here seems to be WhatsApp, but in Iran a similar app has risen to prominence. Much like WhatsApp, Telegram allows encrypted communication between individuals. According to the Iranian Students Polling Agency, almost six in 10 Iranians use Telegram, but use of the app seems to be shifting. A couple of years ago, two thirds of people polled said that they used it for entertainment purposes, but today only a quarter say the same. Iranians seem to be getting more of their information from the broadcast channels that the app gives access to.

Telegram played a significant role in recent parliamentary elections. Since Twitter and Facebook are blocked in Iran, the app provided a platform for campaigning. The Iranian establishment, however, has stepped up a crackdown on Telegram channels that challenge it and dozens of activists have been arrested in the past few months. In August, the administrator of one political Telegram channel was sentenced to four years in jail. There are fears that the Iranian authorities could now block Telegram altogether; I would appreciate it if the Minister addressed that in his speech. This is a very worrying trend that adds a new dimension to the further repression of freedom of expression.

Another troubling issue that, like other Members, I am incredibly concerned about is the wellbeing of Nazanin Zaghari-Ratcliffe and Kamal Foroughi. It is alarming

[David Linden]

to learn that additional charges have now been brought against Nazanin that could extend her jail term by 16 years. The detail in both cases is extremely harrowing. They have been held in the notorious Evin prison, sometimes in solitary confinement. There are very serious health concerns in both cases; I understand that Kamal is being denied screening for prostate cancer. That is totally unacceptable.

Both trials were, of course, conducted in secrecy. The prisoners had little access to lawyers prior to the trials, which makes a mockery of the justice system. Iran does not recognise dual nationality status, so it treated both prisoners as solely Iranian citizens and did not recognise their rights as British citizens.

There was quite a lot of initial excitement when Hassan Rouhani was elected as President of Iran in 2013, not just because he was seen as a moderate but—in my own context—because he was seen as an honorary Glaswegian. It is perhaps not well known that he studied twice at university in Glasgow. During his time there, he completed his PhD thesis on “The flexibility of Shariah (Islamic law) with reference to the Iranian experience”. I gather from Glasgow Caledonian University that his thesis is still available at the library and can be taken out and read. Anyone who takes the opportunity to read it will be struck by the first line in the abstract, which states that

“no laws in Islam are immutable.”

The thesis demonstrates that a younger Rouhani was willing to embrace a more liberal and moderate approach to society. I conclude with my message to President Rouhani, from one Glaswegian to another: embrace that moderate tone and drastically improve human rights for your people.

10.27 am

Fabian Hamilton (Leeds North East) (Lab): It is a pleasure to serve under your chairship, Ms Buck. We have had a number of debates on this important issue and I congratulate the right hon. Member for Chipping Barnet (Theresa Villiers) on securing and introducing this one. It is another opportunity to ensure that the abuses of human rights in general and of the human rights of our own citizens—the dual nationals in Iran—are brought to prominence once again. Hopefully, by debating them, we put further pressure on the regime.

I do not know how many Members have visited Iran. I have myself, although it is 10 years since I have been there. Iran has many centres of power and an extraordinary history and culture, but it also has the most shocking and unacceptable human rights abuses, right across the country, thanks to the current Government, who were brought to power in the Islamic revolution of 1979. The right hon. Lady brought to our attention the suffering inflicted daily by the revolutionary Government on their own population—something that we are all aware of. The fact that 40,000 marriages of girls between 10 and 14 years old were approved in 2015 is enough to make us deeply concerned. The right hon. Lady was right to point to the cruelty and the lack of any regard for the human rights of individuals, especially women and—of course—children.

I was not aware that the right hon. Lady’s constituent, Ms Jahangir, had come to her about the mass executions of 1988, but I hope that now the Government are aware of that story—I am sure they already were—at least some further work can be done through the United Nations to bring more of it to light and to expose the appalling crimes carried out and covered up by the current regime. It is clear to me that, as the right hon. Lady said, the UK Government should redouble their efforts to relieve cruelty and suffering in Iran, and take a tough line.

We heard from the right hon. Member for Carshalton and Wallington (Tom Brake), who mentioned again Nazanin Zahari-Ratcliffe and Kamal Foroughi. He said that he hoped that trade deals with Iran following the relaxation of measures that followed the Iran nuclear deal, which many people in Westminster Hall have criticised today, would not mean that human rights fell off the agenda. Of course he is absolutely right, and I do not believe that this Government or any other would want that to happen. Has the Foreign Secretary met the families of those people? I hope that the Minister will enlighten us on that. It is very important that the Foreign Secretary should at least give those families that backing and moral support.

We then heard from the hon. Member for Hendon (Dr Offord), who I know has stood up again for those whose human rights have been abused in Iran. He talked about the prisoners whom we have not mentioned—I do not wish to discuss their cases further today, because I know that their families have asked for them not to be discussed. However, he was right to point out that there are not just the two well-publicised cases of Nazanin and Kamal.

The hon. Gentleman also said that we should not relegate human rights in Iran for the sake of trade deals, and I agree. He also attacked the former Foreign Secretary, Jack Straw. I heard the interview on the radio this morning: the hon. Gentleman claimed that the former Foreign Secretary was defending the Iranian regime, but what I heard was a defence of the Iran nuclear deal, which I believe we should continue to support, while also putting pressure on the Iranian Government over their shocking human rights record. I believe that the former Foreign Secretary defended that nuclear deal and not the regime’s human rights record. Jack Straw is not here to defend himself today. Having worked with him as a member of the Foreign Affairs Committee during his entire time as Foreign Secretary, I know that he was an outstanding Foreign Secretary for this country. I am sorry that the hon. Gentleman feels that he should be criticised in that way.

We had contributions, of course, from our Scottish National party colleagues and then Bob Blackman—sorry, the hon. Member for Harrow East (Bob Blackman); I have been here long enough to know that I should not mention names—talked about the Jewish community in Iran. When I was in Iran 10 years ago, I had the privilege of meeting members of that community. There are still people from the Jewish community living in Iran, particularly in Tehran; I believe that there are about 20,000 Jewish people in Tehran and several synagogues, too. However, those synagogues are patrolled by Iranian police officers.

Having met members of the Iranian Jewish community, I know that they are living in constant fear; there is no doubt about that. I attempted to talk to the one member

of the Majlis reserved for the Jewish community, knowing full well that he speaks very good English, but he replied to me in Farsi. He refused to speak to me in English; clearly he was frightened because he knew that others were listening to what he was saying to a westerner.

So Jews live in Iran but the situation is tragic. Many Jewish people of Iranian origin live in the United Kingdom and they still carry their Iranian culture and heritage with them. Indeed, as a child from a Jewish family myself, I was brought up knowing many such individuals, including one who shared chambers with my mother when she was at Middle Temple as a barrister. We had very close contact with them.

Then my esteemed colleague, Clive Lewis—sorry, I am doing it again; my hon. Friend the Member for Norwich South (Clive Lewis)—made a contribution. He was a well-known journalist earlier in his life; he worked for the BBC in Leeds, which is how I first met him. He stood up for journalists and bloggers today—reporters who risk their lives every single day to tell the truth about what is actually happening in Iran.

My hon. Friend was right that democracy is not just about putting a cross on a ballot paper; it is about openness and freedom, including freedom of expression without fear. Yet we know that anybody who tells the truth about the human rights abuses and other cases of cruelty in Iran day to day is under attack and, even worse, under fear of arrest—they are often actually arrested and charged. That is simply not acceptable and it is certainly not democracy.

We know about the history of human rights abuses in Iran; some of those took place even before the creation of the Islamic republic, but the situation has certainly got a lot worse since. We also know that although Iran is a signatory to many human rights conventions, in practice it ignores or restricts them. A lot of the information and evidence about that comes through the UN special rapporteur to Iran and other human rights experts.

For example, as we have already heard this morning, we know that Iran regularly—indeed, all the time—discriminates against and actively oppresses religious minorities: not only the Jewish community but the Christians and Zoroastrians, too. As we have also heard, Iran executes the highest number of people per capita in the world and the second highest absolute number of people.

In 2013, Iran elected a moderate candidate, Hassan Rouhani, as President. However, in spite of the thesis that he wrote while at university in Glasgow, we have seen no significant human rights improvements in Iran since he arrived. In many respects, the situation has become a lot worse. We know—it has been pointed out again today—that the revolutionary guard acts independently of the so-called “moderate”, President Rouhani. The revolutionary guard and similarly conservative state agents regularly use the state apparatus to undermine reformist opponents and anyone who is seen as threatening to the interests of those agents.

Domestic laws and the penal code in Iran tend to define crimes in broad and vague terms; often Iranian people do not know exactly what constitutes a criminal violation, and that violates human rights law. In 2016, Freedom House stated that

“The judicial system is used as a tool to silence critics and opposition members”.

We also know that Iran uses executions to strike fear in the country and to deter socio-political unrest.

As the right hon. Member for Chipping Barnet pointed out, Iran executed about 1,000 people in 2015. It has already been said that that is the highest number per capita in the world. According to the United Nations, since Rouhani took office 2,400 executions have taken place in Iran, which is double the number in the same period—about four years—prior to 2010. President Rouhani himself has said that he supports the process of judicial executions and described executions as “God’s commandments”. Currently, there are 5,000 people on death row in Iran for drug offences alone. Iran does not announce all executions officially so the number of executions could be a lot higher than we realise. There are not only public executions in the towns and cities of Iran but mass executions in jails that often go completely unreported.

I want to make a few comments about juvenile executions. The United Nations Convention on the Rights of the Child, which came into force in 1992, prohibits the use of the death penalty for offences committed by those under the age of 18. Iran is a signatory to a number of treaties, including that convention, which it signed in 1994. It is therefore legally obliged to treat everyone under the age of 18 as a child and any crimes they have allegedly committed as the crimes of a child. Moreover, article 91 of the Islamic penal code, which has been enforced since 2013, grants judges the discretion not to apply the death sentence to children who do not understand the nature of their crimes. However, Iran is still no closer to abolishing the death penalty for children.

In conclusion, I ask the Minister what more the Government can do to secure the release of Nazanin Zahari-Ratcliffe and Kamal Foroughi, and the two other dual nationals currently being held in Iran. I also urge the Government not to pull out of the Iran nuclear deal; instead, they should continue to press the Iranian Government on their record of human rights abuses. I hope that the Minister will give us some reassurance when he sums up.

10.39 am

The Minister for the Middle East (Alistair Burt): It is a pleasure to serve under your chairmanship today, Ms Buck. I appreciate the opportunity to respond to an excellent debate introduced by my right hon. Friend the Member for Chipping Barnet (Theresa Villiers), to whom I pay tribute, as colleagues have done, not only for her excellent work in Northern Ireland, but for her steadfast support of human rights, particularly those involving freedom of religion. I am grateful to her for securing the debate.

I am grateful for the contributions of the right hon. Member for Carshalton and Wallington (Tom Brake), my hon. Friends the Members for Hendon (Dr Offord) and for Harrow East (Bob Blackman), the hon. Members for Argyll and Bute (Brendan O’Hara), for Norwich South (Clive Lewis), and for Glasgow East (David Linden). I thank the hon. Member for Leeds North East (Fabian Hamilton) who speaks for the Opposition and with some knowledge, having been to Tehran. He has a good background in relation to the debate. I appreciate the way in which he and other colleagues couched their remarks.

First, I want to put on the record some remarks on human rights so it is clear what we think about this in general and what we have done in relation to Iran.

[Alistair Burt]

Then I want to mention what colleagues have said about attitudes to Iran, the nuclear deal and dual nationals before I go on to specifics. I do not want to run out of time, so I will mention those things first.

The United Kingdom deplores human rights violations and abuses wherever they occur and we call them out whenever we learn of them. It is because of our concern over the violation of human rights that we designated Iran as one of our human rights priority countries, and we have integrated human rights into the work of our diplomats right across the network. The human rights situation in Iran remains dire and we are determined to continue to hold the Government to account. We frequently release statements condemning the human rights situation in Iran and lead action by the international community. We have also designated more than 80 Iranians responsible for human rights violations under EU sanctions, helped to establish a UN special rapporteur for Iran's human rights, and lobbied at the UN for the adoption of human rights resolutions on Iran. We regularly raise human rights in our dialogue with Iran, which I will speak about in a moment.

I therefore recognise the deep concern and frustration expressed here today at the lack of progress made by Iran to improve its human rights record. The latest report of the UN special rapporteur for human rights clearly sets out the appalling situation in Iran and highlights a wide range of areas that need to be addressed. The UK agrees with her assessment. I want to get that clearly on the record before I go on to say one or two other things.

First, I will tackle the issue of attitudes to Iran. One of the most difficult things that the Government have to contend with is how to deal with issues in countries that are friendly and less friendly when we are trying to create a relationship, and we have to acknowledge that countries do things that do not fit well with what the United Kingdom believes in. That applies to allies as well as to those we do not consider to be allies. Many countries around the world have practices with which the United Kingdom has to take issue. It is difficult to get the right balance in how to move forward. I contend at the moment that evidence of success through isolation is pretty limited, which suggests some degree of engagement is needed. In his nuanced remarks, the hon. Member for Norwich South hinted at this. It is easy for us to be clear about what we do not like and for Parliament to condemn clearly, as it should. Dealing with a state and helping to move it on to a position with which the United Kingdom is comfortable—the universal acceptance of human rights in this particular example—is a difficult process. It takes time and engagement. As a Minister, I am perfectly content to be challenged on that, but I do think engagement is right.

Two things follow. First, as colleagues have said, there were and there remain hopes in relation to what President Rouhani can do, but he does not have an unfettered hand. In his description of Iranian society, the hon. Member for Leeds North East couched it well. When a new leader comes to office in a complex situation in almost any country, we cannot expect things to change automatically in the way in which we would like. In relation to his citizens rights charter, at his inauguration—at which I was present as part of that engagement—Rouhani said:

“I hope that there will be more justice throughout the country and our people are more hopeful of the future.”

Well, so do we. He said,

“I am the president of the Islamic Republic of Iran, responsible to safeguard all people's rights. From now on, we must be responsive to the people's votes.”

He said that in front of the Supreme Leader and made his views clear. We call on him to uphold the values that he set out. We recognise it will not be done immediately and automatically, which I think is a common-sense approach. We are looking for evidence of movement, but we recognise that Rouhani, the Government and society have to go about it in a particular way. The charter of citizens rights is the first of its kind in Iran. It has the potential to have a positive impact.

Another part of the engagement is the JCPOA—the joint comprehensive plan of action—or nuclear deal. It was never intended that the nuclear deal would be an all-embracing agreement with Iran, whereby in return for a stop on progress towards a nuclear weapon everything else would be taken into account. There are different views and expectations of the deal, but I, the Foreign Secretary and the Prime Minister are clear on what the nuclear deal was about. In a world where it has proved difficult in some places to restrain states, Iran stopped its progress towards a nuclear weapon. Just that; not all the other things that we have concerns about in Iran. Iran knows there are other issues in the region that have been highlighted by colleagues, and we know we must continue the progress on those.

The nuclear deal did the job it was designed to do. It is the United Kingdom's view that Iran has held to the terms of the deal. That is why we still support it. The House should not think that because we agree on that, we have given a green light to Iran in relation to other things and that other concerns have come to a halt. They have not; those talks go on. One thing was agreed in a situation of great difficulty after many years and with huge distrust on both sides. The deal was not born of trust, but distrust, and putting in place the mechanisms to make sure verification was possible. Although lots of other things are on the table, the fact that this is in the bracket it is in and is being stuck to is not a bad thing. Now we must move on to other things.

I will now deal with specific issues mentioned in the debate by my right hon. Friend the Member for Chipping Barnet and the right hon. Member for Carshalton and Wallington. The issues are difficult but I want to express clearly what we are doing. We are doing everything we possibly can. Our ambassador raises the issue of dual national detainees with the Iranian authorities at every possible opportunity; he seeks to secure consular access and to ensure their welfare. The Prime Minister, the Foreign Secretary and I have all raised the cases with our counterparts and we have stressed the importance of resolving them as quickly as possible. This is clearly a very distressing situation for all the families of the British detainees, let alone for the detainees themselves, and our hearts go out to them. We are in regular contact with the families through the Foreign and Commonwealth Office. I have met the families of some of the dual nationals in the UK and in Tehran. I have tried to reassure them that the British Government are making every possible effort. We will continue to raise their loved ones' cases with the Iranian Government at every possible opportunity in an attempt to seek a change.

Patrick Grady (Glasgow North) (SNP) *rose*—

Tom Brake *rose*—

Alistair Burt: I will give way to the right hon. Member for Carshalton and Wallington first. The hon. Member for Glasgow North is quite new to the debate.

Tom Brake: I thank the Minister for giving way. He might be about to come on to this. I welcome the fact that the Minister—as I said earlier, I greatly respect him—has met the families. I posed the question about whether the Foreign Secretary would meet them. Given the circumstances, it would be entirely appropriate for him to meet them. Will the Minister raise that with the Foreign Secretary?

Alistair Burt: I understand that point, but the right hon. Gentleman will appreciate that the dual nationals we are talking about are not the only detainees held in confinement around the world. It seems appropriate that the Minister responsible for the area meets the families. The Foreign Secretary has indeed raised the cases, and continues to do so, at the highest level. I do not want to speak for the Foreign Secretary in relation to this. I hope my own engagement as the Minister most responsible meets the needs of the families. They are well aware of the concerns that we express at the highest level. I am puzzled, disappointed and deeply concerned by the latest news reports concerning Mrs Zaghari-Ratcliffe. Yesterday, I spoke to the Iranian ambassador in the UK to express that concern and my right hon. Friend the Foreign Secretary will speak to his counterpart, Foreign Minister Zarif, later today about this and other matters. I also spoke to our ambassador in Tehran to seek further information on what further circumstances Mrs Zaghari-Ratcliffe is facing. We do not yet have that clarification, and it is possible that matters are not quite as they appear in the media, but we are urgently trying to find out exactly what those circumstances are and I will continue to press on that.

I remain of the strong view that the humanitarian situation of a mother separated from her child should prompt her release, not least on the grounds that under Iranian law she is eligible for parole in relation to the first charges that she faced within the next few weeks. That view has been expressed clearly and regularly to the Iranian authorities with which we are engaged. That is what we are seeking to do in relation to the dual nationals. I assure colleagues that those people are uppermost in our minds, and we are trying to handle their best interests. We will continue to press the cases of all the dual nationals whenever we can.

Colleagues raised the matter of the death penalty. We remain extremely concerned about the high number of executions in Iran, including those of juvenile offenders. According to Amnesty International, at least 247 people have been executed since January—at least three of whom were under 18 when the crime was committed. That practice is not only appalling, but in direct violation of international conventions that prohibit juveniles from being sentenced to death, to which Iran is a signatory. In looking for opportunities for the future, there is a small sign of progress, as perhaps the hon. Member for Leeds North East knows, in the form of a proposed change to Iranian drugs law. That would mean that the

death penalty would be applied only in the most serious circumstances. I urge the Iranian Parliament and the Guardian Council to enact that Bill as quickly as possible. Every day that it is delayed brings another needless execution.

Colleagues raised the issue of freedom of expression, Iran's record on which is also poor. The special rapporteur notes that at least 12 journalists and 14 bloggers and social media activists are currently in detention for their peaceful activities. In April, three separate channel administrators on the popular messaging app Telegram, mentioned by colleagues this morning, were each sentenced to 12 years in prison for

“collusion and gathering against the regime and insulting the leader and founder of the Islamic Revolution”.

Voice calls over Telegram were also banned. That is not what an open and free society looks like. The British Government therefore call on Iran to adhere to its international obligations and to release all those who have been detained for exercising their right to freedom of opinion, expression and peaceful assembly, which I think is what the hon. Member for Argyll and Bute was asking me to do. We also call on Iran to quash the prison sentences given to others for similar reasons.

My right hon. Friend the Member for Chipping Barnet also raised the issue of freedom of expression for faith, as did one or two other colleagues. I met members of the Baha'i community in my office a few weeks ago, as I had met them a few years ago. I remain concerned, as does the House, about persecution of those of the Baha'i faith. We are concerned by state efforts to identify, monitor and arbitrarily detain Baha'is, and we will continue to raise that issue. As far as Iranian Christians are concerned, we also share the concerns about the continuing crackdown in Iran against religious minorities, including the house church movement mentioned by my right hon. Friend among Iranian Christians, and harassment of Muslims who convert to Christianity. The recent apparent crackdown on Christians for what appeared to be normal church activities, such as celebrating Christmas or holding a picnic—an important social activity at weekends in Iran, which we note has particular significance—is particularly concerning. We are not blind to those acts and we call on Iran to cease harassment of all religious minorities and to fulfil its international and domestic obligations to allow freedom of religion to all Iranians.

Colleagues mentioned women's rights. Women do not enjoy the same rights and privileges as men in Iran and continue to face discrimination. Married women, as my right hon. Friend said, need the consent of their husbands to leave the country and can be banned from travelling abroad if their spouses do not sign the paperwork needed to obtain or renew a passport. Given that the President has expressed his desire to see greater justice in the country and to see human rights move forward, we hope that women's rights will also be high on the agenda. The discrimination they face is unacceptable in the 21st century, so we urge the Government of Iran to repeal discriminatory laws and enable women and girls to participate equally and contribute fully to society—something that is clearly in Iran's interest. All of us who know about Iranian society know that women are extremely voluble about what they believe they can contribute to society. They should be given full opportunity of expression.

[Alistair Burt]

We share the concern about continued persecution of lesbian, gay, bisexual and transgender people in Iran. Homosexual acts are criminalised in the Iranian penal code, and the punishment can range from 100 lashes to the death penalty for both men and women. It is also against Iranian law for people of the same sex to touch and kiss, and for people to cross-dress. There is no legal protection against discrimination on the basis of sexual orientation or gender identity in Iran, and there is widespread social intolerance of homosexuality.

Transsexuality in Iran has been legal since a fatwa was issued in 1987 by the late Ayatollah Khomeini. There is, however, still a great deal of social stigma attached to transsexuals, and they can obtain legal identification documents in their preferred gender only if they have undergone gender reassignment surgery. That makes it difficult for those who do not want to undergo surgery to find employment and access medical services and education. Again, we have repeatedly called on Iran to fulfil its international and domestic obligations to protect the human rights of all Iranians, and we continue to do so.

In conclusion, the Government share colleagues' concerns about the human rights situation in Iran.

Tom Brake: I raised the issue, which I hope the Minister will respond to in the last three minutes, of how the Government will ensure that human rights concerns are embedded in the cornucopia of trade deals that they will be negotiating.

Alistair Burt: I thank the right hon. Gentleman for reminding me. The Government have repeatedly said, and I can say again here, that human rights considerations are not being, and will not be, sacrificed for trade deals. That is not the Government's intention, as the hon. Member for Leeds North East indicated from the Opposition Front Bench, and we have repeatedly said so. I can give that assurance to colleagues in the House today.

Bob Blackman: Before the Minister concludes, both my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) and I raised the issue of the 1988 massacre, to which my right hon. Friend the Minister has not replied. Will he lead the campaign in the United Nations to get a proper report into that?

Alistair Burt: I stand by the letters that I have already signed off on that subject, which say that in our dealing with the issue of progress in Iran we do not at this stage plan to raise the 1988 executions at the UN or to support the inquiry. We are, however, working closely with the UN special rapporteur and we remain concerned about related issues that have come up. I have to say, however, that at present we do not have any intention to raise it specifically.

My hon. Friend also raised the matter of the NCRI, which I should refer to before I sit down. We do not have an official contact with it, and we do not endorse particular opposition groups in Iran. Choosing Iran's Government should be a matter for the Iranian people, and we remain of the view that we will not favour particular opposition groups in Iran.

Dr Offord: Will the Minister give way?

Alistair Burt: I want to conclude, because I think that my right hon. Friend the Member for Chipping Barnet needs a moment to speak as well. I thank colleagues for continuing to raise this matter. I hope that at the beginning of my remarks I gave a sense of how we are trying to deal with this difficult issue: we will continue to raise matters and we will not neglect them. Progress in Iran may well be slow, but we want it to be certain to fulfil what we believe are the hopes and desires of the Iranian people.

10.59 am

Theresa Villiers: I thank the Minister for his speech today. I very much take on board the complexity of the process, which he has described as not only holding the Iranian Government to account on their human rights record, but trying to guide them towards a better future on these matters.

The one point I would leave with him is that I hope he will look again at the issue of the 1988 mass killings. They happened, they were a terrible crime and not enough attention has been given to them. There is a strong case for an independent investigation and I hope that he and his colleagues in Government will give that their most serious consideration.

Motion lapsed (Standing Order No. 10(6)).

HGV Driver Regulation

11 am

Gordon Henderson (Sittingbourne and Sheppey) (Con): I beg to move,

That this House has considered regulation of HGV drivers sleeping in their vehicles.

I am grateful for the opportunity to raise this issue, which is of great concern to hauliers and residents in my constituency. I will touch on three important and closely related aspects of this growing problem: first, how the regulations are enforced; secondly, the effect on my constituents of parking by heavy goods vehicles; and, thirdly, the lack of suitable off-street parking for HGVs in Kent.

One of the problems that British hauliers face is the lack of parity between the United Kingdom and other parts of Europe in the way in which the existing regulations are enforced. That disparity results in an indirect and unfair cost on British haulage companies operating in Europe, while providing an advantage to European companies operating in the United Kingdom.

It is illegal for drivers to spend their weekly rest period, otherwise known as their 45-hour rest period, in the cabin of their truck. Those who do not sleep in suitable accommodation are deemed not to have taken their rest, and fines can be levied against both the driver and the transport operator. That, however, is not being properly enforced here in the United Kingdom and, where enforcement action is taken, fines of only £300 are being issued.

Compare that with the much larger fines available to the authorities in other countries. In France, for example, lorry drivers can be fined as much as £26,000 if they are found sleeping in their cab by the side of the road. In May this year I understand that the Germans introduced a policy of fining drivers who are found taking their regular rest in the cabin of their lorry: £54 for every hour that they fall short of the necessary rest and £160 for the haulage operator.

Hauliers in my constituency are upset that EU-based operators use our lax enforcement of the 45-hour rest period to gain a commercial advantage. They do so by getting their drivers to park their HGVs in the United Kingdom over the weekend, ready to start the new working week here without having incurred overnight accommodation costs.

UK hauliers, however, if they try to gain a similar advantage by strategically parking their vehicles on European Union soil over the weekend, have to pay the additional accommodation costs required by the legislation or risk being hit with the punitive fines I referred to earlier. The effect of that discrepancy between enforcement and penalty in the United Kingdom and the arrangement in many other countries is to increase the cost to UK hauliers of doing business in Europe, while allowing foreign hauliers to operate more cheaply here.

My second point relates to the effect that that uncontrolled and illegal lorry parking has on my constituents. Stricter enforcement in other European countries ensures that roads in much of the continent are free from the great ribbons of trucks parked by the roadside that we see regularly in my constituency and in other areas close to the channel ports.

Too often, foreign HGVs park up at the weekends on residential roads, in business parks and lay-bys, and on the slip roads of trunk roads and motorways. Such parking is not only inappropriate but dangerous to other road users. Kent police officers regularly tweet pictures of those vehicles, and I am grateful for the support of Kent's police and crime commissioner, Matthew Scott, who shares my concerns. In addition to the danger to other road users, there is a health risk to the wider public, because the areas in which the HGV drivers often park lack the most basic toilet or washing facilities.

Amanda Milling (Cannock Chase) (Con): I congratulate my hon. Friend on securing this debate. This issue does not only affect Kent. Travelling up to Staffordshire, HGVs can be found littering the roads, business parks and backstreets of towns, as he described. Does he agree that we need to look at the facilities provided for HGV drivers throughout the country? I appreciate the particular concerns in Kent, but they exist in other parts of the country too.

Gordon Henderson: I am more than happy to agree with my hon. Friend. It is a national issue, but she is right that we have a particular problem down in Kent, because we are the gateway to the country, so suffer far worse than anyone else. With regard to the facilities, I will come on to that, so I hope she will bear with me.

As I was saying, there are no washing facilities for drivers to use, and sites are often left littered, creating an expensive clean-up operation for the local authority. Even where parking restrictions apply, taking action is not always simple. When fines are imposed, they are often ignored by foreign drivers who simply do not pay them. In addition, where suitable parking facilities do exist—they are few and far between—the police simply do not have the resources to escort the lorries to those designated areas.

That brings me on nicely to my third concern, which is the lack of suitable off-street lorry parking and of the suitable facilities for drivers that my hon. Friend mentioned.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on securing the debate. Many issues are of concern, and he has outlined them well. Others include not only the noise, the smell of exhaust fumes and how those fumes affect local housing, but the lorry drivers being on their own. I have a very good friend with a haulage business. He told me about a person who jumped out of his lorry, where he had been sleeping, but had forgotten to put the handbrake on, and he was crushed. There was no one else about. The safety of the lorry drivers has to be an issue, so any regulation in the system would be for the benefit of the drivers as well.

Gordon Henderson: I agree wholeheartedly with the hon. Gentleman. Part of what I am saying is for the benefit not only of hauliers but of drivers, who deserve and should be given decent working conditions, including decent accommodation when they have their 45-hour rest.

On off-street parking, in November 2015, the then Chancellor announced a £250 million fund to provide a large lorry park alongside the M20 in Kent. Two years on, we have yet to see a single piece of tarmac laid.

[Gordon Henderson]

I would be grateful if the Minister told me what discussions he has had with Kent County Council and what progress is being made to deliver that project.

One lorry park, however, no matter how large, is not the answer. That is why I very much hope that consideration is given to providing more localised solutions, such as the proposed lorry park near the Sheppey crossing in my constituency—a scheme I fully support. Such a lorry park, just off the A249—which, incidentally, is one of the busiest trunk roads in the south-east of England—would provide proper parking for the increasing number of HGVs that service the businesses in the area, which include two major regional retail distribution centres, a number of recycling plants, the largest paper mill in the UK, the thriving deep-water port at Sheerness and Eurolink, which is one of the largest industrial sites in southern England.

In summary, we should take a lead from our European neighbours and clamp down on the inappropriate parking of HGVs by properly enforcing the law on sleeping in cabs.

Helen Whately (Faversham and Mid Kent) (Con): I congratulate my hon. Friend and constituency neighbour on securing this debate and on making the case so strongly that the problem of lorry parking needs urgently to be addressed, across the country but especially in our area of Kent, for the sake of residents and lorry drivers. We must ensure that the parking of lorries in the right place is effectively enforced, and that has to go hand in hand with ensuring that there are places for lorries to park, such as the Operation Stack lorry park and further lorry parks on the route, which he mentioned.

Gordon Henderson: I fully agree. My hon. Friend mentioned enforcement; there should be an increase in fines for those who break the law and the police should be given more resources to assist the Driver and Vehicle Standards Agency in issuing those fines. We should move quickly to provide the lorry parks needed in Kent and look seriously at local solutions, similar to the one on the A249 to which I referred. One way of achieving that would be to encourage local authorities to work with the private sector, which might feel more inclined to invest in a better lorry park network following a change in the enforcement regime.

Colin Clark (Gordon) (Con): I am from Aberdeenshire, where we have a £750 million bypass that goes round Aberdeen. I will ask Transport Scotland what they are doing about lorry parks, but does my hon. Friend think it would be better if lorry parks were charged for and had decent facilities?

Gordon Henderson: Existing lorry parks are chargeable, and I think that any future lorry parks will be chargeable. However, there is no point having a charge for a lorry park if there is no lorry park in the first instance. We are saying in Kent that we need more lorry parks, and I am sure that it is the same in Aberdeenshire.

The measures that I have outlined would have a number of long-term benefits, including eradicating the financial disadvantage for UK-based hauliers; removing parked HGVs from our residential streets and commercial areas; improving safety on our roads, particularly motorways and trunk roads; reducing the health hazard

caused by HGV drivers dumping human waste and unsightly litter; and, last but not least, bringing long overdue relief to my constituents and those of other right hon. and hon. Members.

11.12 am

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): It is an honour to serve under your chairmanship, Ms Buck. I congratulate my hon. Friend the Member for Sittingbourne and Sheppey (Gordon Henderson) on securing this debate on the important topic of the regulation of HGV drivers who sleep in their vehicles.

I am well aware of the scale of the challenges posed by the volume of lorry traffic in certain parts of the country, particularly Kent. We all know that road freight is a critical factor in the success of our economy, accounting for more than three quarters of all goods moved around the country. It is not just a direct enabler of economic activity but an important employer. Drivers alone—this does not speak to the rest of the haulage industry or the supply chain behind it—number something like 300,000 in this country. It is an important part of the UK economy. Alongside the industry, we as a Government must acknowledge the effects and the importance of that economic activity, and the way in which the industry interacts with other road users, communities and the general public, who have a stake in policy outcomes.

I shall address this topic in two ways. My hon. Friend the Member for Sittingbourne and Sheppey highlighted both the specific issue of drivers taking rests in their vehicles, particularly in inappropriate locations such as lay-bys, and the wider but closely related question of the inappropriate parking of HGVs. I acknowledge the work of my hon. Friend the Member for Faversham and Mid Kent (Helen Whately), who secured a previous debate about fly-parking, the negative effects of which are inevitably worsened by drivers sleeping in their cabs, because of the length of time involved.

We recognise that, in many cases, it is a perfectly acceptable option for a driver to spend a night in his or her vehicle. It is understandable that many drivers would prefer to spend a night in a sleeper cab—I discovered when I visited Keltruck in my constituency the other day that that can be a familiar and even comfortable place—rather than a cheap motel, a house in multiple occupation or other interim accommodation. However, although an overnight rest in the cab is a legitimate and established industry practice, we must draw the line somewhere. We are clear that it is not acceptable for a driver to take his or her full weekly rest—at least 45 hours—in the vehicle. Drivers should not spend an indefinite period driving and resting at their place of work—their lorry.

Hon. Members will be aware of the difficulty that the haulage industry is having recruiting new and, especially, young drivers. The Department is actively supporting it with that issue. Such practices do not support the industry's efforts to convince young people that commercial driving is a good-quality job, a well-paid occupation worthy of their commitment and a good career choice.

Although HGVs parking in inappropriate locations, such as lay-bys, is always likely to be problematic in some respects—I will come to that question shortly—it is particularly troubling when they do so for 45 hours or

more. That amounts to a driver effectively living by the roadside, for the most part without even basic toilet facilities, for several days. That practice has obvious environmental impacts on local residents and other road users, and it places financial burdens on local authorities, which literally have to clean up the mess. I know that there have been such problems in the constituency of my hon. Friend the Member for Sittingbourne and Sheppey and in lay-bys on the A249, not just because he said so, but because the Department has tracked those issues for some time.

The prohibition of that form of cab sleeping is also an important road safety measure. Mandatory weekly rest periods of 45 hours are a fundamental provision of the drivers' hours rules, which guard against driver fatigue and seek to protect road safety. I am pleased to say that the Driver and Vehicle Standards Agency already has well-advanced plans to step up its enforcement activities to address that issue. From the first of next month, drivers caught taking their full weekly rest in their vehicles may be issued with a financial penalty of £300. Where appropriate, they may also be required to restart their weekly rest period, which we believe should be a significant deterrent to operators that are involved in such behaviour, since it will put contract delivery at risk, with potentially significant financial implications.

Enforcement officers will act proportionately. This is not about waking up drivers in the middle of the night where they are parked in proper facilities in a law-abiding way; it is about deterring problematic behaviour, particularly in certain areas. We will require the DVSA to join up with local police forces, including in Kent, as illegal cab sleeping often goes hand in hand with illegal parking. We recognise that employers, many of which are based overseas, as my hon. Friend highlighted, often encourage or condone their drivers sleeping by the roadside, so it is important that the DVSA also links up with its counterparts abroad to hold culpable operators to account. The DVSA's current risk-based system for assessing operators needs to be extended.

Gordon Henderson: I accept everything that the Minister has said, but does he recognise that a £300 penalty is not as much of a deterrent as the £26,000 penalty in France? That leaves British hauliers who have to operate overseas at a disadvantage.

Jesse Norman: I am grateful to my hon. Friend for his intervention. The genius of the debate is not merely that he has anticipated work already under way but that he has anticipated the next phase of work. I am aware, and the Department is aware, that commercial vehicle offences incur higher financial penalties in some neighbouring countries, as he said. We are looking hard at increasing those penalties, potentially up to £3,000 for the most serious offences from a road safety perspective such as the manipulation of tachographs. I hope he will agree that that goes some considerable distance towards meeting some of the issues he has raised, particularly in cases where there are multiple offences across a fleet, and in conjunction with the delay I have already mentioned to a potential contract through restarting the rest period.

I come to the broader question of inappropriate parking, which is inextricably linked to this debate. We recognise that even when spending the odd night parked is fine from the driver's perspective, if it is done in the

wrong location it can still be problematic for the local area. A number of colleagues will have heard my predecessor in this portfolio, the Minister of State, Department for Transport, my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes), debate and discuss the issue of fly-parking by HGVs in Kent. I take this opportunity to reassure hon. Members that that issue, which has been highlighted today, remains firmly in our sights.

Since my right hon. Friend spoke on the matter, a number of measures have been taken forward. I am pleased to note that at the end of this month, Kent Council, with the Department's support, will launch an innovative new enforcement approach on a trial basis by implementing an overnight parking ban on a stretch of the A20. As part of the trial, it will pilot a policy of clamping first time—immobilising vehicles immediately, instead of waiting until multiple offences are committed. I will watch the outcomes of these measures in Kent carefully—it is an important trial—with a view to sharing and promoting successes that may come out of that.

Gordon Henderson: While I welcome the trial, the Minister will recognise that clamping down on lorries on the A20 will just move them to the A2 and A249, which will probably exacerbate the problem in our area.

Jesse Norman: I recognise the point. The question really is not just whether the trial has that effect—that would be an important outcome—but whether, even adjusting for that, it has deterrent effects. Obviously, as successful as such measures may appear in a trial, they will work only if they can be rolled out across a locality. It will be a wider general enforcement power that will create the genuine incentive to change. Of course, there must be alternatives available in a way that assists the process, and I will come on to that shortly.

So far, I have mainly talked about enforcement-based responses to the problem. Much of this antisocial behaviour is in fact illegal and enforcement is therefore an appropriate and logical response. It is often the case that less responsible hauliers—many of them are based overseas, as my hon. Friend mentioned—encourage their drivers to park up by the side of the road instead of paying for them to use proper facilities. However, we must also recognise that such matters cannot be separated from the wider issue of the shortage of lorry facilities more generally. That point was rightly made by my hon. Friend the Member for Cannock Chase (Amanda Milling).

My predecessor directed a new survey to be undertaken to understand the scale of the issue. My Department will publish the results shortly, but I inform hon. Members that the situation appears to have become—as many knew or suspected—more acute since the last such survey was undertaken in 2011. It will come as no surprise to hon. Members who represent Kent that that county has again been identified as a hotspot for inappropriate parking, and that proper lorry parking facilities in that county are already largely at capacity. That is also the case in several other parts of the country. It is therefore clear that, in certain areas, enhanced enforcement must go hand in hand with more, and better quality, formal parking sites.

The information collected by the new survey will help local authorities to understand better the parking needs in their areas and, we hope, to make planning decisions

[*Jesse Norman*]

accordingly. I know that Kent County Council is already investigating where additional provision is most needed in the county, and Highways England is working closely with it. I am also examining how the Government can best assist local authorities in encouraging additional provision of lorry parking more generally. I will inform the House of my intentions in that area in due course.

My hon. Friend the Member for Sittingbourne and Sheppey rightly raised Operation Stack, which is an important part of the Government's planning. As he will be aware, the matter is currently the subject of a judicial review, which has slowed down the process and forced us to consider the interaction between the Stack elements and the wider issue of fly-parking more generally. We wish to resolve the whole thing on both sides in a satisfactory way, and we will make—and in due course announce to the House—plans for contingency arrangements to accommodate that. It is important that he realise that we also understand, as a separate matter, the importance of providing separate facilities irrespective of what transpires with Stack; I want to give him comfort in that regard.

We are undertaking essential contingency planning to cope with all eventualities, but we also need to recognise the issue more widely, in Kent and nationally. I thank my hon. Friend for this highly constructive debate, and I thank hon. Friends and colleagues across the House for their valuable contributions.

Question put and agreed to.

11.26 am

Sitting suspended.

Royal Mail Delivery Office Closures

[*MIKE GAPES in the Chair*]

2.30 pm

Helen Hayes (Dulwich and West Norwood) (Lab): I beg to move,

That this House has considered Royal Mail delivery office closures.

It is a real pleasure to serve under your chairmanship, Mr Gapes. I was prompted to seek the debate because my constituency is threatened with the closure of two delivery offices, and I understand the impact that those closures will have on my constituents if they go ahead. I also want to highlight the wider pattern of delivery office closures, which affect not only my constituents but communities across the country, which I believe to be a direct, damaging consequence of the coalition Government's decision to privatise Royal Mail in 2013.

Earlier this year, Royal Mail announced plans to close the West Norwood and East Dulwich delivery offices in my constituency. Since then, more than 1,000 local residents have contacted me to express their opposition to the closures, and many have also written to Royal Mail's chief executive, Moya Greene. People from all walks of life have attended three public protests on the issue, among them wheelchair users, small business owners, home workers and many families and elderly residents who are keen to speak out on the impact that the loss of their local delivery office will have on them.

Royal Mail delivery offices are where the final stage in the mail sorting process takes place, the depots from which postal workers collect their rounds, and the front counter facilities where customers can collect parcels, recorded delivery mail and mail sent to a PO box address. Royal Mail argues that because a parcel can be left with a neighbour or have its delivery rescheduled, communities can manage without delivery offices, but there are many people for whom those options simply do not work, including those who work long hours; the many small business owners and sole traders who prefer to collect their mail from their local delivery office precisely because they can pick it up at a time of their choosing, allowing them to get on with other important meetings and errands rather than being tied inflexibly to a particular location; and people who simply do not have the time to be tied to their home just to wait for a delivery.

Anna Turley (Redcar) (Lab/Co-op): I congratulate my hon. Friend on calling this debate. Does she agree that often the most vulnerable people—elderly people and so on—who are restricted by problematic public transport such as a lack of buses are also hit hard by these closures?

Helen Hayes: My hon. Friend's intervention is well made. I will come on to talk about the impact that the closures will have on vulnerable constituents in my constituency and elsewhere.

Kate Green (Stretford and Urmston) (Lab): I, too, congratulate my hon. Friend on securing the debate. Does she also agree that where offices are proposed for closure as part of wider regeneration plans, as is the case in my constituency in relation to Stretford sorting office, it is important that new public facilities are considered as part of that regeneration?

Helen Hayes: It is a problem across the country that where delivery offices are being closed, the receipts from the sale of that land are recouped entirely for the benefit of shareholders and not reinvested in alternative facilities for customers.

Hilary Benn (Leeds Central) (Lab): I concur with the congratulations to my hon. Friend on securing the debate. Does she recognise that when Royal Mail argues, as it has in the case of the proposed closure of the Holbeck delivery office in my constituency, that it will “improve facilities for our customers in the LS11 postcode area”, that kind of comment provokes a hollow laugh on the part of residents who will have to travel much further, taking in some cases not one but two buses to pick up a letter or parcel from the office that Royal Mail now tells them they will have to go to, if the closure goes ahead? We are very much resisting the closure, together with the Communication Workers Union.

Helen Hayes: My right hon. Friend is right to make that point. Extended delivery hours at a location very far from where residents live is no substitute for having a facility directly in their community. That is exactly the issue we are debating.

There is also a significant problem for customers who pay to use the PO box service, for the confidentiality and convenience that provides, and for whom Royal Mail appears not to have accounted at all in its plans. Delivery offices are also part of the fabric of our communities. There is a strong relationship between Royal Mail staff and the customers they serve, which makes the institutions more than simply transactional in the role they play.

The closures Royal Mail is proposing in my constituency would severely restrict the accessibility of services for my constituents. Under the proposals, residents in the SE27 postcode area, who currently use the West Norwood delivery office, would be required to travel not to the next nearest delivery office, which is too small to accommodate the work from West Norwood, but to a delivery office three miles away, which requires them to take two different buses on congested roads: a journey that can easily take an hour each way, not accounting for the queuing time that will inevitably result from more mail being delivered at that delivery office.

Phil Wilson (Sedgefield) (Lab): I congratulate my hon. Friend on securing the debate. I want to make an observation that I hope she will agree with. There is a general decline in our parcel service, which is exacerbated by the closures of facilities. I think 38% of parcels arrive late, 28% of parcels are left in insecure areas, and 28% of people get a note through the door saying that nobody was in when there was. What I find most difficult to accept is that all these closures have taken place without public consultation.

Helen Hayes: It is precisely my argument that Royal Mail needs to compete on quality, not simply seek to reduce its costs to survive in the competitive environment it finds itself in.

The impact is similar in East Dulwich, where residents will have to travel to Peckham to collect their post, to a delivery office that is not easy to find and which has no dedicated parking. In East Dulwich, it is accepted by staff that the current delivery office building is not fit

for purpose, but that is only because of the immense growth in parcel deliveries at that location, which means that the workload has outgrown the site. That is only an argument for finding new premises in the SE22 postcode area, not an argument for forcing residents to travel longer distances to collect their mail.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on bringing a very important issue to the House. I apologise that I will have to leave early—I have already apologised to the Chair and Minister. The hon. Lady refers to parcel services. A large number of constituents do not have access to the internet or computers or may not be computer literate. Therefore, when it comes to arranging delivery, they cannot use the alternatives of parcel lockers or click and collect. Does she feel that Royal Mail has not been fair to its bread-and-butter customers who have kept it going all these years?

Helen Hayes: The hon. Gentleman’s point is well made. I will come on to data that clearly prove that it is the overwhelming preference of customers to have parcels delivered to their home and not to any other location.

The much longer journeys will clearly be even more challenging for older people, disabled residents and those with very small children. As one of my constituents—a 77-year-old pensioner who cares full-time for her disabled adult daughter—has described in a letter to Moya Greene,

“this journey would be exhausting but since I do not drive and I am unable to afford a taxi, there would be no alternative to it.”

Royal Mail has argued that a need for modernisation is driving the changes, but when I visited the West Norwood delivery office during the very busy Christmas peak period it was clear that it is a modern, efficient working environment. The staff are dedicated and hard-working, and they provide an excellent service to their customers.

Susan Elan Jones (Clwyd South) (Lab): I congratulate my hon. Friend on securing the debate. She speaks of distance. Does she agree that there will be a massive problem across rural Britain if this goes ahead? Royal Mail is supposed to be here to serve us, but on this it is not doing so.

Helen Hayes: I thank my hon. Friend very much for that intervention. The issue of distance applies in rural areas, but in urban areas congestion and journey time rather than distance are the impediment to accessibility. Her point is well made.

The issue is far from unique to my constituency. Between the privatisation of Royal Mail in October 2013 and May 2017, 142 delivery offices—10% of the network—have been closed, and more offices are at risk of closure. Royal Mail has sold more than £200 million-worth of property and it is expected to receive at least a further £500 million of receipts shortly. At the same time, it has paid out more than £800 million in dividends, with an annual dividend now running at more than £220 million. Its chief executive is paid an annual package worth £1.9 million.

Concerns were raised time and time again by Labour MPs during the passage of the Postal Services Act 2011 under the coalition Government that privatisation would place the motive of delivering profits for shareholders at the heart of the organisation and that that would

[*Helen Hayes*]

drive down the quality of service for Royal Mail customers and compromise terms and conditions for staff. The Government argued that that would not happen, because the investment funds Royal Mail would be able to access as a consequence of privatisation would be significant, but that is exactly what has happened.

There is no doubt that the postal delivery market is extremely competitive and that Royal Mail is operating in a difficult context, but it is far from clear that Royal Mail's approach makes good business sense. In addition to providing facilities for mail collection, delivery offices are the depots from which postal workers begin their rounds. Fewer delivery offices mean that postal workers will have further to travel from their base to their rounds, resulting in mail deliveries taking place later in the day.

Among Royal Mail's customers there is demand for high-quality delivery services, in part fuelled by the continued growth in online shopping, which means that while the number of letters delivered has reduced, the number of parcels delivered is still growing every year. A recent Ofcom survey found that 70% of people still prefer their parcels to be delivered to their home, rather than to work or a click and collect facility. While many competitors offer increasingly short delivery time slots, Royal Mail services in many areas are becoming later, less predictable and therefore less convenient.

Royal Mail was privatised in a shambolic fashion. The coalition Government rushed through the privatisation, with the then Chancellor desperate for funds to prop up his failing austerity agenda. In their rush to sell, the Government grossly underestimated the value of Royal Mail, with its shares jumping 38% on the first day of trading and the taxpayer losing out to the tune of an estimated £1 billion, according to the Business, Innovation and Skills Committee. The Committee also set out how the Government failed to reap the benefits of the sale of Royal Mail assets included in the privatisation package. The Government ignored National Audit Office advice to remove those assets, notably the network of delivery offices, from the privatisation deal or to add clawback provisions on the future sale of properties. The Government valued three London sites at around £200 million, when the NAO thought they could be worth anywhere between £330 million and £830 million.

Royal Mail continues to sell sites across London at eye-watering prices, to no taxpayer benefit and with no reinvestment in its services to customers. I should be clear, however, that Royal Mail is mistaken if it believes that its site in West Norwood is a potentially lucrative housing site. The site is situated in Lambeth Council's key industrial and business area, or KIBA, which provides strong protection to employment land uses. There is no possibility that Royal Mail will be able to sell that site for housing.

The Government also failed to define the universal service obligation beyond mail delivery, to secure an appropriate geographical distribution of delivery offices and the time and frequency of deliveries for the future. As a consequence, the social contract at the heart of Royal Mail's relationship with the communities it serves has been broken. The organisation is orientated only toward profits, while at the same time alienating its workforce with a damaging attack on staff pensions and other

terms and conditions. It is not acceptable that pensioners and disabled people in my constituency should have to travel an hour each way to collect their mail while £800 million is distributed to shareholders and the chief executive of Royal Mail is paid almost £2 million a year.

I call on the Government to recognise the scale of the problem, the aggressive approach that Royal Mail is taking to the disposal of its land assets and the total disregard that the organisation is showing for the customers and communities it was created to serve. If no action is taken, our postal delivery service will continue to be decimated and vulnerable residents, disabled people, parents with small children and small business owners will lose out the most. Privatisation is not working for Royal Mail's customers or for postal workers, and it is time for the Government to take action. A Labour Government would take Royal Mail back into public sector ownership and replace profit with public service at the heart of the organisation.

Will the Minister commit to take action to safeguard delivery offices and the services that communities across the country rely on, and intervene to regulate Royal Mail? Will the Minister also support my urgent call on Royal Mail to scrap its closure plans in West Norwood and East Dulwich, and ensure that its vital services remain accessible to my constituents in SE27 and SE22, and across the country?

Several hon. Members *rose*—

Mike Gapes (in the Chair): We have limited time for the debate. I would be grateful if any speeches could be relatively brief, so that everybody gets in.

2.45 pm

Mike Hill (Hartlepool) (Lab): Thank you for letting me speak in this important debate, Mr Gapes. I pay tribute to the Communication Workers Union, whose members feel strongly about this matter, and have voted overwhelmingly to strike in protection of their pay and pensions.

Since the privatisation of Royal Mail in October 2013, as my hon. Friend the Member for Dulwich and West Norwood (*Helen Hayes*) said, 142 delivery offices have closed. That is 10% of the network. Thankfully, my delivery office in Hartlepool is not one of them, but with closures happening at such a pace, I wonder when it will be our turn. The impact of a delivery office closure on the public is immense. Losing them not only deprives people of a local place to go to collect their parcels or undelivered post, but often means they must commute to the next town or beyond to access a service that all of us rely on at some point.

The Royal Mail is able to make these changes because the provision of delivery offices is not regulated. As we found with the closure of our central post office in Hartlepool earlier this year, a short consultation is often followed by swift closure. There are implications for pay and pensions in those closures, as there were in that closure and in the transfer of staff to WHSmith. The current CWU dispute is about fighting the introduction of an inferior pension scheme and a below-inflation pay offer. People rely on a delivery office being close to hand. The programme of managed decline needs to be stopped before any more damage is done, more jobs are lost and more communities lose these important assets.

2.46 pm

Kirstene Hair (Angus) (Con): Thank you for allowing me to speak, Mr Gapes. I am grateful to the hon. Member for Dulwich and West Norwood (Helen Hayes) for bringing the debate to Westminster Hall. Mike Weir, my predecessor for Angus, worked hard on the issue of closures of local post offices and it seems entirely fitting that I speak with that in mind. We are fortunate in this country to have the Royal Mail operating as the UK's designated universal service provider, making sure that six days per week we still get our post, no matter how rural our homes. Being from Angus myself, I know full well how remote some of those households can be.

Without a doubt, the delivery sector faces increased pressures, as demand drops and competitors such as TNT, DPD, Yodel and, of course, Amazon seek to break into the market. In addition, as alternative, faster and cheaper forms of communication become more established and, indeed, essential to more people and organisations, it will not be easy for the Royal Mail to continue with business as usual.

While I am not aware of a specific number of closures planned in my constituency, I will monitor the situation closely to ensure that each major town—Forfar, Kirriemuir, Brechin, Montrose and Arbroath—is looked out for. Each of those delivery offices provides a source of employment, which is vital in my constituency with its higher than average unemployment level. It is also an important local service, which no one with Angus's interests in mind wants to see weakened or reduced.

However, I am encouraged by a recent example from just over the county's border in Carnoustie. While it was disappointing that the Carnoustie office closed in June 2016, the positive to take from that closure is that services were transferred to the nearby Dundee east office and no job losses were incurred. I absolutely appreciate the concern that even when jobs are protected there is still a risk to the local economy, as staff may move away and take businesses with them. Furthermore, as previous hon. Members have mentioned, we must never forget how dependent the public in a rural area such as Angus are on those offices. People who rely on public transport or who are disabled could well face tougher journeys to reach larger, more centralised delivery offices. My promise to my constituents is that I will always seek to protect their interests in these matters and make sure that Angus residents get the best services possible.

2.49 pm

John Mc Nally (Falkirk) (SNP): I thank the hon. Member for Dulwich and West Norwood (Helen Hayes) for securing the debate. It is a pleasure to serve under your chairmanship, Mr Gapes.

If a post office fails, a lot of people are in trouble. The slash-and-burn approach to closing scores of outlets across Scotland and the UK is nothing short of a disgrace. Public opinion has been ignored and a blind eye turned to the needs of our communities. Crown post offices are being closed down and replaced by counters in stores. The House of Commons Library analysis shows that in Scotland there are now 1,403 post offices, down from 1,904 in 2002.

Those who work with vulnerable groups have highlighted the damaging effect that the closures will have on the elderly, disabled and unemployed. The picture I see is of

a fast disappearing network, leaving Scottish citizens, especially in the more isolated communities, stranded. Some of the most remote parts of the country are among the hardest hit, with about half the abandoned branches in the sparsely populated highlands and islands of Scotland, where residents most need them. Tory cuts to local post offices threaten the economic wellbeing and the social fabric of local communities all over the country and need to be stopped. Hundreds of jobs will be lost across the country and workers' rights eroded. The Communication Workers Union has revealed that the post office network has been reduced by more than 50% over the past three decades.

The Post Office claims that there is good public transport and people can simply "get on their bike"—to coin a phrase—and find another one, but that is a triumph of imagination over fact. For many, the cull of this vital network means that there is no longer a meeting point where they can easily collect their pensions or have access to the advice and support on a range of issues that their local office offers. It is a human touch that goes beyond just stamps and letters. To suggest that there are always easy bus routes or that vulnerable people can simply jump on public transport to another town is out of touch, to put it mildly. This Government seem to know the price of everything and the value of nothing.

In my constituency of Falkirk, within the existing delivery office is the main post office counter. Yes, we have sub-post offices in the town, but the future of that office, which serves the local businesses and communities well in the town centre, is in jeopardy. So far, there is no clear indication of what will happen to that counter if the delivery office closes. Can I have an answer to the delivery office closing in Falkirk? Have communities or council been consulted? How does a small sub-post office deal with parcels? There are so many questions about the future of that delivery office and post office counter. There has been a total lack of information for the public; there have been no details of future plans, including on the use of the existing building.

The same seems to apply across a host of other towns and communities. A reply that I received from a fellow Scottish MP, the hon. Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney), a CWU member, confirmed that uncertainty about the future and a lack of any decision information being communicated.

A very clear concern is that some offices allow foreign students to use the Home Office biometric enrolment service. Does that transfer across to other offices? Is there a plan to ensure that that service will be protected? In Falkirk, a large number of overseas students use the local Forth Valley College, which will benefit from an £82 million investment to build a brand-new college. Surely a service for overseas students such as that should be introduced where needed and protected when in place.

As usual with this Government, there is far too much uncertainty. Is the problem planned mismanagement failure or sheer incompetence? People can make up their own mind, but I know one thing: these short-term policies have been practised for far too long. While the UK Government preach to us about building a shared society, the destruction of yet another public service shows that we are reaching the point where we will have little left to share.

[John Mc Nally]

Post Office bosses say that franchising will keep services “where customers want and need them”,

but I cannot see how that can be the case when public opinion seems not to have been considered. The Tory Government have to take responsibility and set out a proper strategy for the Post Office. The public as well as the local businesses that rely on the post office have a right to expect more than this managed decline. For many people, the post office is a lifeline, and the steady closures that we have seen over recent years raise serious questions about whether many of these communities will ever have a branch again.

2.54 pm

James Frith (Bury North) (Lab): It is a pleasure to serve under your chairmanship, Mr Gapes. I congratulate my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) on securing this important debate. It is a pleasure to speak in a debate considering the future of our post offices. This consideration is happening at a time when a wider struggle within Royal Mail is taking place. I speak today in support of my hon. Friend’s comments on post office closures, and of the men and women across the country in this sector. I am a CWU member and supporter of its four pillars campaign, which seeks, as we have heard, improvements to pensions, pay, conditions and the business vision in Royal Mail more widely.

It is not just post office closures but the wider context that we are minded to consider. Across the service, post offices close, with consequences for local communities. There is a policy on open vacancies which leaves positions unfilled to save on costs. For postal workers I know, staff shortages lead to a workload that is too great and pressures that have consequences for health and life outside work. The workload increases and will continue to do so with post office closures, while the hours to complete the job are reduced and the pressure to take on the workload without extra hours is ramped up. Let us not confuse choosing overtime with being overworked.

My constituency towns of Bury, Tottington and Ramsbottom want Royal Mail to look after their postal workers and value their post offices. Those men and women work long hours—ever-changing hours—doing physical work to deliver items that we deem important to send or receive. They enrich our communities and play an important part in keeping our towns, cities and economies running. With industrial action now planned—it was voted for by a huge 89.1% of the members—the dispute will spill out into the consciousness of the wider public and, I hope, sharpen minds as to the threat to postal services more widely. If it does not do that, the threat of a High Court battle certainly will, and I think news of that will be met with sympathy.

The cause and the proposed way forward outlined by the CWU is fair and righteous. Royal Mail has a fight on its hands. Workers inside Royal Mail are fighting, but outside it matters, too. They are fighting for an economy that works for everyone, for this struggle could be just as much about the workers and the emergent business model that we now see in the UK. Evidence given yesterday by Deliveroo, Uber and Hermes in the Business, Energy and Industrial Strategy Committee put that on show for all to see.

Stephanie Peacock (Barnsley East) (Lab): I associate myself with all the comments made by hon. Members about Royal Mail closures. Does my hon. Friend agree that the companies that he mentions have taken advantage of the gig economy to undermine workers’ rights and force many hard-working employees into uncertain terms and conditions and precarious work over the past decade?

James Frith: I thank my hon. Friend for her intervention and absolutely agree with her comments. In the struggle at Royal Mail, we see the argument being made by the workers for an economy that does not deny or prevent profits paying for public services, but argues, as I do, that workers and business models are not just assets to be sweated for maximum immediate gain. We are talking about industry that provides good employment and good career prospects, with development, investment and good profit, which is not exploitative—a sustainable business for the future. Towns such as mine still have the rows of terraced houses built by employers for their workers in a different age. That age has passed of course, but it was an example of employers looking after their workforce and not complaining of high turnover of staff or sick rates without connecting poor working practices, which they determine, to those issues. I am talking about short-sighted commercial ideals. It is not too much to expect that postal workers in my region and staff in post offices elsewhere should be well paid, can save for retirement and can trust the leadership of the organisation to step up to the opportunities that a changing economy brings.

The repeal Bill going through Parliament will challenge assumptions that we have as a country about working practices that we take for granted. Those measures were bombarded on the way into law and will be under attack as they are transferred across from the EU statute book, too. I am talking about health and safety at work, working conditions and treatment of staff, employed or self-employed. The ever more likely US-made models of employment that we see can undermine working conditions for millions of people trying to make ends meet if we do not argue for a settlement that works for all.

I support the plan, which does not ignore business needs and does not ignore the pressures that Royal Mail is under. A costed plan was submitted by the CWU with the backing of its members that included the appliance of risk to a pension pot to be put on the members of the pension scheme and away from the company. It is worth noting at this point that for 11 years Royal Mail did not contribute to the pension pot, while its workers continued to do so and, as has been mentioned, it is on course to take £1 billion out of the business while post offices close.

I support the responsible approach taken by the union and its understanding of the pressures the company is under, but Royal Mail has picked up the bits of the plan that work for it, and stripped that of its balancing qualities. The gain has been reframed but the pain has been retained. Royal Mail should be setting standards in this sector for the future, not dismissing the workers’ proposals to introduce wider scope for post offices and postal workers. A postal worker’s role can expand as per the workers’ plans. I know that there is enthusiasm among Royal Mail workers to broker a future as a unionised workforce, sharing the interests of growth, helping deliver it, in the certainty that they have a place in it and a share in its rewards.

Mike Gapes (in the Chair): Order. There is a Division in the Commons. We did not hear the bell here, but there is a green light flashing, so we suspend for 15 minutes; obviously, if there are two Divisions we suspend for 30 minutes.

3.1 pm

Sitting suspended for Divisions in the House.

3.48 pm

On resuming—

James Frith: I conclude my remarks. [*Laughter.*] Thank you, Mr Gapes, for letting me speak under your chairmanship and I again thank my hon. Friend the Member for Dulwich and West Norwood for securing this debate.

3.49 pm

Jo Swinson (East Dunbartonshire) (LD): It is a delight to serve under your chairmanship, Mr Gapes, and I congratulate the hon. Member for Dulwich and West Norwood (Helen Hayes) on securing this debate. The attendance both before and after the Divisions, which were an interruption of our discussion this afternoon, really shows that there is significant interest in this issue right across the House.

Of course, mail services are incredibly important to the public, whether for sending personal items, gifts or communications. They are also important for our economy. The rise in online shopping is important; for retailers seeking to branch out and sell to people in different parts of the country, mail services are certainly a significant part of the equation.

Parcel delivery ought to be an increasingly important part of Royal Mail's business, particularly because of the decline in letter volumes, which has been a trend for some years now. We can all regret that fact, but it is a pretty consistent trend and we all know why—the advent of new technology. However, the parcel delivery market, which has grown with internet shopping, shows real scope for increase and additional business opportunities. Many of us will know our local delivery offices very well, having been invited every year to visit them, especially around Christmas time. I have visited the various delivery offices in my constituency and I am sure other hon. Members have visited the delivery offices in theirs.

I want to talk in particular about the challenges for Bishopbriggs delivery office, which is to be closed and merged into the Kirkintilloch delivery office under new Royal Mail proposals. The Kirkintilloch delivery office does a good job for Kirkintilloch, as the Bishopbriggs office has done for Bishopbriggs, but it is four miles away. I am concerned about the potential impact of that closure, should it go ahead, both for customers—that is to say, members of the public—and staff. The round trip would be around an hour on public transport. Even in a car it would certainly take over half an hour to collect a parcel and get back. That adds a layer of inconvenience for customers who would previously have been able to go to their local delivery office in the town in which they live, at a time that worked for them, to pick up a parcel while running other errands.

Given that people are often not in when the postman or postwoman calls, being able to collect a parcel locally is important. The move will also potentially have negative

consequences for staff, and not just in terms of the base moving and the longer journeys, so I want Royal Mail to guarantee that it will not be used to undermine existing jobs in the Bishopbriggs office. There should be guarantees for those workers.

I want to pick up on the Royal Mail's claim that no inconvenience will be caused; I share the concern of the hon. Member for Dulwich and West Norwood about how it proposes to deal with this issue. It says that it can deliver to other addresses or on a different day. Some individuals have a good relationship with a neighbour whom they know will always be in, so that can certainly work well, but not everybody is in that situation, and the neighbour may be out when the delivery arrives.

Delivery on a different day sometimes makes sense. It might be fine if someone who works Monday to Friday and is out when Royal Mail tries to deliver a parcel on Thursday says, "Can you deliver it on Saturday?", but for many people that is inconvenient. Royal Mail ought to be thinking much more proactively, even if some closures do go ahead. I certainly hope that it will think again in the case of Bishopbriggs. Given that it is looking at the issue, it ought to be more proactive in looking at networks of local collection points. That could be of benefit not only in areas where there are potential changes to delivery offices, but much more widely.

I am aware of a programme called Royal Mail local collect, which I understand is fairly new, whereby local post offices can be used and chosen as a collection point. That has its merits, as far as it goes, but it seems to me that that option can be chosen only when making the online purchase. If Royal Mail has that system already in place, why can it not be offered as an option to people who are not in when the delivery arrives? Instead of choosing for it to be delivered on a different day or to a different address, they could choose for it to be delivered to their local post office. That would be helpful not only in places where delivery offices close, but for many people in rural communities, which the hon. Member for Clwyd South (Susan Elan Jones) mentioned.

Many people will have a post office that is much closer to where they live than their nearest delivery office. That is an obvious potential solution that has not been properly explored. Clearly, there would be some cost to Royal Mail, and there would be a potential income stream for the Post Office, which I am sure it would welcome and would help it improve its sustainability. The relationship between post offices and the Royal Mail has been strong over many years, so it strikes me that that really ought to be explored further. Although there might be a cost to the Post Office, it is important to note that there is, of course, a cost to every failed delivery that Royal Mail tries to undertake.

I appreciate that other hon. Members want to speak and that we have been slightly waylaid by Divisions. I have been raising these issues with Royal Mail and I hope that the Minister will do likewise. The Government have sold off the last public stake in the Post Office—the 30%, which I think should still have been maintained because the Government should have a public stake in Royal Mail. None the less, the Minister still has influence and is able to meet with Royal Mail's senior management. I very much hope that she will take these points, and the others that have been made in this debate, strongly and forcefully to Royal Mail.

Several hon. Members *rose—*

Mike Gapes (in the Chair): Order. Before I call the next speaker, I inform Members that this debate will conclude at 4.48 pm, because we have injury time. There are three Front-Bench speeches and two Back-Bench speeches, so we have until about 4.18 pm before we have to start the Front-Bench speeches.

3.56 pm

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): I will be as brief as I can. I worked for Royal Mail and am still employed there—I am on a five-year career break—and I am proud to be a Communication Workers Union member. I pay tribute to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) for calling this debate and ensuring that as many Members know about this issue as possible.

This is an important debate for me. I spent 27 years working for Parcelforce—I am still employed by it—delivering in and around my constituency, which I am now fortunate enough to represent here in Westminster. In fact, when I chat on doorsteps, I simply ask local people to keep letting me deliver for them—this time in Westminster rather than in the villages and rural areas around Coatbridge, Chryston and Bellshill.

This debate is not just important for me; it is important for everyone in this country, from Land's End to John O'Groats. I spoke out against and challenged the privatisation of Royal Mail by the coalition Government. I was here at the time campaigning; my name is mentioned three times in *Hansard*. I was really involved in this debate. It is very hard for me to accept some of the stuff that the hon. Member for East Dunbartonshire (Jo Swinson) said, because the Lib Dems made many bad decisions during those five years. Inconvenience—Royal Mail was not for sale. It should never have been sold, and I cannot help but remind colleagues that it was taken through this House by the Lib Dems' current leader. I will not name him, but I will not forget him.

It will not be a surprise to Members who follow me on Twitter and know a little about me that I am a proud member of the Communication Workers Union. My focus is on Coatbridge, Chryston and Bellshill, but I very much view part of my role in this House as standing up for workers in this country—in particular, our postmen, people on zero-hours contracts and every single working person in this country who is being treated wrongly in my eyes.

Since Royal Mail was privatised in 2013 until May 2017, 142 delivery offices have been closed. That amounts to losing 10% of the network in just three and a half years. Disgracefully, more offices are now slated for closure as Royal Mail looks to implement a wide-ranging and unwanted cost-cutting programme. These closures mean something. They have an impact; they change people's lives for the worse. I cannot understand how closing delivery centres can be defended when we know the impact that will have on older people, those with disabilities and mobility issues, and those without a car.

The hon. Member for East Dunbartonshire mentioned that letters are in decline and yes, letters are declining, but packets and parcels are increasing because people now live off the internet. They do not go shopping any more, and the Royal Mail carries the bulk of that post. Remember that, because the strike is coming up. The disadvantage and disruption caused could be huge, and there is little interest in addressing it, made worse

by the fact that a privatised Royal Mail could make the changes because the provision of delivery offices and collection points is not regulated. It can do what it wants, without question—perhaps the Minister will take that up for us and have a look.

The changes and the resulting problems are affecting all parts of our country. My hon. Friend the Member for East Lothian (Martin Whitfield) has been working with his community to stop the closure in Gullane.

Martin Whitfield (East Lothian) (Lab): Just to explain, when the bank branch in Gullane, East Lothian, was closed, the bank held up the post office as the answer to all the problems. Unfortunately, because of an illness, the post office closed, though only temporarily. However, that temporary closure continues, apart from two hours a week when the post office is in the village hall. That is unsatisfactory for the community and is tearing the heart out of the high street. It needs to be stopped. There is a responsibility to communities.

Hugh Gaffney: That is happening up and down the country—or else the banks are meant to replace the post offices, but the banks and the post offices are all shutting down. Need I say more? Instead, let us open another betting shop, another place to gamble money away or treat people wrongly with charity shops.

My hon. Friend the Member for Hornsey and Wood Green (Catherine West) has been leading a campaign against closures in her part of north London, a campaign that has developed a real following in print and social media, because people are fed up. Those are just some examples of what is happening, and we have heard many more, including from the hon. Member for Falkirk (John Mc Nally). I thank him for that.

I cannot speak today without mentioning the Royal Mail dispute that has been in the media recently. It will continue to be in the media. For those who do not know, 110,000 postal workers in Royal Mail were balloted on whether they supported taking industrial action—110,000 people up and down the length and breadth of this country, United Kingdom workers who check our letter boxes every single day, in all kinds of weather, six days a week, with a universal service obligation or USO to do that. That is what the Royal Mail got when we privatised it.

Millions have fought and died for the rights of workers and working people, and it is the right of all of us to withdraw our labour if the right terms and conditions are not in place.

Chris Stephens (Glasgow South West) (SNP): The hon. Gentleman just mentioned the Royal Mail dispute. Does he agree that the results of the ballot, which easily surpassed the restrictions imposed by the Tory anti-trade-union Act, show the depth of feeling of the Royal Mail workforce?

Hugh Gaffney: Totally. This is all about anti-trade-union laws and workers again being treated the wrong way. A yes vote of 89.1% on a turnout of 73.7% suggests that the country is standing up to the Government and saying, "Enough is enough!" Every community should support our postal workers, because they are doing their best. They are only human beings, working-class people, doing their best and serving their communities every single day—support them.

I hope that a strong, collective and loud voice will be heard loudly and clearly not only by Members in this House but by Royal Mail bosses—I know you are listening and, if you are, come and join us, sit at the table, look us in the eye and talk. The postal workers do not want to go on strike; they want a deal, and a deal can be done. That is all we are asking for.

What are the postal workers going on strike for? Pensions. Royal Mail announced changes to pension agreements that will see thousands of working people stand to lose up to 45% of their entitlement. People are living longer, so how dare they? It beggars belief to make changes that will see people thousands of pounds worse off in retirement. That is what the strike is about. It is not just about the pay—they were due a pay rise in April this year, but no rise came. Four pillars are mentioned, but pensions is the thing we are talking about, because they are attacking workers.

While workers got no pay rise in April, chief executive officer Moya Greene—listen to this, Moya—received a 23% increase in her pay package and took home almost £2 million. Is that the country we live in now? Moya, you have been asked to go to the table—go to the table, sit down and talk to the workers. How can Royal Mail not want to invest in and support its workforce? How can it not do that? We have just heard those figures, and Royal Mail's failure reflects the wider issues we have in this country—working people are suffering and it will only get worse unless we see my right hon. Friend the Leader of the Opposition in Downing Street. He will be welcome any time.

There are issues around industrial agreements and, more widely, the future of Royal Mail. Where are we? Rather than wanting to get around the table, and rather than wanting to negotiate and show some respect, Royal Mail has decided on immediate legal action. We are going to the High Court tomorrow. That is what we receive for the high result despite the anti-trade union laws—we play by the book, we get the result, but Royal Mail still wants to go to the High Court.

The CWU is not afraid of debate and mediation. It is committed to finding the best way forward for its members, for the future of the service and, importantly, for the millions of people across the four nations that make up our United Kingdom. I condemn the Royal Mail for going to the High Court, but the CWU will be there tomorrow, at 10.30 am, and I hope to join our CWU members there—everyone is more than welcome to come and join me.

Finally, I again thank my hon. Friend the Member for Dulwich and West Norwood for securing the debate. This is such an important issue, not only for Royal Mail workers and the ordinary people of this country, but for everyone. We are not going down the way, we want their pay up the way.

4.7 pm

Clive Lewis (Norwich South) (Lab): It is an honour to speak in this debate under your chairmanship, Mr Gapes, and I thank my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) for securing it. It is a fantastic debate.

I also thank my hon. Friend the Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney) for a fantastic speech. Many on the Opposition Benches hope that his

five-year career break will be a lot longer than five years. We need to hear his voice in this place, and it is a privilege to speak after him.

One of the key reasons why Opposition Members are opposed to the privatisation of national public assets such as Royal Mail is that we see no benefit for the country as a whole, just a benefit for a small handful of individuals who profit at the expense of the many. The number of Labour MPs who have turned out for this debate is instructive, while the sterling turnout on the Government Benches is a tumbleweed turnout—no one to speak up for the Government side, except of course for the Minister.

The British post has been one of the best in the world for almost two centuries: fast, reliable and much cheaper than that of nearly other country in the world. Also, it is—or was—a technological leader. It is widely envied throughout the world, not least because it has been a key historical driver in the UK economy.

When we opposed privatisation, we did so because we predicted that the only things it would lead to would be a worse service to the public and, as usual, the resulting extra profits being scooped off by the usual small cosy elites. I have to say that it looks like that is exactly what has happened. I will not go into the details, which we heard from Members earlier, because time is pressing.

I will say, however, that as the service is being squeezed, assets are literally being flogged off, with £200 million in property sales since privatisation. Fat dividend payouts to shareholders are estimated at £1 billion over the four years post-privatisation, and there have been the huge pay rises for senior managers for whom the word “privatisation” is like the word “Christmas” for a five-year-old. In 2016-17, Royal Mail's chief executive, Moya Greene—I think my hon. Friend the Member for Coatbridge, Chryston and Bellshill told her, poignantly, to get her arse to the negotiating table and negotiate with the CWU—saw her total pay package increase by 23% to £1.9 million. I could not even begin to think about how to spend that.

The Conservative party likes to present itself as the party of business, the real world and responsibility, but in reality it is the complete opposite. It has taken a key component of a modern manufacturing economy, which is already a world leader in its field in nearly all measures, and has undermined it and hollowed it out to skim off short-term profits and shower them like confetti on a small, self-seeking minority. It has achieved much of that by chipping away at the quality of service and flogging off assets for one-time profit hits. The other obvious target for the vulture capitalists and asset strippers is the rights of the workforce, with attacks on pensions, pay and agreements.

On pensions, there is a new scheme that, according to Royal Mail's own pension trustees, will produce pensions so small that Royal Mail pensioners will live in poverty. Who will make up the living standards of those workers? Other taxpayers, naturally. Once again, the management of a privatised asset have transferred costs on to the shoulders of us ordinary taxpayers and shovelled the profits into their own pockets. We can be pretty confident that plenty of that profit will find its way out of the country and to the spivvy tax havens of the rich, where it will be of almost no benefit to this country's economy.

[Clive Lewis]

On pay, I have already mentioned Moya Greene's generous offer to herself of a 23% pay increase this year. What has she offered her workers? A below-inflation pay offer. Let us call that what it is: a pay cut.

On industrial agreements, there has been an attempt to ram through huge alterations to agreements reached with workers through the CWU. Let us be clear: Royal Mail is reneging on its deals. It has already been mentioned that, unsurprisingly, when balloted on strike action, on a 73% turnout, 89% of Royal Mail workers voted for strike action. That is as clear a mandate as any decision ever gets, and in a healthy work culture it is a clear signal to management to start re-thinking their policies. But that is not where we are. Instead, management have merely threatened legal action against their employees—a bully-boy tactic that they are unlikely to use because they fear the cost of their likely defeat in court.

What my constituents want, and what the country needs, is not macho posturing by Royal Mail management. Nor do we need to see them handing one another more fat-cat bonuses and closing down more services. The actions of companies like Royal Mail affect all of us and none of us can ignore them, even if we wish to. That means that management need to consider their social licence to operate—the consent that the people, through their elected representatives, give them to operate. I believe that they have lost it. Without that, they do not have a right to be there and to do what they are doing to Royal Mail.

4.12 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I thank the hon. Member for Dulwich and West Norwood (Helen Hayes) for securing this important debate.

Any uncertainty that affects our postal services causes alarm, because our post offices and Royal Mail are institutions that are still held in much affection and esteem, despite the politics that sadly so often swallows them up. Royal Mail is special, because it has a unique position in the United Kingdom postal market as the universal service provider and it is by far the largest operator in that market. Consumers want and employees need Royal Mail to give full details of planned closures and the scale of any planned job losses.

Importantly, absolute cast-iron guarantees are needed that any closures will not affect the delivery of the universal service obligation, which we all hold dear. Telling the public that the number of facilities to be reduced is not the same as being clear and open about the overall plans. We need to see a full list of offices and timescales of proposed closures. We are all concerned about piecemeal reductions in this key network, as a major public service provider. We need to know what we are dealing with and to have a detailed plan in front of us.

These measures could be particularly alarming for Scotland. I urge Royal Mail to factor the geographical spread of delivery offices, not just the volumes of mail, into any analysis of proposals to close delivery offices.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I am grateful to the hon. Lady for giving way; this has been a disjointed debate and I fear that we might have another Division soon, so I want to make this point in case I am not able to return for the closing speeches.

On locations, the Minister will recall that, in the last debate on this issue, I placed particular emphasis on the effect on deprived areas. She said that she would look into that. Does the hon. Lady hope, as I do, that the Minister will refer to the effect on deprived areas across the United Kingdom?

Patricia Gibson: Indeed; I would expect socio-economic and geographical factors to feature largely in Royal Mail's considerations and in the Minister's response.

The figures that we have heard today show that parcel delivery services are a huge part of our economy and are very important to Royal Mail. Indeed, increased parcel delivery was cited as one of the main reasons that Royal Mail's annual profit rose by 25% this year. We know that parcels are frequently delivered when recipients are at work or otherwise not at home, so trips to delivery offices need to be manageable and realistic, and those offices need to be accessible, particularly in rural areas.

Mike Gapes (in the Chair): Order. We have another Division. If there are two or three, I am afraid we will have to come back later, but I hope that there will be just one, in which case we will return in 15 minutes. If the Front Benchers are here before then, I will start the closing speeches straight away.

4.16 pm

Sitting suspended for a Division in the House.

4.31 pm

On resuming—

Patricia Gibson: Given the growth in the online parcel economy and the digital economy, and given the importance of parcel delivery in general and to the Royal Mail in particular, it seems odd that Royal Mail delivery offices face cuts and closures. Digital connectivity is very important to our economy and parcel delivery has grown enormously—it is soaring, in fact—due to our increasingly large digital marketplace. According to Ofcom, in 2015-16 almost 2 billion parcels were delivered, which is an average of 30 parcels per head of population in one year. Any closures must not disproportionately affect our rural communities, which could be hit very hard by ill-considered decisions on closures.

However, I cannot help feeling that today we are simply bemoaning and lamenting the symptoms of the ill-judged decision to privatise Royal Mail in the first place. Many of us predicted that such privatisation would lead to a reduction in postal services in rural areas, and over the last four years that certainly seems to have been borne out, as pointed out by my hon. Friend the Member for Falkirk.

The Tories and Lib Dems, having formed the coalition, were part of the decision-making process to privatise the Royal Mail. I wonder today whether they regret that decision; perhaps the Minister can tell us. Sadly and regrettably, under the last Labour Government we had to endure the rolling programme of post office closures that hit my own constituency very hard indeed. Wiser people than I have stated categorically that the Royal Mail was sold off for far less than it was worth.

Ultimately, the very future of our delivery service is at stake and I fear that the universal service provision is under real threat. I also fear for the future of the entire estate and the public service that it provides. As the hon. Member for Hartlepool (Mike Hill) has pointed out, there is the prospect of the first national strike since Royal Mail was privatised. Royal Mail workers have voted massively in favour of a walkout in a bitter dispute over pensions, pay and jobs. Of course, industrial action was backed by a huge 89% on a turnout of 73% of the 110,000 members of the Communication Workers Union who were balloted, passing even the UK Government's threshold for strike action under the terms of the Trade Union Act 2017, as pointed out by my hon. Friend the Member for Glasgow South West (Chris Stephens).

Significantly, the unions believe that there has been a "relentless programme of cost-cutting to maximise short-term profits and shareholder returns", creating a climate of fear and insecurity in Royal Mail. As outlined by the hon. Member for Bury North (James Frith), that situation has not been helped by the prospect or threat of legal action to prevent the impending strike from taking place at all.

I hope that we all agree that there is real cause for concern about the future of the entire Royal Mail service, and I urge management and unions to work together to ensure its future. In addition, I urge the Minister to use her good offices to the fullest extent for a positive future for our Royal Mail.

4.34 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): It is a pleasure to serve under your chairpersonship, Mr Gapes. I thank my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) for securing this debate. Her campaign to fight for the future of the local delivery offices in her constituency is inspirational; she made Royal Mail stop and reconsider what seemed like an inevitable closure. I commend her for standing up for good local postal services for her community and for a certain future for postal workers. I would like to mention the many contributions by hon. Members from both sides of the House—in particular, the hon. Member for Angus (Kirstene Hair), who was the only Member representing the Conservative party.

Last week, CWU members sent a clear message to Royal Mail when they voted by a momentous number—almost 90%—in favour of strike action in defence of their job security, their pensions and the future of the service. Defying the draconian Trade Union Act 2016 and attempts to quell the power of unions to demand better workers' rights, the stunning vote was a clear mandate for a strike. My hon. Friend the Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney) went into that very eloquently so I will not dwell on it, but I am extremely disappointed to say the least by the Royal Mail's approach to the ongoing dispute with CWU members. It showed the workers very little respect, but, as always, defended Moya Greene's right to earn almost £2 million per annum, which in my view is completely obscene. The Royal Mail has now escalated the dispute to the High Court. We await that decision tomorrow, but I think it should have honoured the decisive result in the ballot. I welcome both sides back to the table to try to sort this matter out.

The Labour party supports a delivery office network that remains the heart of a community-based Royal Mail, with local posties based in our communities, mail delivered on time and parcels available for collection quickly and easily. Local delivery office closures often leave the most vulnerable and most affected with longer trips to collect mail and, in many cases, later deliveries of crucial post.

The Royal Mail insists that there is no programme of closures, but only ad hoc decisions to close offices where there are operational issues, but that flies in the face of the evidence. Since it was privatised in 2013, 75 delivery offices and up to 90 scale payment delivery offices, where postal workers are based, have been closed. Yet with £850 million more due to be taken out of the Royal Mail in dividends, it is clear that profit, not service, is driving the agenda for the Royal Mail. We have had one closure in my city of Sheffield, but that is dwarfed by large numbers in Manchester, London and many other places. It is difficult to believe that those closures represent anything but a planned programme to cut costs and drive profits in the privatised Royal Mail.

The Royal Mail also insists that there will be no compulsory redundancies. That is welcome, but the closure programme has already forced hundreds of staff to move workplace at a time when changes to the pension scheme are making working relations difficult for thousands of postal workers. I accept that as the type of post changes to more parcels purchased online, so must Royal Mail's process. We might therefore expect to see a clear plan to adapt, relocate and improve delivery offices where there is need to provide more parking or parcel storage, but the current programme of closures has no timeline and no agreement, and there has been no overall public communication.

I welcome Royal Mail's efforts to leave parcels safely with trusted neighbours and to offer quick and easy redelivery or pick-ups from local post boxes or facilities, and I am sure that can go further. However, although those options suit some people, for many—especially those in difficult-to-access properties or unpredictable working patterns—they are not appropriate. Everyone, including Royal Mail, knows that people still need collection points. Given the volume of mail we are talking about, that will normally need to be a delivery office. For example, in parts of Sheffield the closures are forcing some people to travel five miles through pretty terrible traffic to a city-centre delivery office with no free parking. Of course, not everyone owns a car, so we can imagine the anxiety that causes many constituents—in particular disabled constituents who have to make that journey, possibly by public transport. We all know about the reliability of that.

Delivery office and scale payment delivery office closures often mean that residents and businesses will receive much needed post later in the day. We need our nation to be as productive as possible, but later post will prevent work from being done. The programme is bad for our economy.

When the Government, together with their bedfellows, the Lib Dems, sold off the Royal Mail at an excruciating low price, there was a clear statutory promise under the Postal Services (Universal Postal Service) Order 2012 that a universal service would continue. I believe delivery office closures are the start of a slippery slope towards a reduced service, falling far short of that promise.

[Gill Furniss]

The universal postal service order is a statutory instrument that sets out Royal Mail's responsibilities as a universal postal services provider. Article 4(d) guarantees that Royal Mail provides delivery offices as an option for the collection of undelivered mail. The closure of so many delivery offices is the start of a threat to the cherished and vital universal service. The order as it stands does not specify a distance from people's homes or any specification for a collection service. What action does the Minister propose to take to protect delivery offices under the universal postal service? Does she agree that the order is far too vague on how Royal Mail must provide collection services?

The truth is this: there is little currently to stop the universal service from becoming universal in name only. The Government must give Ofcom, as the regulator, a stronger mandate under the universal service order to defend the wider network of postal deliveries. Otherwise, we face the prospect of Royal Mail becoming just another mail delivery company, delivering a service that gives residents and businesses their post later, and of longer journeys to collect undelivered mail.

The Labour party believes in a publicly owned Royal Mail: a people's post, integrated with a strengthened Post Office, offering a wide variety of services including a post office bank. Such a move would provide a much better basis for an efficient service, potentially combining the collection of parcels with much-valued services to local people. The Government have still, after nearly a year, yet to respond to the submissions to their consultation on the future of the post office network. Will the Minister tell us when they will respond?

My hon. Friend the Member for Dulwich and West Norwood, who moved the motion, and the many other Members who have spoken so passionately have my support in their fight for their local delivery offices, which provide the basis of a high-quality local service. With a Labour Government, we will, once again, have a postal service working simply to provide a high-quality, affordable service: one that does not dress up cuts as improvements or flog off the Royal Mail estate to prop up dividends, but provides a first-class service for citizens to receive their mail at their door or in their local area.

Mike Gapes (in the Chair): Before I call the Minister—I hope she will leave the mover of the motion a minute or two to have the final word—I remind her that we need to conclude the debate by 5.3 pm.

4.43 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 Gapes. I congratulate the hon. Member for Dulwich and West Norwood (Helen Hayes) on securing today's important debate at which some crucial issues facing the Royal Mail and the public that it serves have been raised. The Government recognise the crucial role that postal services play in communities across the country. The relocation and closure process that is the subject of the debate has dominated discussion. I would like to respond to some of the points made.

There are very good drivers for running an efficient and effective delivery service. Proposed relocations or closures of delivery offices are part of Royal Mail's

ongoing business transformation, which aims to meet changing customer expectations, increase efficiency and, yes, keep costs under control. Royal Mail always engages with its people and the trade unions before any decision to close a delivery office is taken. It also writes to the local MP and issues a press release, to provide an opportunity for wider public engagement, which is taken into account in the final decision-making process. The same goes for the Post Office.

Helen Hayes: It has been my experience in my constituency that the lack of an obligation on Royal Mail itself to consult the public is a huge omission in that process. Royal Mail relies on notifying the local MP and assuming that the news will somehow get out. Of course we make a noise about it, but that is no substitute for the organisation itself consulting and engaging with the public it serves. Will the Minister comment on that?

Margot James: I thank the hon. Lady for her question. I will take that point back to Royal Mail. I have been given the impression that the consultation requirements for changes such as the relocations and closures that we are discussing are the same for Royal Mail as they are for the Post Office. If that has not been the case in her constituency, I will raise that issue directly with Royal Mail.

Many local residents and businesses rely on the convenient facility that Royal Mail offers for the collection of parcels and items of mail. Where closure or relocation is necessary, Royal Mail takes care to ensure that there will be no impact on deliveries to its customers. I recognise from comments that have been made in the debate that there is a strong feeling that that statement does not seem to transmit to Members present or, possibly, to the wider public.

The postmen and women who deliver to the postcode areas covered by a relocated delivery office will continue to serve the local community. Customers do not have to visit a delivery office to collect items of mail if they are unable to do so or are not at home when Royal Mail first attempts delivery. The hon. Member for East Dunbartonshire (Jo Swinson) raised concerns about the alternative methods that are in place, which I will run through before I come to her proposal. Royal Mail has put in place a variety of options to ensure that customers get their deliveries in the most convenient way possible. It will always attempt to leave an item with a neighbour in the first instance, and customers may nominate a neighbour to take in their parcel. It is also possible for customers to arrange a delivery free of charge on a day that is convenient for them, including Saturdays. A further option is to arrange for the item to be delivered to a different address in the same postcode area. Those are several ways in which Royal Mail has attempted to maintain customer service.

The hon. Lady proposed that local networks of delivery points, including post offices, should be considered. There is already an option to redirect mail to a post office—that is a paid-for service, for which I believe the charge is 70p—but I am sure that Royal Mail will be open to that suggestion and others, as it is determined to improve its customer service throughout this change process.

Hugh Gaffney: The Minister mentioned post offices. The whole point of the debate is that post offices are shutting down on the high street and that people are travelling further to collect parcels.

Margot James: The hon. Gentleman is not quite right about that. Post offices are not closing. In fact, the post office network is now sustainable; more outlets are opening for many more hours.

Hugh Gaffney *indicated dissent.*

Margot James: If the hon. Gentleman means Crown post offices, I understand his point. Many of those post offices are being franchised to other retail outlets, but some of those outlets are more convenient for customers. That point should not be lost on him.

While I am addressing the Post Office, which is not the subject of this debate, I will take up the point made by the hon. Member for Falkirk (John Mc Nally). I am not aware of the closure at the moment of any Royal Mail distribution centre in Falkirk, so perhaps he will provide the details. As far as I am aware, there is not one closing in Falkirk. He talked about the closure of post offices up and down the country. That simply is not the case. I will send him the statistics for post offices opening, rather than closing, around the country. The total numbers bear out what I am saying.

Jo Swinson: Will the Minister give way?

Margot James: I will one last time, as I am aware of the clock ticking.

Jo Swinson: I appreciate the Minister's giving way, and she is of course right that, as the hon. Member for Falkirk (John Mc Nally) mentioned, there were a significant number of post office closures under the Labour Government. That was halted, but that is exactly why it is a good network. I urge the Minister to ask Royal Mail not to put barriers in the way of people using the network, such as the 70p additional charge for consumers. Surely there must be a solution, given that Royal Mail is trying to save some costs. It is a small amount of money that might go to the post office, and if we save consumers from having to shell out, it would be more of a success.

Margot James: As the hon. Lady knows, I am not responsible for the operational aspects of Royal Mail, but I shall put that to its management. It is appropriate that she has raised the matter of costs, as I was just coming on to that; it is important that we appreciate why business transformation is necessary.

Efficiency is a key component of ensuring the financial sustainability of the universal obligation. Price increases are not a long-term solution, particularly in such a competitive market. We have already heard that the market for letters has declined by 40%. The market for parcels, while buoyant, is highly competitive. At the time of the 2008 Hooper review, Royal Mail was estimated to be 40% less efficient than international comparators. Since the Postal Services Act 2011 Royal Mail has spent more than £1 billion on its transformation programme. In 2010 only 8% of Royal Mail letters were sorted by machine, compared with 85% for leading EU operators. The investment that Royal Mail has made has closed the gap and increased automation of letter sorting to more than 80%. Ofcom has found that those investments have improved efficiency.

4.52 pm

Sitting suspended for a Division in the House.

5.1 pm

On resuming—

Margot James: I was coming to efficiency. Ofcom has found that the investments made by Royal Mail have improved efficiency. Labour productivity in delivery and processing increased by 5.6% between 2011 and 2015. Royal Mail's transformation programme between 2012 and 2015 produced cumulative savings of £340 million—an average of £110 million per year. In its review of postal services regulation, Ofcom recognised the steps that Royal Mail had taken on transformation but also concluded that it could do even more to improve efficiency. Royal Mail's approach to the continuous improvement of its efficiency and productivity allows it to be more competitive and helps it to meet changing customer expectations. The closure of some distribution points was because of the new market in packages, for example. Some of the old distribution points were simply not large enough or fit for purpose for the modern requirements for so many packages. The totality adds up to a company better positioned to grow its existing customer relationships and win new business.

A number of colleagues have talked about the privatisation and the financial side of the management of Royal Mail. I just point out that since privatisation Royal Mail has invested £1.4 billion in employee pension schemes. That is a vast amount of money. It has also paid out dividends of £800 million, which it has to do as a publicly quoted company. One of the key reasons for privatisation was to put Royal Mail on a footing where it could borrow on the markets to fund its investment rather than have to compete with schools, hospitals and other Treasury-backed spending obligations. As such, it has managed to raise £500 million in debt and has maintained profitability, as well as growing sales, in a highly competitive market. I do feel that rather than criticising the chief executive, I should put on record my admiration for her in the difficult job that she has had steering Royal Mail through a highly competitive environment. I appreciate that there are other views on the matter, but I must put that on record as my view.

Overall, the service and value provided by Royal Mail to its customers is good and, where it needs to make difficult commercial decisions, it does so in a way that minimises disruption to businesses and consumers. The CWU's announcement last week of a 48-hour national strike, planned to commence on 19 October, will challenge even Royal Mail's high delivery standards. We are hopeful that both parties will reach an amicable solution on the matters under discussion and avoid a strike, if at all possible, and the inevitable disruption to the postal service that would follow. If the worst happens, Royal Mail has planned contingency arrangements in place to minimise the impact on delivery services. It is inevitable, however, that some or all delivery offices will be affected during any industrial action.

Ofcom also has a well-established monitoring regime that allows it to track market developments closely and that informs its decisions about the regulatory framework. We hope that both sides will keep talking—I think that is something all hon. Members agree with—and that an amicable solution is found. It is in everyone's interests to see Royal Mail continue its proud tradition of delivering the UK's universal postal service in the private sector.

I congratulate the Royal Mail and its hard-working staff. I am sure it will continue to focus on delivering this key mission: connecting companies, customers and communities; making e-commerce happen; and delivering the universal service obligation.

5.5 pm

Helen Hayes: I thank all hon. Members who have contributed and taken the time to be here. I particularly thank everybody for their forbearance with the interruptions of the Division bell—including yourself, Mr Gapes. We are nearly at the end of the debate.

I pay particular tribute to my hon. Friend the Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney), who spoke with such passion and conviction on the basis of his long experience working for Royal Mail. I join others in saying that I hope his career break from the Royal Mail will be significantly longer than five years, much as I am sure he is missed by his colleagues.

We have heard from many hon. Members, but notwithstanding the alternative provisions for parcel collection and redelivery that Royal Mail has put in place, those solutions simply do not work for many communities across the country. They certainly ring hollow with my constituents, as it is not the case that nobody ever needs to visit a delivery office. In my opening speech, I mentioned the situation for users of the PO box services, and the same applies to people who have to pay excess charges for their mail. There are reasons why it is sometimes essential to visit a Royal Mail delivery office.

The hon. Member for East Dunbartonshire (Jo Swinson) mentioned the possibility of using the network of post offices more for collection services. It is problematic that customers currently have to pay for that service. From my experience in negotiations with Royal Mail on the situation in my constituency, I know that often post offices do not have the physical capacity to cope with large numbers of parcels, so I think that is a flawed solution.

I come back to the issue that I started with. The problem in many communities is the erosion of the services that Royal Mail provides. What is being proposed in my constituency, if you understand its geography and how public transport works there, simply lacks all credibility as an approach to public service. I see an organisation that is putting profit at its heart and not its obligations to the public that it was set up to serve. Once again, I ask the Minister to consider whether the flawed decision to privatise Royal Mail is working for communities up and down the country—I maintain that it is not. Once again, I ask the Minister to consider intervening and using her good offices to secure the services that our communities rely on, and to think again about Royal Mail's status in the private sector as a profit-making entity.

Question put and agreed to.

Resolved,

That this House has considered Royal Mail delivery office closures.

Advice Services (Nottingham)

[NADINE DORRIES *in the Chair*]

5.9 pm

Alex Norris (Nottingham North) (Lab/Co-op): I beg to move,

That this House has considered access to advice services in Nottingham.

To be a new Member is to be confronted by a series of firsts on an almost daily basis, and today is no different. This is the first Westminster Hall debate that I have had the privilege of leading and my first contribution to a debate with you in the Chair, Ms Dorries. I hope to do it well. I am grateful for the opportunity to talk about advice services in Nottingham, which is something that I feel very strongly about and my hon. Friends the Members for Nottingham East (Mr Leslie) and for Nottingham South (Lilian Greenwood) do too. I know they were keen to join this discussion, but the Divisions have changed the timing, so I do not think that is likely. I shall crack on nevertheless.

Advice services are often unseen and unheralded in this place and in society in general. Today I want to do something about that to raise the profile of the fine services in our city. I want to publicise their excellent and vital work and look ahead to challenges down the road, which we as national lawmakers must support them in tackling. In our city a wide range of organisations offer advice to those who need it. Some operate on a city-wide basis, such as the law centre and the citizens advice bureau; some operate on a community basis, such as the Bestwood Advice Centre; and some work with specific communities, such as Disability Direct. I suspect to a certain extent I may be making a rod for my own back, because, as I started to pull together information for this debate, the wide range of terrific advice that is provided in the city and in my constituency became clear. There is a danger I might miss someone, so I hope not to cause too much offence, and I hope they will understand that the comments I make also apply to them if I miss them by name.

In a constituency such as mine where far too many residents are sadly caught up in cyclical poverty, we need lots going on. Advice on benefits, debt, housing, employment, health, immigration and much more can be a vital support system in helping people get through hard times and back on their feet. I will use the time available to detail some of the advice services already available in Nottingham and in my constituency, and to express my appreciation for the difference that they make.

I will start with the Nottingham Law Centre, which, as we can tell from the name, offers legal advice free of charge to the people of Nottingham. It was one of the first groups that I met as the Member of Parliament for Nottingham North and it was part of the inspiration for this debate. It provides advice on debt, housing, welfare benefits and employment law, as well as advice and representation to anyone attending court for possession proceedings through the duty scheme. Having spoken to Sally, one of the senior solicitors, it is clear that the latter service is what she is most proud of and what makes the biggest direct impact on people's lives. The centre's solicitors usually spend four days a week in court representing around 1,000 clients a year, many of

whom are desperately reacting to financial emergencies that send them into rent or mortgage arrears and who have a very real prospect of losing their home.

Such problems can often be caused by changes outside of people's control. The bedroom tax, benefits caps and zero-hours contracts all leave ordinary people struggling to get by, already unable to meet pre-existing financial commitments. Nottingham Law Centre is very proud of its success rate in this area. I am sure that everyone they have helped is incredibly grateful.

When I spoke to Sally, it was clear that the centre felt it could do much more. Funding shortages due to legal aid cuts increase workloads, and Government tendering changes mean that the scope of the advice that can be offered has reduced. For example, the centre is no longer able to provide an immigration advice service, or any advice to people who might come from outside of the city, which leads to a real risk of postcode lotteries. Over time we have seen the ability of vital organisations such as the law centre to help people in need radically diminish. That is bad for individuals and also bad for the community in general for reasons that I shall turn to shortly.

Local government has a critical role to play in the provision of advice services.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I am grateful to my hon. Friend for giving way on this crucial topic. Before he moves on to local government, I want to mention immigration advice services. As the MP for Nottingham East, I have constituents coming to me all the time because of the poor level of immigration advice available, as my hon. Friend has said. The law centre does not do as much as it did, so there is an expectation that MPs can somehow give quasi-legal advice on these issues, when there is a need for real expert help of a legal character, and we are desperately short of that, certainly in Nottingham.

Alex Norris: I thank my hon. Friend for that intervention. I know he feels strongly about this issue and I share his concern. In a diverse city such as ours, with the new and emerging communities that we have, there is a gap and it is not clear what is meant to fill it.

As I said, local government has a critical role to play in the provision of advice services. Nottingham City Council has played an admirable role, again in incredibly difficult circumstances, when it comes to budgets. With significant cuts and the extraordinary pressures that an ageing and growing population can put on council budgets, it might have been tempted to deprioritise this area. After all, it is not a universal service and—dare I say—not a vote winner. However, the council has not done that.

I played a small role in this area in my previous life as a councillor: my commissioning committee commissioned the new advice set-up. I say that more as a declaration of interest than an attempt to take any credit, because I really cannot do so.

The city council has consolidated its contracting, brought organisations together in a consortium and commissioned six of them across the city—the law centre I mentioned is one, as are Bestwood Advice Centre and St Anns Advice Centre, which both work in my constituency—to provide support in the city. Other communities might benefit from that model, and Ministers might benefit from looking at it also.

Having high-quality support is of course very good for individuals in their time of need, but actually it is good for all of us in the community, because the financial impact is considerable. Over the first half of this financial year alone, the advice services have supported city residents to access more than £3.6 million in benefits to which they are entitled and to tackle more than £0.5 million in debt. They have dealt with nearly 3,000 inquiries, and more than 1,000 cases have been taken up directly. Of course, behind every pound and penny is a human being starting on the road to get out from under their burden. Their mental health is improved and hopefully their life is changed; and as I said, for us as local taxpayers, the work is extraordinarily good value.

Disability Direct Nottingham is a group I know well; it is based in Basford in my constituency. It is a little different from the other services that I have spoken about, in that it works with a community of identity. It was born out of a goal to make a difference for a specific group of people—people in Nottingham with disabilities. It is the only information and advice service that caters specifically for all manner of people with a disability in Nottingham, and it prides itself, rightly, on the considerable impact that it makes for disabled people, older people and carers residing in the city and beyond.

In preparation for the debate, we were in touch with Charlotte Throssel, who I have worked with for some time. She is the services manager and makes the bulk of the decisions in response to what is needed. We asked her to summarise what the staff and volunteers spend most of their time doing for the users. I do not have enough time now to talk about those things, because they are incredible; if it can be imagined, they are doing it. Suffice it to say that that organisation exists to help and will do so in any way it can, whether that means supporting its clients with legal proceedings, giving advice on welfare, assisting with forms or even helping in the garden, as I believe happens sometimes, too. The organisation gets more than 5,000 inquiries each year and has helped to secure almost £0.5 million in backdated benefits. Its success rate at appeals and tribunals—I find this staggering; perhaps I should not have been surprised, but I was—is 84%, so five out of every six times, it succeeds. I think that that says something about the system that it has come up with.

That is being done with funding from the Big Lottery Fund or through fundraising or donations; the council helps with premises. Disability Direct works really hard and does an outstanding job with six staff members—only two full time—and almost 70 volunteers. I can also say, from personal experience, that Charlotte puts on a mean barbecue.

That is a taste of the breadth of what is going on, whether services are working citywide, in local communities or with specific groups of people. There are other organisations, which we encountered and worked with in preparing for the debate: My Sight Notts, the Wellbeing Hub and Nottinghamshire Deaf Society. As I said, I am making a rod for my own back today, because doubtless I will have missed someone and I would not want them to think that they were not appreciated, because they really are. Nevertheless, in having these conversations about what is going on, I think that three clear challenges emerged and are worthy of our consideration.

[Alex Norris]

First—this point is probably not revelatory—advice services cannot always meet the demand for their services. Of course that is because there is lots to do in a community such as mine, but one significant limiting factor, which I hope Ministers can consider, is the quality of information that comes out of public services, which can lead to people getting into a mess or confusion. Sometimes there is unclear information, distorted by inaccurate reporting in the media, and it leads to confusion and a great call on advice services.

Gloria De Piero (Ashfield) (Lab): I thank my hon. Friend for securing the debate. I pay tribute to the citizens advice bureaux, which do fantastic work across my constituency. Their work is set to become even more vital as universal credit is rolled out, particularly given that the Government's helpline charges 55p a minute. Does my hon. Friend agree that as their role becomes even more important, they must be on a secure financial footing?

Alex Norris: I thank my hon. Friend for her intervention; I agree completely. At the moment—I will turn to this shortly—there is a blizzard of funding that has to be pulled together, and each of those sources is under pressure, for various reasons. At a time when, as my hon. Friend says and as was said in this place earlier today, the Government are charging 55p a minute for people to get advice from those who run the service, clearly they are likely, especially when in financial distress, to reach out to others who do not do that. There is a struggle meeting the demand, because of a lack of information. Clearer advice, more consistency and easier access to information would reduce confusion, and reduce the front-door work they have to do to manage expectations and guide people where to go. That would free up more time, money and effort to work on the core cases.

Secondly, funding is a persistent challenge. Our advice sector in Nottingham is pinned together with council resources, EU money, lottery funds and donations of time and money. All of those deliver excellent value. There is a £10 return for each £1 spent regarding benefits that individuals are entitled to, and £3.50 for each £1 spent working on debt relief, but all of those are under pressure for various reasons. As we head into the Budget, Ministers should be mindful of the cumulative impact and ripple effect of their cuts, especially unseen cuts, such as those to local government, which then go through different commissioning committees and end up with changes that perhaps were not meant in that way.

Finally, I want to use my remaining time to talk about universal credit, which my hon. Friend the Member for Ashfield raised. Our analysis indicates that by the end of this Parliament, if it runs a full term, there will be some 23,000 families receiving universal credit in Nottingham North. We know that experience from pilot communities such as Newcastle has shown that universal credit roll-out has led to considerable hardship, with 85% of council tenants on universal credit being in arrears. That has the unintended consequence of putting strain on the housing revenue account. That challenges local government budgets and actually reduces their ability to build new homes. It is a decreasing spiral. I hope Ministers will heed calls from Opposition parties,

national charities and even their own Members, to delay this, while they at least work out the very real challenges in the system.

I just want to tell a story that I picked up from Citizens Advice about a woman called Claire. She was in great distress when she first met an adviser and it was very difficult for her to talk about her situation. She had left her home, because her now ex-partner had become violent and physically assaulted her. On top of that physical and emotional trauma, Claire now had to find a new home, apply for benefits and get herself on a new footing for her new life. She found a new home and applied for universal credit, but she waited over eight weeks for her first payment. She had been working a little bit in a local shop and was paid weekly, but she did not have any savings. She was unable to make rent payments properly for two months, leaving her in arrears, and she was also in arrears with her council tax. She had some credit card debt, which she was unable to service during this time. At the end of this two months of waiting, she was severely in debt and being threatened with eviction proceedings, as well as the emotional trauma she already had. During that two-month waiting period, she got by on food bank vouchers and tokens for electricity and gas, just to keep going. However, she now faced mounting debt, with no real way to tackle it. When her universal credit payment came through, she had hoped to get back on her feet and start to set herself up again—in line with what the Prime Minister said the system ought to be doing—and to make some formal arrangements to pay back her debt. However, the paperwork—no discussion with her—stated that 40% of her entitlement would be deducted to cover rent and council tax arrears. That meant that Claire had £30 a week to cover food, gas, electricity and other household essentials, leaving her in a perpetual cycle of borrowing to cover her essential needs, and the system has proven very inflexible as she tries to get herself back on to her feet. There are too many Claires and if we continue on this course at this pace, there will be many more.

I do not want to conclude my contribution on a negative note. I hope I have shown to colleagues the incredible range of advice services in our community, wonderful things done under the most difficult circumstances for those who really need it. I came to this place because I want to give my life to the service of others, and when I see that in my community too it really inspires and motivates me to work even harder. Those people represent the best of my city and most days their work goes unheralded and unseen, but not this day.

5.24 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate the hon. Member for Nottingham North (Alex Norris) on securing this debate, his first in Westminster Hall, and first of many, I have no doubt. I congratulate him on his interesting and compelling speech. I am very pleased to have the opportunity to set out how the Government support the Citizens Advice service and the importance of having access to free, confidential and impartial advice. I have seen for myself in my own constituency the difference that such support can make to people and families, often the most vulnerable, often, as the hon. Gentleman ably pointed out, in crisis and under immense pressure.

The hon. Gentleman mentioned Citizens Advice Nottingham and District, Nottingham Law Centre and Nottingham City Council's welfare rights service as examples of success, and I share his appreciation of the work of those agencies and similar advice services across the country.

The services are indeed well used. In 2015-16, more than 8,000 people received advice and support from Citizens Advice Nottingham and District, most of whom said they could not have resolved their issue without receiving that help. It is important to appreciate that these advice services not only help people to resolve financial difficulties but have a profound impact upon people's lives, sometimes improving their health and reducing stress as a result of the help they offer.

Also in 2015-16, more than 2,900 clients were provided with free legal advice by Nottingham Law Centre on issues ranging from debt to welfare, and from benefits to housing. The centre succeeded in getting nearly £67,000 worth of debt written off for its clients, and I know that in one of the other instances that the hon. Gentleman cited—I think it was the Disability Nottingham case—the centre had a tremendous success rate in supporting vulnerable people through tribunals.

The welfare rights service delivered by Nottingham City Council also helps to provide free, confidential and impartial advocacy and advice to citizens from across the city, including making home visits to those people who are unable to attend an appointment.

I must say one thing in respect of the legal aid position that the hon. Gentleman mentioned, in particular the very sad case that he mentioned involving Claire. The Government are committed to ensuring that legal aid continues to be available, particularly in the most important cases, such as those involving domestic violence or if children are at risk of being taken into care.

Given the sensitive issues that those services cover, it is important that they are provided independently of Government, so that their clients can trust that their problems will be treated impartially and in confidence. Also, as many of those clients' cases relate to interactions with Government agencies or services, such as benefits, it is important to note that the local citizens advice bureaux operate independently and are funded from a variety of sources. In the main, however, they receive their core funding from the local authority in which they are located.

Mr Leslie: On that point, the Minister is right to talk about the need for agencies to be at arm's length from the Government and from Ministers, but I do not think that that necessarily negates the idea of their having some kind of statutory force, to give them that sense of being a function that is supported by society as a whole. If we cannot have that, we must recognise that this is a real "invest to save" situation. As my hon. Friend the Member for Nottingham North (Alex Norris) pointed out, for every £1 invested in advice services the Government can save a considerable amount later down the line. It is because these services exist in a sort of non-specific, non-legal context that we sometimes rely too much on charity to underpin advice, rather than making it a right that people have.

Margot James: The hon. Gentleman makes a good point. I would not want to negate the role of charities and local self-help groups, which play a huge role in their communities, but there is a role for Government to ensure that some impartial, independent advice is available. Through the Citizens Advice national agreements that we have, my Department funds Citizens Advice nationally. For example, helping people in the area of fuel poverty and energy advice is a statutory service that Citizens Advice offers; the service is funded by Government, but the advice is given impartially and independently of Government. Therefore, it is important to note that Citizens Advice operates independently, even though it is funded by our Department to a certain extent, to help it to meet its resourcing needs.

It is the local authority, not central Government, that is better placed to make decisions about advice provision in its local area, based on local priorities and need. However, we must remember that local authorities are independent of central Government. They are responsible for their own finances and recruitment, and are accountable to their local electorate. So, when it comes to spending or resourcing, however difficult the decisions are, it is for local authorities such as Nottingham City Council to make those decisions. I hope that, whatever the outcome, the people of Nottingham will still be able to access free, independent advice, and that the national body, Citizens Advice, which is funded by my Department, will help to ensure that that continues to be the case.

We know and understand that some people are vulnerable, and that some will need more support than others. That is why the Government continue to spend around £90 billion a year on a strong welfare safety net. One example of that is our troubled families programme, which is helping to turn around the lives of 400,000 people. I know that it is doing very important work in Nottingham, and under the priority families programme led by Nottingham City Council, 1,200 families have already been helped to turn their lives around, and a further 3,480 families are engaging in the programme.

To reiterate, the Government remain committed to, and supportive of, the right to free, independent advice. As I have said, that advice is best delivered by independent organisations at the local level, although I am mindful of the need for the Government to continue to play a role on a statutory basis, as I mentioned earlier in response to the hon. Member for Nottingham East (Mr Leslie). However, those with the knowledge, expertise and experience are helping people from all walks of life on all manner of issues.

Clearly, as the hon. Member for Nottingham North pointed out, a huge amount of good work is being done by the people of Nottingham, the staff and the volunteers in providing this vital work and support. I salute them all. I hope that the local Government will continue to recognise and support their hugely valuable work for many years to come.

Question put and agreed to.

5.32 pm

Sitting suspended.

The Arts: Health Effects

5.35 pm

Mr Edward Vaizey (Wantage) (Con): I beg to move,
That this House has considered the effect of the arts on health.

It is a great pleasure to appear under your chairmanship, Ms Dorries—obviously with some trepidation, as I know that you are a hard taskmaster. I hope that we can exchange messages on WhatsApp afterwards, about how well I have done in this afternoon's debate.

Ms Nadine Dorries (in the Chair): Only if you are going to read them.

Mr Vaizey: Health and wellbeing is much on our minds at the moment, and I am co-chair of the all-party group on arts, health and wellbeing, so this is a great opportunity to debate the significant role that arts-based interventions can play in addressing a wide variety of health and social care issues.

In July the all-party group published an inquiry into that important issue—I am holding it up to get the appropriate screengrab, which can go viral on social media. I can see that the Minister is holding it up as well. If someone could pass it to the Opposition spokesman to hold up, we could get a full house. The report was the result of two years of research and discussions with individuals and organisations from the worlds of health, arts, academia and politics. I assure the House, because I had nothing to do with it, that it is of the highest quality. The people who can take credit are Rebecca Gordon-Nesbitt, who effectively wrote it, Alexandra Coulter, who runs the all-party group with such effectiveness, and my colleague Lord Alan Howarth, the chairman, who invited me to become the co-chairman.

The inquiry and report provide considerable evidence to support the idea that arts-based approaches can help people to stay well, recover faster, manage long-term conditions and experience better quality of life. It is important to stress that arts engagement and participation can have a positive impact at every stage of a person's life. I was struck, for example, when reading the report—I should have known this fact—that one in five mothers suffers from a mental health condition at the time of, or in the first year after, childbirth. The report shows some of the interventions that can help. In Stockport an arts on prescription pilot offered visual art and music projects to women who had or were at risk of postnatal depression. Every woman who participated experienced improvements in their general health, and all but one experienced a reduction in their level of depression. Funding for that service was lost, but similar programmes have been replicated around the UK, with comparable results.

Childhood is another important area where the arts can have a huge impact. I leave aside the effect that music and arts education in schools can have on children's wellbeing, as well as their educational attainment, although no doubt it is a subject that we will return to in future debates, but it is estimated that possibly 850,000 children suffer from mental health and related physical health problems. Some of the most serious mental health problems can manifest before the age of 24—indeed, in half of cases they manifest before the age of 14.

Such mental health problems can be prevented or mitigated through early intervention. The Alchemy Project, which uses dance as an early intervention in psychosis,

had a remarkable effect on mental health. Two groups of young participants with no experience of dance were pushed to work with professional artists. At the end of the pilot both cohorts demonstrated clinically significant improvements in wellbeing, communication, quality of life and many other variants.

Gloria De Piero (Ashfield) (Lab): A 44-year-old woman in my constituency suffered from depression and anxiety, and she tells me she is not yet recovered from her illness but is now strong enough to go every day to an amazing place called the Huthwaite Hub, which relies in large part on lottery funding. Does the right hon. Gentleman agree that former coalfield communities do not get their fair share of funding from the lottery, which would enable more projects like that to help many more people?

Mr Vaizey: The hon. Lady is a very distinguished former arts spokesman, and I know that when she was the Labour party's spokesman for the arts she highlighted the fairness of lottery funding distribution. Again, without wishing to dodge the question, that is another debate. I am pleased that the Arts Council, for example, is now much more focused on ensuring that more money goes outside London than it has in the past. She makes a fair point that, fundamentally, there is a project in her constituency making a real difference to one of her constituents, and that is to be applauded without any quibbles from me at all.

Let me run through a few brief examples, because I know that many Members want to speak. An arts on prescription programme run by Arts and Health in Cambridgeshire found that three quarters of participants saw a decrease in anxiety. There is clear and growing evidence that with illness and long-term conditions, arts engagement can alter the morphology of the brain and help speed recovery from neural damage. The Royal Philharmonic Orchestra and Humber NHS Foundation Trust have run Strokestra, a pilot collaboration where, through music-based active sessions, almost every single participant who had suffered from a stroke saw a reduction in their symptoms and experienced great social benefits such as enhanced communication. A range of other studies have shown similarly positive effects. Group singing and dance has been shown to improve the voice and movement of people with Parkinson's disease, and singing enhances lung function and the quality of life for people with chronic respiratory disorders. Arts-based interventions such as listening to music have also been shown to reduce the physiological effects of cancer and coronary heart disease.

Dan Carden (Liverpool, Walton) (Lab): May I take this opportunity to plug the Liverpool Philharmonic, which has done similarly good work for the past eight years? Lead musicians and musicians work one-on-one and in groups across my constituency and the wider Liverpool city region. Unfortunately I have not had time to read the report, but if that has not been looked into, it is a great study of positive work that is being done across my constituency.

Mr Vaizey: The Liverpool Phil is an absolutely amazing organisation. I know that you, Ms Dorries, will know it from your own childhood. May I also particularly commend its work on the In Harmony programme, which is one of the most remarkable education initiatives that we have seen? It was started under the last Labour Government but carried on, I am pleased to say, by the current Government.

Kate Green (Stretford and Urmston) (Lab): I congratulate the right hon. Gentleman on securing the debate. I very much agree with his examples of where arts can be used to help people with recovery or to manage long-term conditions. I am sure that he would be interested in the Nordoff Robbins music therapy programmes that are run in my constituency. Does he accept that there is a wider role for the arts in public health, and does he think that there is an opportunity to align public health targets and ambitions with music and other arts interventions?

Mr Vaizey: I completely agree with the hon. Lady, and I was going to mention Nordoff Robbins. It is the largest music therapy charity in the country. It reaches 7,000 people every year and aims to double that participation by the end of the decade. She is exactly on point: Public Health England is meant to be involved in focusing on prevention. To a certain extent we have to shift the whole health debate from cure. Cures can be important, but we do not do enough about prevention, and the arts can play an absolutely crucial role. I back her point 100%, and may I also say that I am happy to accept any interventions that plug great examples of how the arts are having a great impact on health and wellbeing?

Fiona Bruce (Congleton) (Con): Would my right hon. Friend join me in congratulating the dramatic society in my constituency, the Congleton Players? They make a tremendous contribution towards community life, and last week they presented their 290th production. It was a comedy, “Murder at Checkmate Manor”, and I have to say that I laughed throughout, as did the audience, so much that I could sense endorphins were glowing within me—and all for only £8 a ticket.

Mr Vaizey: I absolutely endorse my hon. Friend’s players. I look forward to visiting them—in fact, I know that the Minister will visit on the 300th production that the players perform. He said that to me before the debate, and I know that he will stick to his commitment. My hon. Friend the Member for Congleton (Fiona Bruce) can tell her constituents to look forward to welcoming my hon. Friend the Member for Salisbury (John Glen).

The other obvious area to talk about is age. As we luckily have an ageing society in the sense that people are living to be older, the arts can play a huge role in helping people with some of the conditions that come as one reaches one’s later years.

Chris Ruane (Vale of Clwyd) (Lab): On longevity, is the right hon. Gentleman aware that someone born today has a 50% chance of living to more than 105 and that a 20-year-old today has a 50% chance of living to more than 100? As the period of old age grows, it is important that we have fulfilling activities for older people.

Mr Vaizey: The hon. Gentleman is absolutely right, and he has given me a wonderful introduction to the next part of my speech. Age UK has found that taking part in creative activities such as the arts has the most direct influence on a person’s wellbeing in later life. Indeed, in 20 years’ time we expect more than a million people to have a dementia diagnosis, and engagement with the arts can provide significant help in meeting that enormous challenge. For example, music therapy,

which has already been mentioned, has been proven to reduce agitation and the need for medication in two thirds of participants with a diagnosis of dementia. A good example is A Choir in every Care Home, a new project from Live Music Now that is encouraging music and singing in care homes across the UK. That supports evidence that finds that regular group singing can enhance morale, reduce loneliness and improve mental health. Of course, it can also help those who are suffering from a terminal illness. There are legion examples of how the arts and health are working together and making an impact.

Alex Chalk (Cheltenham) (Con): Will my right hon. Friend join me in paying tribute to all those who volunteer to help to administer the Cheltenham festival of performing arts, which has been running since 1926? Does he agree that as evidence grows of the potential harmful impact of excessive social media use on adolescent mental health, it has never been more important to get young people out from behind their phones to instil confidence, teamwork and communication to provide for happy and fulfilled lives?

Mr Vaizey: I completely agree with that. It is not only children who suffer from excessive use of social media; that can apply to all categories of people.

Hull city of culture has, I think, been an unequivocal success. It was Andy Burnham who called for a city of culture, but I am pleased to say that it was this Government who saw Derry/Londonderry and now Hull achieve such huge success. There have been brilliant ideas. I was told about something—I do not want to get into too much detail here—called Getting Physical with Men in Sheds, which apparently was a health programme. That was alongside Upswing, which involves circus in care homes; the Wellcome Trust working with 10 pilots to look at the impact of the arts on dementia, ageing and breathing disorders; Reading Rooms, to combat loneliness and isolation; and the Butterfly Effect programme, again on dementia. I mention again Aldeburgh, a well-known arts institution in Suffolk and the work that has been done for it on using music as a powerful tool for social change in the field of health and wellbeing. There are too many examples to mention.

I have been contacted by people from all over the country. They have talked about harp therapy—therapy with a harp instrument. The Canal and River Trust talked about its arts interventions. The London Art Therapy Centre, started in 2010, is working for people with mental health issues. The British Red Cross talked about some of the areas it works in and emphasised the need to prevent people from getting unwell as opposed to intervening when people are unwell. And of course there is Nordoff Robbins.

The current demands on our health and social care system call for innovative solutions. As I hope I have demonstrated in part, and as many interventions have demonstrated, arts engagement has a hugely beneficial effect on health in people of all ages, so it must play a vital role in the public health arena. Most pertinently, the greatest challenges to health and social care to come will be from an ageing population and a prevalence of chronic conditions. The evidence shows that the arts can play a significant role in preventing illness and infirmity from developing and worsening in the longer term.

[Mr Vaizey]

That approach is particularly in keeping with NHS England's "Five Year Forward View", published in 2014, which emphasises a need for a radical upgrade in preventive health interventions. Arts-based approaches can provide a cost-effective response to this objective. Mental health carries an approximate annual economic and social cost of more than £100 billion—about the same as the total NHS budget. The arts can play a significant role. A mental health recovery centre in Wales, co-designed by users and utilising the arts, has saved the NHS £300,000 a year, while an arts on prescription project has led GP consultations to drop by a third, saving £200 per patient. A social return of between £4 and £11 has been calculated for every £1 invested in arts on prescription.

Arts-based approaches can also help health and social care staff in their own work. Within the NHS, more than £2.5 billion is lost through sick days every year. Arts engagement helps the staff to improve their own wellbeing, too, but it is not a habitual part of the training and professional development of health and social care professionals. With so much evidence supporting the effectiveness of the arts to improve health and wellbeing, it is clear that more should be done. With the correct support, this approach can really flourish.

What the all-party group is really calling for is a culture change, not legislation or regulation. Arts-based interventions offer an alternative resource to systems that are under increasing pressure and need fresh thinking. One of the report's key recommendations is for leaders from the worlds of arts and health to come together to establish a strategic centre to support the advance of good practice, promote collaboration, co-ordinate research, and inform policy and delivery.

The Government can, of course, play a vital role. They can help the conversation between the relevant bodies and organisations and help this objective to be realised. We need greater engagement with policy makers, and Ministers must therefore be part of the process. I really hope that the Minister will engage with colleagues not just in his own Department but in the Department of Health, the Department for Education and the Department for Communities and Local Government, to develop a cross-departmental strategy to support the delivery of arts-based interventions within our health and social care systems.

I am delighted to see the Minister in his place; I think this is our first debate together. I have to say—although I am *parti pris*—that I hear only incredible reports of his work, so I do not want him to take this the wrong way, but part of me wishes a Health Minister were responding to the debate instead of him. It is a matter of some sadness to me that the last Health Minister to make a speech about the role of the arts in health was Alan Johnson. The current Health Secretary is a former Culture Secretary, who knows the sector well and should understand the opportunities that it presents to make a real impact on health and wellbeing.

I know the Minister will give a brilliant response. As he is aware, the White Paper formally recognises the all-party group's report and states that the Government will make a formal response. However, I hope that in the coming weeks and months we will also hear from Health Ministers on this very important subject, and from other Ministers whose Departments' policies have a great impact on wellbeing.

Several hon. Members rose—

Ms Nadine Dorries (in the Chair): Order. Let me do a quick headcount of Members who wish to speak in the debate.

Nine Back Benchers have indicated a wish to speak. The maths dictates that I will have to call the Front Benchers at 6.22 pm. The debate must finish no later than 6.42 pm, because of all the Divisions we have had. I will therefore have to impose a three-minute time limit on speeches. If there are too many interventions, they will cut that time down further.

5.54 pm

Helen Goodman (Bishop Auckland) (Lab): It is a great pleasure to serve under your chairmanship, Ms Dorries. I congratulate the right hon. Member for Wantage (Mr Vaizey) on securing this debate.

Moving directly on to a point made by my hon. Friend the Member for Ashfield (Gloria De Piero), the all-party group's excellent report highlights the inequality in access to the arts. One of the difficulties is that people who suffer from other social inequities are precisely the ones who are least likely to be able to access the arts. At one point, the funding was run so that there was 14 times as much per person in London as there was in the regions. I know it has improved, and I hope the Minister can tell us how it has improved, but it is still not enough. That is an important point.

I also highlight the work of the fantastic Auckland Castle project in my constituency. At the moment, they are running a summer night show, with a phenomenal 1,500 people participating, all of them volunteers. It would have been good to have measured the wellbeing of the people before the project began and again at the end. If there are any academics listening to the debate, I urge them to come to Bishop Auckland and measure where people are at the beginning and at the end of the summer season. The people who are involved tell me that they feel on a real high, they get a lot out of it and there is a lot of community building, and I am sure that the improvements in wellbeing are measurable.

Finally, I will say something about the report's proposals on training for people in healthcare. That relates particularly to the needs of people with Alzheimer's and the extent to which they can benefit from music. It is all very well for people doing PhDs or hospital consultants to understand this, but what is really important is that the people who work with elderly, frail people day by day get the training. I am concerned about that, having seen it with my mother, who had Alzheimer's, and my father-in-law. It is the people who make the food, who wipe their bums and who get them up in the morning who also need to understand that wellbeing goes beyond the physical and into the emotional. I strongly agree with what the right hon. Member for Wantage said about also receiving a response from a Health Minister. Perhaps a Health Minister could write to the hon. Members taking part in today's debate.

5.57 pm

Mr Bob Seely (Isle of Wight) (Con): Thank you for calling me, Ms Dorries. I will make my points as briefly as possible. I thank my right hon. Friend the Member for Wantage (Mr Vaizey) for this debate on an overlooked but exceptionally important subject.

I will talk briefly about my island's relationship with art and art's wider purpose—there are some fantastic examples of the use of art in healthcare on the island—and then about Arts Council England's visit to the Isle of Wight on 20 October, which we are looking forward to, both to reinforce our reputation as Britain's "arts island" and to seek a stronger relationship with national institutions. I look forward to Government support in enabling that, and I thank the Minister for attending the debate.

On the island we have a unique relationship with art. Our history is in some senses an example of art's meditative and restorative roles. From 1790 onward, when chaos and revolution in Europe made travel difficult, artists and writers began to explore the United Kingdom more. They came to the island, in part, to find a sense of peace and to be inspired by our rural tranquillity, but also our inspiring nature and sea. The island provided inspiration for artists. Turner's first great work was of the Solent, with the Needles as its backdrop. Tennyson moved to the island to be inspired by it, and some of his work has a meditative and calming sense of his view of life and death. Perhaps the most famous poem that he wrote was called "Crossing the Bar". Physically, it described the journey across the Solent from the mainland to the island, but metaphysically, it talked about the journey from life to afterlife:

"Sunset and evening star,
And one clear call for me!
And may there be no moaning of the bar,
When I put out to sea".

I use that quote because art is used on the island in palliative care, in youth mental care and in the NHS. In Newport, our county town, our wonderful hospice uses art to help islanders who are dying to understand and accept difficult and profound issues. Our hospice director, Nigel Hartley, trained as a pianist and psychologist prior to working in the hospice movement. If the Minister ever has a chance to talk to him, he will find him an interesting person. He champions the use of art in healthcare, and we have a wonderful project with the Royal Academy whereby artists and people in the hospice work together to create works of art. We are lucky to have people such as Nigel on our island.

Elsewhere, in our Quay Arts project run by the multi-talented Paul Armfield, we have a WAVES programme that engages over 200 young people. Many of them were reported to us or came through the young carers or mental health services, and they are engaged in the use of art to enable them to express themselves in a more fulfilling way.

Our Healing Arts project operates within our NHS trust, both in commissioning art and organising interactive and creative expression.

Ms Nadine Dorries (in the Chair): Order. I call Dr Lisa Cameron.

6 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairmanship, Ms Dorries, and also to hear the fantastic, thorough and detailed speech by the right hon. Member for Wantage (Mr Vaizey), who initiated the debate. It is long overdue that this issue was debated. It is extremely important for health, mental health and wellbeing, as has been indicated.

I declare an interest as a psychologist. I also have to declare that I am not particularly artistic and do not have much talent in this area, but I pay tribute to all of the therapists who work in art therapy. I also pay tribute to occupational therapists who work in our hospitals, aiding people in their recovery and rehabilitation, building their confidence and skills and ensuring that they are able to fulfil their potential. When people's self-esteem is at its lowest and they feel most in need, art therapy can be extremely important in helping them to focus, helping their mental health and also in helping them to build self-confidence and purpose.

When I worked in the secure hospital at the State Hospital in Scotland, I saw first-hand the excellent artwork that inmates could do. They were held there, perhaps due to significant mental health issues, without the limit of time, and they perhaps felt that purpose had left their lives and that they had little direction. Being able to showcase their artwork in the hospital and beyond was a fantastic celebration of the skills that they retained, and the things that they could do very purposefully, post-secure hospital, in terms of reintegration into the community. We should never underestimate the value of art therapy.

Before I finish, I want to celebrate some of the work undertaken in my constituency of East Kilbride, Strathaven and Lesmahagow. The Chill Out Club and the Agape Wellbeing group are both in East Kilbride, both have funding for art therapy and work with people who have mental health problems to help them with their recovery. I also celebrate the work undertaken at the Hope Hub, through the Hope Church in Blackwood. It is excellent work, bringing together people from different backgrounds—those involved in the church and beyond—to come in, form bonds and develop their skills and interests.

It is a pleasure to take part in the debate. Funding for art therapy is funding well spent. I want to hear from the Minister on future directions and support for this important area.

6.3 pm

Darren Jones (Bristol North West) (Lab): It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate the right hon. Member for Wantage (Mr Vaizey) on securing this important debate. I agree with the Arts Council, which says:

"Art and culture make life better, help to build diverse communities and improve our quality of life."

As a Bristol MP, I am proud of the reputation my great city has in support for and delivery of the arts. I say to the Minister, whose Department is making the decision on the Channel 4 relocation, that Bristol is its natural home. Channel 4 would be welcomed with open arms, supported by a booming sector with expertise and a vision for the future of broadcasting.

As the Member for Bristol North West, I represent a constituency of haves and have-nots when it comes to access to the arts. For many of my constituents, getting to and accessing the best of Bristol's art and culture is economically unviable. That is why I welcome the excellent work of Bristol's Colston Hall, and the Bristol Music Trust, which works from it, in reaching out to distant communities to bring affordable arts to the many, not just the few. I also congratulate them on their funding efforts to build the first fully accessible music venue in the country.

[Darren Jones]

In Bristol, we rely on performers from across the world and, indeed, Europe. I therefore call on the Minister and the Government to support the Musicians Union's call for a commitment to ensuring the free movement of musicians.

I will conclude my remarks by talking about music and performance. As a child growing up in Lawrence Weston in my constituency—a council estate on the outskirts of Bristol—I never really got to experience the arts, but one Christmas, when I was in primary school, there was a performance from a local orchestra. There I was, sat on the floor, amazed by the noise that the musicians produced and the sound that they created, together, as an outfit. I decided that that was what I wanted to do, so I went to Portway Community School, now Oasis Academy Brightstowe, which had an amazing school orchestra, led at the time by Nicola Berry, and I learned the tenor saxophone—first, in the symphonic wind orchestra and, latterly, as a jazz musician.

Thanks to predecessors of the Bristol Music Trust, I got access to instruments, one-on-one tuition, music and the ability to practise and take my grades—because of public funding. Music taught me discipline and teamwork, and built my confidence, but public funds are required for pupils whose parents cannot afford to provide them with access to music. Children from low-income families are three times more likely to get a degree if they have been involved in arts and culture than those who have not.

I am always grateful to the people who gave me that opportunity and I call on the Government to ensure that other children, in my constituency and around the country, are not left behind. We must not let the music halls of our schools fall silent across the country. Our performance and confidence as young people, as cities and as a country is based on arts and culture. I hope that the Government will continue to invest in and support local authorities and charities to ensure that all of us, regardless of background, have access to excellent arts and culture training and performance, and the ability to build our confidence for roles such as becoming a Member of Parliament in the future.

6.6 pm

Jim Shannon (Strangford) (DUP): I thank the right hon. Member for Wantage (Mr Vaizey) for securing the debate, for the inquiry that he started in 2015 and for its findings, published in July 2017 along with recommendations and conclusions.

I want to speak about one specific issue in the short time I have and look not only at the positive impact that the arts have in hospitals, but the role that they play for veterans. The report made 10 recommendations, including the need for arts organisations to work with health organisations and vice versa. Given that that was one of the key recommendations, this is clearly an important issue for veterans. Help for Heroes supports those with illnesses and injuries sustained while serving in the British armed forces. Often those injuries are not visible, with veterans carrying mental scars and dealing with mental health issues on a daily basis.

Although it may seem unlikely, art is a useful weapon in the fight against physical and psychological injuries. In the last year, up to April 2017, Help for Heroes

delivered around 150 arts and craft events across its four recovery centres and outreach locations, reaching out to approximately 1,800 very needy participants. At those recovery centres, wounded, injured and sick servicemen and servicewomen can take part in a variety of art classes including, importantly, one-to-one sessions. Activities in woodwork, art, photography, poetry, stone-carving, music and singing—all those things, together and individually, make a difference. Mental wellbeing is vital to a full recovery, but often it can be difficult to talk openly about past and ongoing struggles. The arts can help veterans express themselves while creating something personal.

I want to quote someone whose name it is important to have on the record. We are all moved by what we hear and many of us in this Chamber are aware of these issues. Martin Wade from Surrey was recently awarded the top prize in the wounded, injured and sick category for his painting, “Never Ending Story”, at the Army arts exhibition in Salisbury. Martin served in the Army for 15 years before medical discharge due to post-traumatic stress disorder. He said:

“I was first encouraged to paint after I was medically discharged. Ever since then, Art has been my companion. Being able to have that expressive outlet has been an integral part of my recovery. It is the key component in my toolbox I use to cope with the daily challenges of PTSD...Art takes me on a journey and whilst I am on that journey, all I am thinking about is art. It takes me away from thinking about my challenges. It allows me respite from the stress of dealing with my PTSD.”

For me, that is one of the key things that art can do.

I do not think that anyone here can be in any doubt about the amazing effect that art can have, not only on veterans and people who are dealing with mental health conditions or battling loneliness, but on everyone, in every walk of life. Engaging with some form of art is vital for our wellbeing. It is important that we recognise that and make time in our busy lives to pursue it.

6.9 pm

Ruth George (High Peak) (Lab): It gives me great pleasure to participate in this debate and to speak about High Peak Community Arts—a fabulous project that has been based in my constituency for more than 20 years, and has helped people with their health and wellbeing throughout that time. It is a real pioneer of outcomes. At the moment, it is funded through five-year lottery funding grants, and it helps people with mental health and wellbeing issues in particular. It creates community arts projects around my constituency, including in ceramics and mosaics. There is a sundial in a park, and it has created a life-sized willow-frame donkey for an elderly people's care home. Working together on those projects helps people in a way that our health services often cannot.

With Project eARTH, High Peak Community Arts creates arts projects to enhance the natural environment. Those are aimed at adults who are experiencing mental distress or other long-term conditions, such as anxiety, stress, depression, obsessive compulsive disorder, bipolar disorder and borderline personality disorder. Generally, the participants are isolated and are lacking in self-confidence and self-esteem, and working together on those projects addresses such issues.

Being creative is relaxing, absorbing and takes people's minds away from negative thoughts. People work together in the groups, discussing themes and ideas. They often physically work on the same project. We have

unveiling ceremonies, in which the projects are unveiled in communities, which gives people a real sense of worth and wellbeing in the knowledge that they have created something.

The story of one of the participants illustrates the project better than any sort of evaluation. The lady was left severely traumatised seven years ago as the result of an armed robbery at her store. She suffered post-traumatic stress disorder and did not leave the house for four years. She lost all her friends because she was unable to talk to them anymore. In spite of all the care she received from doctors, counsellors and other health professionals, she still could not go out on her own. She says,

“I was petrified that my life was collapsing, I felt helpless.”

She felt that nothing could help her, until her support worker took her along to the art group. She managed to speak to people again, and took part in the project. Since then, she has been able to get out of the house to take her dog for a walk. She is not 100% recovered, but the projects have helped her more than anything else.

Ms Nadine Dorries (in the Chair): Order.

6.12 pm

Tracy Brabin (Batley and Spen) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Ms Dorries. I thank the right hon. Member for Wantage (Mr Vaizey) for securing the debate, especially after yesterday’s timely World Mental Health Day.

In my previous job, I was an actor and a writer, and I used to think, “What do I contribute to the world?” My sister, who is a theatre nurse, used to say, “When I come home, I want to relax. I want to watch a soap opera, because it makes me feel better.” A recent report from University College London and Lancaster University supports her experience. The researchers discovered that watching live theatre can stimulate a person’s cardiovascular system as much as 30 minutes of exercise.

It is not just watching that has an impact; taking part has even more of an impact. Kirklees is part of the Creative Minds project, which works with NHS England to help service users improve their wellbeing. One of the projects, Active for Life, helps users with mental health issues to access free cycling, and it has had a brilliant impact. One user said, “You’re a life saver.” Another said,

“I get really ill sometimes and I can tell you this really works.”

The Arts Council understands the powerful impact of the arts on communities and wellbeing. It has targeted areas with a low take-up of the arts—Kirklees is one—and has invested in Creative People and Places, which brings culture in all its forms to the community. It empowers citizens not just to watch but to take part. It is about not just large organisations, but community organisations, too: Batley Choir, Batley Poets, Batley Smile and local youth theatres such as Acorn and West Yorkshire Youth Academy all enhance the lives of people with mental ill health.

The bigger question is, what are we doing to ensure access to the arts to support our young people’s mental health? Secondary schools in London have arts on a carousel: art for one term, drama for another and music for a third. In fact, at an all-party group on arts in schools yesterday, I heard a teacher explain how she was first an art teacher, then was asked to take on photography, and then later in the year was asked to take on design technology. That cannot be right.

Overall, participation in arts subjects in schools has fallen by 8.4%, and the indication is that the downward trend will continue. There has been a 28% drop in the take-up of GCSEs in creative arts and a 43% drop in design. It is even worse locally in Batley and Spen. There is a clear and consistent north-south divide in entry to arts subjects at GCSE. If we want a country that is fit and ready for the future, healthy in mind and body, we need to widen access to the arts, rather than allow this Government to withdraw the privilege.

6.14 pm

Martin Whitfield (East Lothian) (Lab): I am grateful to the right hon. Member for Wantage (Mr Vaizey) for securing this debate. Art underpins community and our society. We have heard many great contributions about its effect on individual constituencies, and first I want to draw attention to the Scottish diaspora tapestry that was displayed in Westminster Hall earlier this year. That art brought together 800 people from around the world to create a world-class tapestry showing the spread of Scotland’s diaspora. In that, something important lies: art is for everybody. It is a universal language, from cave paintings all the way through. If we weaken our link with art and leave art out, we greatly endanger our communities and the coherence of our society.

The value of art to health is best summed up by my constituent, Grace Warnock, a young girl who has had far too many encounters with the health service in her short life. In that time, she has used art to express her feelings. She will not forgive me for this, but she drew her own intestines to show the surgeon where they hurt. She went on to create Grace’s Sign, a toilet sign for those with invisible disabilities, so that she does not have to feel left out, offended or upset if people look at her badly when she comes out of a toilet that she needs to use.

One of the groups that helped her in Edinburgh’s sick kids hospital was the Teapot Trust, which Parliament knows of. The Teapot Trust was set up in 2010 by Dr Laura Young and her husband following the tragic death of their daughter. In 2016, Laura was awarded an MBE in the new year’s honours list for her work. Their volunteers and art therapists go into hospitals in Edinburgh and London to bring hope, trust and faith to children and their families so that they can engage with some of the most difficult periods of their life, not through verbal explanation, but through the empathy of art. As a community, we have moved away from that.

It is great to have this debate today, particularly following the APPG’s report, to show that art in its wider sense must sit throughout our community. It is for all Ministers across the Government to pay attention to this, as it is for all Members to promote art and to remind people that it is not about money. It is about society, empathy and the people that we came here to serve.

6.17 pm

Chris Ruane (Vale of Clwyd) (Lab): I congratulate the right hon. Member for Wantage (Mr Vaizey) on securing this debate. I also congratulate Lord Alan Howarth, who was the mover behind the APPG, and his team, many of whom are here today.

I speak from a personal perspective; I was a primary school teacher for 15 years before becoming a Member of Parliament. The children in my care loved art, drama, craft, music and sport ahead of all other subjects. There

[Chris Ruane]

was something primal about those activities that goes back to that first handprint in the cave. Every society appreciates art—even a baby in the womb responds to music. There is something primal about art and creativity and we neglect it at our peril. At secondary school, interest in art quite often dips down for young people as they concentrate on reading, writing and arithmetic. Once people enter their working life, it dips down even further for forty or fifty years until they discover art and craft in retirement. We need to concentrate on art and wellbeing in all three phases of life.

My niece, Nadia Wazera, teaches art and craft to blind veterans—our wounded warriors—and that is a primal way of repairing them. The size of the problem facing the country and the world is huge. The World Health Organisation states that by 2030 depression will be the “biggest health burden” on the planet. Replies to questions that I have tabled in this House show that 32.3% of 15 to 25-year-olds have one or more psychiatric conditions and that 85% of prisoners go into jail with mental health conditions. In 1991, 9 million prescriptions for antidepressants were issued; today, that figure is 65 million per year. There are better ways to deal with mental ill health and to promote human flourishing.

There are lots of reasons why we are in this situation, including digital distraction, information overload, social media, advertising and the way that we organise our economy, but it is good to see both the left and the right—David Cameron, who wanted to measure wellbeing, and our shadow Chancellor in his conference speech—quoting Robert Kennedy’s statement that there is more to life than GDP: there is human flourishing. As far as I am concerned, human flourishing begins and ends with art, music, dance, theatre and libraries. It is not the icing on the cake; it is the essence of the cake, and it has financial aspects as well as medical ones. We are one of the most creative nations on earth, and we downplay that and make cuts at our peril.

6.20 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to see you in the Chair, Ms Dorries. I congratulate the right hon. Member for Wantage (Mr Vaizey) on securing this interesting debate, which is extremely well timed. The UK Government’s 2021 city of culture competition is in its final stages. I hope that hon. Members, including the Minister, will forgive me for once again shamelessly plugging Paisley’s bid to be awarded that prestigious title. Paisley has a proud track record of recognising the positive contribution that the arts can make to improving people’s health, particularly their mental health, and that is at the heart of our bid—more on that later.

It is now common knowledge that resolving an individual’s health problems often requires a multi-layered approach, because health difficulties are influenced by several competing factors. Hon. Members have spoken about that in detail today, and numerous reports have been highlighted, including recent analysis by the Scottish Government that confirms that cultural engagement has a positive impact on the nation’s health and life satisfaction.

I pay tribute to the work of the APPG on arts, health and wellbeing, which I will join forthwith. In many ways, that group has led the awareness-raising campaign

about the benefits of the arts in producing positive health outcomes. Its most recent report, which was completed in the summer and was well received, looks at the positive role that the arts can play in the social care sector and strengthens the evidence base about the role of the arts in producing positive outcomes.

There is clear and growing evidence that participating in the arts can dramatically reduce anxiety, stress and depression. It can also help to reduce the length of patients’ stay in hospitals and the use of some medication. We have already heard about art projects that have generated such positive outcomes and, if hon. Members will forgive me, I would like to spend some time talking about positive work in Renfrewshire that recognises the interconnectedness of the arts and health.

Although it is a national organisation, the Scottish Mental Health Arts and Film Festival has firm roots in Paisley. The festival, which is in its 11th year, is one of Scotland’s most diverse cultural events, covering everything from music, film and visual art to theatre, dance and literature. It aims to support the arts and use the power of culture to challenge preconceived ideas about mental health. The organisation states:

“By engaging with artists, connecting with communities and forming collaborations, we celebrate the artistic achievements of people with experience of mental health issues, exploring the relationship between creativity and the mind, and promoting positive mental health and wellbeing.”

Renfrewshire hosts one of the largest regional programmes of that nationwide festival. In fact, 35 events will be held in Renfrewshire next week, engaging around 3,000 people. One of those will be “Making Our Mark”, organised by Renfrewshire Disability Arts Forum and the fantastic Disability Resource Centre, which I visited just a few weeks ago. It is a music, dance and visual arts event whose organisers believe passionately in the role of the arts in helping to generate positive health outcomes.

As I have mentioned once or twice in the House, the great town of Paisley is competing to be named UK city of culture in 2021. Its bid is built on the impact that that title could have on the lives of some of Paisley’s forgotten communities. As part of the bidding process leading up to 2021, the town has galvanized a number of health partners to use arts, culture and creativity to promote health, recovery and social wellbeing. Dozens of local projects are working with groups of vulnerable people in Renfrewshire. To name just a couple, the creative recovery programme at Dykebar Hospital features visual arts, music and song, and the Buddy Beat drummers social inclusion project will celebrate its 10th birthday this Friday.

We are not proud of the poverty in some of our communities, including—but certainly not exclusively—Ferguslie Park, which again has been identified as Scotland’s most deprived community. Deprivation brings with it associated health inequalities. Paisley’s bid is built on the hope that we can use the power of culture to transform the fortunes of our town. We use art to create environments that encourage, enrich and empower people, and we want to be a shining example of the role that culture can play in helping to produce positive health outcomes.

Paisley has given so much to Scotland and, indeed, the world. I believe that the country should do the right thing and award Paisley UK city of culture. This has been an excellent and timely debate and I welcome the

cross-party consensus on the positive effects that the arts can have on health. I invite all hon. Members to Paisley in 2021 to celebrate its city of culture programme, which will prove that culture and the arts can help to regenerate a town's fortunes and improve the health of the most vulnerable in our society.

6.25 pm

Kevin Brennan (Cardiff West) (Lab): This has been an excellent debate, as everybody has said. I congratulate the right hon. Member for Wantage (Mr Vaizey), and the APPG and Lord Howarth for all the work they have done. The right hon. Member for Wantage set out the debate very well, talking about the way the arts can alter the morphology of the brain and make a real change. He called for a culture change in society with respect to the arts and their interaction with health. He also said that education was a debate for another day. I am not sure that the Opposition agree that that is the case, and I may come back to that point. He rightly mentioned that Alan Johnson, when he was a Health Minister, emphasised that point, and he quite rightly called upon current Health Ministers to engage actively in this debate, which I also welcome.

I congratulate my hon. Friend the Member for Ashfield (Gloria De Piero) on making a timely intervention and on her recent work with my hon. Friend the Member for Batley and Spenningsdale (Tracy Brabin) on the Acting Up report, which was commissioned by the Opposition Front Bench to try to emphasise the importance of the arts—particularly access to the arts—for working-class children in the area of acting and across the piece. That point on access was raised by other hon. Members and is absolutely essential. My hon. Friend the Member for Bishop Auckland (Helen Goodman) very powerfully emphasised the issue of access to the arts.

I also congratulate the hon. Member for Isle of Wight (Mr Seely), who spoke very lyrically about his constituency and the great work done there in the arts and health. The hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) gave us a psychologist's insight, which was extremely useful. She talked about the way that art can give inmates the opportunity for rehabilitation. That certainly reminded me of the campaign that I ran in the last Parliament, when the Government mistakenly made a move to stop prisoners having access in prison not only to books but to guitars. I started a campaign with Billy Bragg and I praised the Government at the time for changing their mind, to allow prisoners the opportunity to express themselves creatively as part of their rehabilitation.

My hon. Friend the Member for Bristol North West (Darren Jones) is a very accomplished musician, as he told us. He quite rightly mentioned the Musicians Union campaign. Like him, the new general secretary of the MU, Horace Trubridge, is a saxophonist and I look forward to a duet at some point, perhaps accompanying MP4, the world's greatest and only parliamentary rock band, of which I am a member.

The hon. Member for Strangford (Jim Shannon) quite rightly pointed out the value of the arts to veterans who have been through the experience of serving our country, and he was quite right to emphasise that point and bring it to our attention. My hon. Friend the Member for High Peak (Ruth George) spoke about Project eARTh,

a mental health and arts initiative that brings real benefits in her constituency. My hon. Friend the Member for Batley and Spenningsdale quite rightly mentioned education—I will come back to that point—and my hon. Friend the Member for East Lothian (Martin Whitfield) told us about his constituent, Grace, and the Teapot Trust, in a very valid contribution. My hon. Friend the Member for Vale of Clwyd (Chris Ruane) really is a world leader, as a parliamentarian, on mindfulness, bringing it into Parliament and spreading the word about its importance, and the arts as part of that. He spoke about the primal nature of creativity, and how it is intertwined in our DNA and so important to us. He gave us a frightening statistic about the growth in the use of antidepressants. He quite rightly mentioned, in Libraries Week, the importance of libraries as a creative outlet for people.

Time is fairly short, and it is right that the right hon. Member for Wantage and the Minister should have an opportunity to respond. I want to emphasise a couple of points. We have rehearsed well the value of the arts and creativity to health and wellbeing, and there has been widespread agreement across the House on that. In calling for a culture change, which the right hon. Gentleman rightly did, the difficulty is that while a culture change is needed across the country, it is also needed, if I may say so to the Minister, in Government and among some of his colleagues.

There is nothing wrong with putting an emphasis on basic skills in education. It is quite right that that should concern us all, and it should not be a party political football, but accountability measures in education are set in such a way that they result in some of the statistics that my hon. Friend the Member for Batley and Spenningsdale reminded us of. Between November 2010 and November 2015 the number of art and design teachers in our schools fell by 9%. That is a fact; it is going on right now in our schools. We have all said what a wonderful thing music is and what a wonderful contribution it makes to our wellbeing, and I include myself in that, but the number of students taking GCSE music has dropped by 9%. We all know that drama—my brother is a professional actor, as was my hon. Friend—is a tremendous outlet and means of expression for some young people who can find no other means to do that or find it very difficult to do so. The number of students taking drama A-level has fallen by 26% since 2010.

To conclude, I am going to call it out this way: in the Department for Education the Schools Minister, who has been almost a constant fixture in that Department, has been a blockage, in my view, to some of the good rhetoric that comes out of Government about the importance of creativity. At some point, someone in Government, a Minister, has got to do something about it—it starts at the top, it should be the Prime Minister—and has got to say that the pendulum has swung too far, and creativity and the arts are being squeezed out of our education system. All the calls we make for culture change will come to nothing unless action is taken on that point.

6.32 pm

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (John Glen): It is a pleasure to serve under your chairmanship, Ms Dorries. I thank my right hon. Friend the Member for Wantage (Mr Vaizey) for bringing this matter before us today. I would also like to acknowledge the excellent contributions. We have

[John Glen]

had 11 Back-Bench speeches and several interventions, and I will try to respond to some of those, but I also want to respond to this excellent report.

I know that my right hon. Friend has been a passionate co-chair of the all-party parliamentary group on arts, health and wellbeing, as he was with this agenda as a Minister. I welcome this excellent report: it is thorough, wide-ranging and extremely welcome, and I have studied it carefully.

There are many intensely moving personal testimonies in the report that demonstrate the arts' power to improve our quality of life from childhood through to our later years. As the report sets out, there are figures that show that the arts have a significant positive effect on our health and wellbeing, which has been echoed in many of the contributions this afternoon. For example, the report states that music therapy reduces the need for medication in 67% of people suffering from dementia. Artlift, an Arts on Prescription project in Gloucestershire, has shown a 37% drop in GP consultation rates and a 27% drop in hospital admissions. A study of deprived communities in London, published in 2012, showed that after engaging with the arts in various forms 79% ate more healthily, 77% engaged in more physical exercise and a staggering 82% said that they enjoyed greater general wellbeing.

I acknowledge that the arts can also help with the management of long-term health conditions and their prevention. The report highlights, helpfully, how dance has been used as a form of early intervention with psychosis and has led to clinically significant improvements in wellbeing, communication and concentration among young people.

The arts can and must play a major role in helping us to meet the growing challenges we face in health and social care. As such, we need to make a vital cultural shift to ensure that the arts are fully embedded in the health and social care system. I am sorry I am not a Health Minister, but I am obviously able to interact with other Ministers and I hear that point, which has been made a number of times today. I take that on board.

In last year's Culture White Paper—my right hon. Friend was the driving force behind it—we made several commitments to build on our good work in bringing arts and health together. When I spoke at the launch of the report in July, I stated my commitment to its recommendations. In particular, I have asked my officials to explore the potential to develop and lead a cross-Government strategy, alongside other Departments including Health and Education, to support the delivery of health and wellbeing through arts and culture.

The report also made other recommendations, including the establishment of a national-level strategic centre for the arts, health and social care sectors. We must be realistic about that taking some time to establish, but it is a task I am engaged in. It will require a joint effort by a number of leaders and experts in the sectors, including from NHS England. I support such an aspiration and encourage the sharing of best practice between the arts, health and social care sectors. The more documented and measured outcomes that exist—we have heard good examples today—the more compelling the case is to strengthen the resolve across Government.

Last month I visited the Koestler Trust, a great arts charity for offenders, to hear more about its work and the impact of its awards and mentoring programmes on the most vulnerable people. The evidence was that its awards and programmes have had a positive impact on the lives of vulnerable people and offenders. Last year's annual survey of award entrants showed that 82% felt that the awards had improved their confidence levels. I feel strongly that we must continue to promote and support such work.

I am delighted that the impressive work of charities such as Koestler will continue to be supported through the Arts Council national portfolio in the next investment period, which is 2018 to 2022. I am also keen to host another roundtable discussion with arts organisations and the Prisons Minister to build on the work of my right hon. Friend the Member for Wantage in that area. My officials are working urgently to help to arrange that discussion.

Last month, when I was in the Lake district, I visited Theatre by the Lake, an impressive organisation that works with different community groups to address rural isolation. It was the recent winner of the Alzheimer's Society award for dementia-friendly organisation of the year, in recognition of its special performances for those suffering from dementia. That is vital work and, clearly, many theatres up and down the country make a significant contribution to wellbeing in their communities. I acknowledge that—we need to work to document it and to bring it into the heart of policy making.

Museums also do great work for people with dementia. As was mentioned by the hon. Member for Liverpool, Walton (Dan Carden), who is no longer in his place, the House of Memories project in Liverpool has had great success with the local clinical commissioning group and is now exploring how to expand that outside its area, possibly using a franchise model. The project has trained more than 11,000 health, housing and social care workers in how to use the museum's collections to connect with vulnerable dementia sufferers, generating an estimated £12.6 million in social value.

Just the weekend before last, on my second visit to Manchester as Minister, seeing its wonderful museums and galleries, including the impressive Whitworth Art Gallery, it was clear to me how deeply embedded in the city's health and wellbeing programmes those institutions are. That was a conscious decision by the director, and that sort of leadership will be needed if we are to get the agenda moving across our nation.

The evidence is growing, but more is needed. The Mendoza review of museums, which will shortly be published, has examined the impact of museums on culture and health, and I hope that that work will allow my officials to develop the evidence base about the impact that museums have had on many fields, so that it can be shared more widely around Government.

In the interests of time, I have to abbreviate my remarks, but I will just mention libraries, as it is Libraries Week; I will visit a library in Pimlico tomorrow. My right hon. Friend, who was formerly the Minister with responsibility for libraries, will be aware of the Department's work with the libraries taskforce, which he set up with the Local Government Association. The membership of that taskforce includes Public Health England and NHS England, in recognition of the importance of public libraries in providing information and support to

local people. That taskforce has published a document setting out a vision for public libraries in England, which outlines an ambition for how libraries can deliver better outcomes for communities.

Over the last five years, the Arts Council has invested £41 million in the Creative People and Places programme, building supply and demand in places where engagement with the arts appears to be significantly below the average. So there is work being done on that and I can give the hon. Member for Batley and Spen (Tracy Brabin) more details about that work later. The Cultural Commissioning programme, which is also funded by the Arts Council, is another important element of its work.

In conclusion, it is undeniable that the arts and wider cultural sectors can and should play a key role in addressing some of the most pressing issues faced by both our health and social care systems. It is also important to recognise that politicians, arm's length bodies, health and social care commissioners and the sectors themselves need to work together to get this matter right. It is an enormous challenge, but it is one that I take very seriously and will take forward. I hope that many of the Members who have contributed today will help me with the next steps to take these recommendations forward

and make the aspirations that have been expressed real, so that they can have a real impact across our country.

Ms Nadine Dorries (in the Chair): Mr Vaizey—40 seconds. Sorry.

6.41 pm

Mr Vaizey: Three things. First, I hope that the all-party group will get a response from the Department for Digital, Culture, Media and Sport. Secondly, the mood of the House is that we want a letter from the Health Minister, don't we? [HON. MEMBERS: Yes.]

Thirdly, everyone who has attended today and so brilliantly contributed to this debate is now officially a member of the all-party group. So let us carry on and we will invite the Health Minister and the Arts Minister to our first meeting.

Question put and agreed to.

Resolved,

That this House has considered the effect of the arts on health.

6.41 pm

Sitting adjourned.

Written Statements

Wednesday 11 October 2017

DIGITAL, CULTURE, MEDIA AND SPORT

Internet Safety Strategy

The Secretary of State for Digital, Culture, Media and Sport (Karen Bradley): I wish to inform the House that, on 11 October, the Department for Digital Culture and Media and Sport will publish the Internet Safety Strategy Green Paper. The accompanying public consultation will close on 7 December 2017. Both can be found at: <https://www.gov.uk/government/consultations/internet-safety-strategy-green-paper>.

The strategy was publically announced in February of this year and will give effect to our manifesto commitment to “make Britain the safest place in the world to be online”.

The strategy considers the responsibilities of companies to their users, the use of technical solutions to prevent online harms and Government’s role in supporting users. It is underpinned by three key principles: what is unacceptable offline should be unacceptable online; all users should be empowered to manage online risks and stay safe; and technology companies have a responsibility to their users.

The strategy represents the first strand of our digital charter work which will ensure that every individual and every business can seize the opportunities of digital technology. We are developing the digital charter by working with companies, civil society and others to establish a strong framework that balances freedom with protection for users, and offers opportunities alongside obligations for businesses and platforms. The manifesto made it clear that the Government will act when people need more protections to keep them safe, including online.

The Digital Economy Act 2017 requires a voluntary code of practice to be established, to set guidance on what social media providers should do in relation to harmful conduct on their platforms. The Internet Safety Strategy consults on the form this should take as part of a wider framework for industry responsibility, including an annual transparency report by social media platforms and a social media levy to enable greater public awareness of online safety and enable preventative measures against online harms.

The strategy is being undertaken alongside new age verification measures for pornography. The Digital Economy Act introduced the requirement for commercial providers of online pornography to have robust age verification controls in place to prevent children and young people under 18 from accessing pornographic material. This measure is due to be in place in April 2018—12 months after the Act received Royal Assent.

The Committee on Standards in Public Life is separately leading an inquiry into the intimidation of parliamentary candidates, including through online platforms. The measures in the strategy, such as the responsibilities of companies to their users, will usefully support Government’s objectives in these areas.

Government plan to issue a response to the Internet Safety Strategy Green Paper in 2018.

[HCWS156]

FOREIGN AND COMMONWEALTH OFFICE

Alleged Serious and Significant Offences (Diplomatic Immunity)

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): In 2016, 12 serious and significant offences allegedly committed by people entitled to diplomatic or international organisation-related immunity in the United Kingdom were drawn to the attention of the Foreign and Commonwealth Office by Parliamentary and Diplomatic Protection of the Metropolitan Police Service, or other law enforcement agencies. Eight of these were driving-related. We define serious offences as those which could, in certain circumstances, carry a penalty of 12 months’ imprisonment or more. Also included are drink-driving and driving without insurance.

Around 22,500 people are entitled to diplomatic immunity in the United Kingdom and the majority of diplomats abide by UK law. The number of alleged serious crimes committed by members of the diplomatic community in the UK is proportionately low.

Under the Vienna Convention on Diplomatic Relations 1961, those entitled to immunity are expected to obey the law. The FCO does not tolerate foreign diplomats breaking the law.

We take all allegations of illegal activity seriously. When instances of alleged criminal conduct are brought to our attention by the police, we ask the relevant foreign government to waive diplomatic immunity where appropriate. For the most serious offences, and when a relevant waiver has not been granted, we seek the immediate withdrawal of the diplomat.

Alleged serious and significant offences reported to the FCO in 2016 are listed below.

2016

Driving without insurance

Qatar 1

Driving without insurance (or an MOT, and not in accordance with a licence)

Saudi Arabia 1

Driving without insurance (and not in accordance with a licence)

Guinea 1

Pakistan 1

Driving under the influence of alcohol

Botswana 1

Russia 2

Driving under the influence of alcohol (using a hand-held mobile telephone or other hand-held interactive communication device when driving)

Saudi Arabia 1

Actual bodily harm^(a)

Libya 1

Possession of a class B drug with intent to supply^(a)

Libya 1

Possession of an offensive weapon^(a)

Libya 1

^(a)These are allegations made against the same person.

The following offence was also reported to the FCO in 2016 and the offender’s criminal conduct was proven in a court of law.

Sexual Assault

European Bank of Reconstruction and Development 1

We also wish to record that in 2016 a former attaché at the Canadian High Commission was convicted at Southwark Crown Court of three counts of making indecent photographs/pseudo-photograph of a child; one count of possessing a prohibited image of a child; one count of possessing an extreme pornographic image; and one count of failing to comply with a section 49 Regulation of Investigatory Powers Act notice. The former attaché was sentenced to nine months' imprisonment. These offences were not recorded in last year's written ministerial statement because the case was then sub-judice and their previous inclusion might have prejudiced the outcome of criminal proceedings.

Figures for previous years are available in the Secretary for State for Foreign and Commonwealth Affairs' written statement to the House on 21 July 2016, *Official Report*, column 40WS [HCWS106].

[HCWS155]

Diplomatic Missions and International Organisations: Debts

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): The Foreign and Commonwealth Office has held meetings with a number of missions about outstanding parking fine debt, outstanding national non-domestic rates payments and unpaid congestion charge debt. The director of protocol raises the issue in his introductory meetings with all new ambassadors and high commissioners whose missions are in debt to the relevant authorities. FCO officials also press diplomatic missions and international organisations to pay outstanding fines and debts. In April this year, protocol directorate wrote to diplomatic missions and international organisations concerned giving them the opportunity to either pay their outstanding debts, or appeal against specific fines if they considered that they had been issued incorrectly.

Parking fines: in 2016, 4,311 parking fines incurred by diplomatic missions and international organisations in London were brought to our attention by local councils, Transport for London and the City of London. These totalled at least^(a) £430,126.

Subsequent payments (including amounts waived by the above authorities) totalled £102,164. There remains a total of £327,962 in unpaid fines for 2016.

The table below details those diplomatic missions and international organisations that have outstanding fines from 2016 totalling £1,000 or more, as of 28 June 2017.

<i>Diplomatic Mission/International Organisation 2016</i>	<i>Amount of Outstanding Fines (excluding congestion charge) £</i>
Embassy of the Republic of South Sudan	£83,215
High Commission for the Federal Republic of Nigeria	£30,024
Royal Embassy of Saudi Arabia	£19,202
Embassy of the Republic of the Sudan	£17,985
High Commission for the Republic of Zambia	£11,220
Embassy of the Republic of Uzbekistan	£10,610
High Commission for Malaysia	£7,740

<i>Diplomatic Mission/International Organisation 2016</i>	<i>Amount of Outstanding Fines (excluding congestion charge) £</i>
Embassy of the Republic of Cote d'Ivoire	£7,040
Embassy of the Federal Democratic Republic of Ethiopia	£6,440
Embassy of the Sultanate of Oman	£4,650
Embassy of the Democratic People's Republic of Korea	£4,565
High Commission for the Islamic Republic of Pakistan	£4,050
Embassy of France	£4,035
Embassy of the United Arab Emirates	£3,850
Embassy of the Islamic Republic of Afghanistan	£3,770
Embassy of the Republic of Liberia	£3,375
Embassy of the State of Qatar	£2,985
Embassy of the Socialist Republic of Vietnam	£2,665
Embassy of the Republic of Azerbaijan	£2,580
Embassy of the Hashemite Kingdom of Jordan	£2,520
High Commission for the United Republic of Tanzania	£2,055
Embassy of Libya	£1,935
Embassy of the Republic of Angola	£1,895
High Commission for Sierra Leone	£1,820
Embassy of the Republic of Yemen	£1,815
High Commission for the Republic of Ghana	£1,780
Embassy of the Republic of Iraq	£1,575
People's Democratic Republic of Algeria	£1,435
Embassy of the People's Republic of China	£1,365
Embassy of the Republic of Kosovo	£1,235
Embassy of the State of Kuwait	£1,225
High Commission for the Republic of South Africa	£1,195
Embassy of Georgia	£1,065

^(a)The figure of £430,126 excludes the value of parking fines issued by Barnet Council in 2016, because Barnet Council failed to provide the FCO on request with the value of the fines it had issued.

National non-domestic rates (NNDR): the majority of diplomatic missions in the United Kingdom pay the NNDR due from them. Diplomatic missions are obliged to pay only 6% of the total NNDR value of their offices. This represents payment for specific services received such as street cleaning and street lighting.

As at 8 June 2017, the total amount of outstanding NNDR payments, due before 31 December 2016, owed by foreign diplomatic missions as advised by the valuation office agency is £1,049,999, an increase of 16% over the 2015 figure, as reported in the 2016 WMS (£907,976). However, £51,573 of this outstanding debt is owed by

Syria—which is not currently represented in the UK and we have therefore been unable to pursue this debt. Four missions are responsible for just over a third of the remainder. We shall continue to urge those with NNDR debt to pay their dues.

The table below details those diplomatic missions that, as of 8 June 2017, owed over £10,000 in respect of NNDR due before 31 December 2016.

Embassy of the Republic of the Sudan	£109,599
High Commission for the People's Republic of Bangladesh	£107,427
Embassy of the Islamic Republic of Iran	£104,688
Embassy of the Republic of Zimbabwe	£79,852
High Commission for the Republic of Zambia	£39,081
Uganda High Commission	£36,885
Embassy of the Republic of Angola	£32,273
Embassy of the Republic of Liberia	£29,559
Embassy of the Federal Democratic Republic of Ethiopia	£28,652
Embassy of Libya	£26,186
Embassy of the State of Qatar	£25,890
High Commission for the Republic of Cameroon	£25,126
Embassy of the Republic of Albania	£24,165
High Commission for the Democratic Socialist Republic of Sri Lanka	£23,846
Embassy of the Arab Republic of Egypt	£23,120
Embassy of Ukraine	£15,675
High Commission for Sierra Leone	£14,641
Embassy of the United Arab Emirates	£13,866
Embassy of the Republic of Cote d'Ivoire	£13,098
Embassy of the Republic of Lithuania	£12,359

London congestion charge: the value of unpaid congestion charge debt incurred by diplomatic missions and international organisations in London since its introduction in February 2003 until 31 December 2016 as advised by Transport for London (TfL) was £105,419,835. The table below shows those diplomatic missions and international organisations with outstanding fines of £100,000 or more.

<i>Country</i>	<i>Number of Fines</i>	<i>Total Outstanding</i>
Embassy of the United States of America	96,274	£ 11,544,455
Embassy of Japan	63,869	£7,629,370
High Commission for the Federal Republic of Nigeria	54,237	£6,481,620
Embassy of the Russian Federation	47,760	£ 5,603,320
Office of the High Commissioner for India	40,929	£4,991,125

<i>Country</i>	<i>Number of Fines</i>	<i>Total Outstanding</i>
Embassy of the Federal Republic of Germany	36,258	£4,221,590
Embassy of the Republic of Poland	31,780	£3,854,130
Embassy of the People's Republic of China	30,317	£ 3,805,465
Office of the High Commissioner for Ghana	28,630	£ 3,465,960
Embassy of the Republic of Sudan	26,161	£ 3,048,475
Embassy of the Republic of Kazakhstan	24,032	£ 2,947,595
High Commission for Kenya	20,844	£ 2,453,305
Embassy of France	17,570	£2,090,815
High Commission for the United Republic of Tanzania	16,183	£ 1,893,325
Commission for the Islamic Republic of Pakistan	15,979	£1,971,105
Embassy of Spain	15,855	£ 1,893,420
Embassy of the Republic of Korea	14,777	£ 1,805,150
Embassy of Romania	13,069	£ 1,547,415
High Commission for the Republic of South Africa	12,963	£ 1,503,195
Embassy of the Republic of Cuba	12,744	£ 1,557,555
Embassy of Algeria	12,694	£ 1,495,660
High Commission for Sierra Leone	12,038	£ 1,404,675
Embassy of Greece	12,028	£ 1,419,575
Embassy of Ukraine	11,759	£ 1,380,430
Embassy of Hungary	9,157	£ 1,097,580
High Commission for the Republic of Cyprus	8,588	£ 1,030,060
High Commission for the Republic of Zambia	7,481	£ 882,040
Embassy of the Republic of Yemen	7,475	£ 889,990
Embassy of the Republic of Bulgaria	6,853	£ 797,035
High Commission for the Republic of Cameroon	5,923	£692,170
Embassy of the Republic of Belarus	5,796	£ 680,595
High Commission for the Republic of Malawi	5,576	£ 663,380
High Commission for Botswana	5,515	£ 667,605
Embassy of the Slovak Republic	5,493	£641,215
Embassy of the Federal Democratic Republic of Ethiopia	5,243	£ 608,795
High Commission for the Republic of Namibia	5,186	£602,145
High Commission for the Republic of Mozambique	5,182	£611,340
Embassy of the Republic of Zimbabwe	5,120	£575,910
High Commission for Kingdom of Swaziland	5,008	£581,510
Embassy of the Republic of Cote d'Ivoire	4,673	£ 553,865
High Commission for Malta	4,533	£ 546,420
Embassy of the Republic of Equatorial Guinea	4,428	£519,215
Embassy of the Republic of Lithuania	4,353	£521,270
Embassy of the Republic of Turkey	4,344	£ 530,465
Embassy of Austria	4,290	£513,005
High Commission for Mauritius	4,223	£494,495

<i>Country</i>	<i>Number of Fines</i>	<i>Total Outstanding</i>
High Commission for the Kingdom of Lesotho	3,993	£ 467,055
High Commission for Uganda	3,872	£ 464,420
Embassy of the Republic of Liberia	3,772	£ 457,905
Embassy of Belgium	3,597	£ 430,060
Embassy of the Czech Republic	3,529	£ 407,600
Embassy of the Socialist Republic of Vietnam	3,350	£ 395,400
Embassy of the Republic of Guinea	3,314	£ 385,265
Embassy of the Islamic Republic of Afghanistan	3,213	£ 386,600
Embassy of Denmark	2,981	£356,010
High Commission for Jamaica	2,909	£ 345,545
Embassy of the Democratic Republic of the Congo	2,727	£ 338,580
Embassy of the Kingdom of Morocco	2,713	£ 344,840
Embassy of the Republic of South Sudan	2,612	£ 333,520
High Commission for the Democratic Socialist Republic of Sri Lanka	2,505	£315,670
Embassy of Tunisia	2,353	£ 288,890
Embassy of the Arab Republic of Egypt	2,290	£241,725
Embassy of Portugal	2,263	£ 278,035
Embassy of the Democratic People's Republic of Korea	2,221	£ 255,675
Embassy of the Republic of Latvia	2,196	£265,155
Embassy of Finland	2,160	£ 258,490
Embassy of Luxembourg	2,018	£ 243,470
Embassy of the Republic of Iraq	1,971	£ 248,535
High Commission for Antigua & Barbuda	1,966	£ 232,570
Embassy of the Republic of Slovenia	1,958	£ 239,025
Embassy of the Kingdom of Saudi Arabia	1,808	£ 197,875
High Commission for Belize	1,670	£ 206,635
Embassy of Estonia	1,437	£ 177,645
Embassy of the Dominican Republic	1,221	£ 146,260
Embassy of the State of Eritrea	1,209	£ 142,925
High Commission for Guyana	1,102	£ 129,105
The Permanent Mission of the Russian Federation to the International Maritime Organisation	1,021	£ 126,795
Embassy of the Islamic Republic of Mauritania	982	£ 103,590
High Commission for the Republic of the Maldives	961	£116,325
High Commission for Seychelles	908	£ 111,365

Figures for previous years are available in the Secretary for State for Foreign and Commonwealth Affairs' written statement to the House on 21 July 2016, Official Report, column 47WS (HCWS100).

[HCWS154]

HOME DEPARTMENT

Grenfell Tower Fire

The Minister for Immigration (Brandon Lewis): I wish to inform the House that I am today introducing a change to the dedicated immigration policy for residents of Grenfell Tower and Grenfell Walk.

The Government have been clear that their priority is to ensure that survivors of this tragedy get the access they need to vital services, irrespective of immigration status.

On 5 July, we announced that those individuals directly affected by the Grenfell Tower fire who contact the Home Office via a specified process will be given a period of limited leave for 12 months to remain in the UK with full access to relevant support and assistance.

Our initial response to this terrible tragedy was rightly focused on survivors' immediate needs in the aftermath of the fire and ensuring they could access the services they need to start to rebuild their lives.

However, since the Grenfell Tower immigration policy was announced, we have been planning for the future of those residents affected by these unprecedented events and listening to their feedback, as well as the views of Sir Martin Moore-Bick.

The Government believe it is right to provide the specific group of survivors who are eligible for limited leave to remain under the dedicated immigration policy greater certainty over their long-term future in the UK, subject to their continued eligibility and the necessary security and criminality and fraud checks being met.

That is why I am announcing today that those who qualify for leave to remain under the Grenfell immigration policy for survivors will now be provided with a route to permanent settlement in the UK.

Eligible individuals, who have already come forward or do so by 30 November 2017, will be granted an initial 12 months' limited leave which will be extendable and lead to permanent residence after a total period of five years' leave granted under the policy, subject to meeting security, criminality and fraud checks.

I also wish to inform the House of additional support for relatives of survivors or relatives of victims of the tragedy who have already been granted entry to the UK for reasons relating to the Grenfell tragedy. The changes I am announcing today will enable relatives to stay in the UK for up to six months from their date of entry. This new dedicated immigration policy allows relatives who have come to the UK and who were initially granted less than six months' leave in order to provide a short period of support a survivor or to arrange the funeral of a family member to extend their stay to six months in total.

Anyone who believes they are eligible for either scheme can speak face-to-face to a specialist Home Office team at the Community Assistance Centre, 10 Bard Road, Nottingdale, West London, W10 6TP.

There are existing immigration policies which allow us to consider compassionate circumstances where someone is not covered by the bespoke policies for survivors and relatives and any such applications would be considered on a case by case basis.

[HCWS157]

TRANSPORT**Silvertown Tunnel Development**

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): I have been asked by my right hon. Friend, the Secretary of State, to make this written ministerial statement. This statement concerns the application made by Transport for London under the Planning Act 2008 on 29 April 2016 for a proposed development known as Silvertown Tunnel.

The application will allow for the construction of a new twin bore road tunnel to pass under the River Thames, providing a new connection between the A102 Blackwall Tunnel southern approach and the Tidal Basin roundabout junction on the A1020 Lower Lea Crossing, London.

Under sub-section 107(1) of the Planning Act 2008, the Secretary of State must make his decision within three months of receipt of the examining authority's report unless exercising the power under sub-section 107(3) to extend the deadline and make a statement to Parliament announcing the new deadline. The Secretary of State received the Examining Authority's report on Silvertown Tunnel on 11 July 2017 and the current deadline for a decision is 11 October 2017.

The deadline for the decision is to be extended to 10 November 2017 (an extension of one month). This extension is to enable further consideration of the recent responses to the Secretary of State consultations on the scheme which relate to the updated UK plan for tackling roadside nitrogen dioxide concentrations published by Government on 26 July 2017.

The decision to set a new deadline is without prejudice to the decision on whether to give development consent.

[HCWS153]

ORAL ANSWERS

Wednesday 11 October 2017

	<i>Col. No.</i>		<i>Col. No.</i>
CABINET OFFICE	311	CABINET OFFICE—continued	
Devolved Administrations: Brexit.....	311	Topical Questions.....	318
Electoral Fraud.....	315	Voting Age.....	317
Electoral Registration.....	313		
Government Procurement: SMEs.....	316		
Lobbying.....	316	PRIME MINISTER	321
Relocation of Government Functions.....	318	Engagements.....	321

WRITTEN STATEMENTS

Wednesday 11 October 2017

	<i>Col. No.</i>		<i>Col. No.</i>
DIGITAL, CULTURE, MEDIA AND SPORT	15WS	HOME DEPARTMENT	22WS
Internet Safety Strategy.....	15WS	Grenfell Tower Fire.....	22WS
FOREIGN AND COMMONWEALTH OFFICE	16WS		
Alleged Serious and Significant Offences (Diplomatic Immunity).....	16WS	TRANSPORT	23WS
Diplomatic Missions and International Organisations: Debts.....	17WS	Silvertown Tunnel Development.....	23WS

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons,*

**not later than
Wednesday 18 October 2017**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

CONTENTS

Wednesday 11 October 2017

Oral Answers to Questions [Col. 311] [see index inside back page]

Minister for the Cabinet Office
Prime Minister

Higher Education Funding [Col. 335]

Answer to urgent question—(Joseph Johnson)

Nuclear Safeguards [Col. 344]

Bill presented, and read the First time

Fetal Dopplers (Regulation) [Col. 345]

Motion for leave to bring in Bill—(Antionette Sandbach)—agreed to
Bill presented, and read the First time

Finance Bill [Col. 348]

Further considered in Committee

Petitions [Col. 410]

University Vice-Chancellors: Pay [Col. 412]

Debate on motion for Adjournment

Westminster Hall

Iran: Human Rights [Col. 81WH]
HGV Driver Regulation [Col. 105WH]
Royal Mail Delivery Office Closures [Col. 112WH]
Advice Services (Nottingham) [Col. 136WH]
The Arts: Health Effects [Col. 143WH]
General Debates

Written Statements [Col. 15WS]

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
