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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Tuesday 24 October 2017**

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# House of Commons

*Tuesday 24 October 2017*

*The House met at half-past Eleven o'clock*

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### TREASURY

*The Chancellor of the Exchequer was asked—*

#### Unemployment

1. **David T. C. Davies** (Monmouth) (Con): What recent fiscal steps he has taken to reduce unemployment. [901359]

**The Chancellor of the Exchequer (Mr Philip Hammond):** In 2010, we inherited the UK's largest deficit since the second world war, at 9.9% of GDP. We set out a clear fiscal framework to restore confidence in the economy and reduce the deficit, which has subsequently fallen by more than two thirds.

We have delivered the lowest corporation tax rate in the G20 and cut employment costs through the employment allowance. Our unemployment rate, in consequence, is at its lowest level for more than 40 years, and since 2010 we have seen 3 million more people find work. With the economy operating at near record high employment, our focus now must be to increase productivity and, thus, real wage growth.

**David T. C. Davies:** Will my right hon. Friend confirm that despite all the fearmongering from many, including Opposition Members, since the Brexit referendum, we have the best growth rates and best inward investment rates in the whole of Europe, and the lowest unemployment rates for four decades? Is that not a ringing endorsement of this Government's policies?

**Mr Hammond:** My hon. Friend is absolutely right to say that we have the lowest unemployment rate for four decades, and that is a remarkable achievement. The British economy has performed with remarkable resilience since June 2016. Last year, we had the second highest growth rate in the G7. The British economy is fundamentally strong and resilient. Yes, we have some short-term uncertainty, but underneath that is a strong and resilient economy ready to go forward and reap the benefits that are available in the future.

**Mr Chris Leslie** (Nottingham East) (Lab/Co-op): A fortnight ago, at the International Monetary Fund, the Chancellor was talking about the fiscal and unemployment consequences if a transition deal on Brexit is not achieved

by the first quarter of next year. He was right then, so what is he doing to help secure a specific transition agreement in that first quarter of next year?

**Mr Hammond:** We are preparing for all outcomes in our negotiations with the European Union, but the Government's objective is to reach a deal. As the Prime Minister made clear in her Florence speech, as part of that deal we want to agree an implementation period, during which businesses and Governments can prepare for the new relationship, and we want to agree the principles of that period as soon as possible. Last week, at the European Council, the 27 agreed to start internal preparatory discussions on guidelines in relation to an implementation period. Together with the broad support for the idea in Parliament, this should give British businesses confidence that we are going to provide them with the certainty they require.

**Theresa Villiers** (Chipping Barnet) (Con): Will the Chancellor welcome the fact that there are more women in work than ever before and set out what steps we can take to ensure that this is one of the best countries in the world for women to set up and run their own businesses?

**Mr Hammond:** One of the remarkable achievements of the past seven years has been the increase in participation in the workforce, particularly in the number of women participating in the workforce. That is in large part due to the family-friendly policies this Government have pursued, with huge increases in the availability of childcare—free childcare—and in the tax deductibility of childcare. We will continue to drive a set of policies that encourages women into the workforce, both because it is economically sensible and because it is socially inclusive.

**Sir Vince Cable** (Twickenham) (LD): One of the biggest fiscal steps that can be taken to reduce unemployment is public sector investment in housing. May I therefore welcome the Communities Secretary's statement yesterday that the Treasury has agreed to increase net borrowing by, I believe, £50 billion in order to enable this to happen? Will the Chancellor confirm that this is Government policy?

**Mr Hammond:** No, and that was not what my right hon. Friend said, as the right hon. Gentleman very well knows. I would, however, agree with him that increasing activity in the construction sector is a very good way of creating jobs, but he will know that at 4.3% our economy is approaching full employment and the output gap is extremely small.

**Philip Davies** (Shipley) (Con): Given that more people are in employment, there is more opportunity for people to take advantage of employee share ownership saving schemes. Unfortunately, the maximum amount of time someone can pause one of those schemes is six months, which means that many women on maternity leave for up to a year have to cash in their schemes and cannot take advantage of them to maximum effect. I am sure that is an out-of-date anomaly, so in the Budget will the Chancellor extend the period of time that an employee share ownership saving scheme can be paused to up to

12 months? In that way, women on maternity leave can enjoy the same benefits of those schemes as everybody else.

**Mr Speaker:** The hon. Gentleman used the words “employment” and “employee” and just about got his question in order.

**Mr Hammond:** I am sure he did, Mr Speaker. My hon. Friend raises an interesting but technical point that has been raised with me by others, including the TUC. I will take what he said as a Budget representation and look into it carefully.

**Kate Green (Stretford and Urmston) (Lab):** Getting second earners and couples into work is one of the best ways to reduce family poverty and protect women economically for the future. Rather than putting money into continuing to increase the tax threshold, which rarely benefits low-income families, will the Chancellor consider measures in his Budget on the work allowances in universal credit, which are currently a real deterrent to second earners looking to increase their labour market participation?

**Mr Hammond:** The Government made commitments on the personal allowance and higher-rate threshold in their previous election manifesto. We reiterated them in the 2017 manifesto, and we remain committed to those policies. Of course, I will take into account all the representations I receive from right hon. and hon. Members, and I shall take the hon. Lady’s comments on the work allowance as such a representation.

#### Fiscal Devolution: London

2. **Robert Neill (Bromley and Chislehurst) (Con):** Whether his Department has made an assessment of the potential merits of recommendations from the London Finance Commission on fiscal devolution for London. [901360]

**The Economic Secretary to the Treasury (Stephen Barclay):** I thank my hon. Friend for his work on the London Finance Commission, which recommended giving London a wide range of additional powers. The Government have committed to continue to work with the Greater London Authority and London Councils to ensure that London has the powers it needs to maintain its status as a world-leading city.

**Robert Neill:** I am grateful for that response, but will my hon. Friend particularly and urgently consider whether an element of fiscal devolution—for example, a tourist levy or something similar—might be part of a robust funding package for Crossrail 2, which is a critical part of national infrastructure and will give a boost worth around £150 billion to the whole UK economy?

**Stephen Barclay:** As my hon. Friend is aware, the Department for Transport is scrutinising the business case for Crossrail and discussing it with Transport for London. It is right that the London region does not retain disproportionate amounts of revenue. Some of the recommendations in the commission’s report are very broad ranging.

**Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** If the ministerial team are to deliver anything for the London Finance Commission, will the Minister at least talk to the commission about the difficulty, with Brexit coming, of recruiting anyone to come to live and work in London? The search for talent is very difficult indeed. No one wants to work in this financial capital because of Brexit—what is he going to do about it?

**Stephen Barclay:** The hon. Gentleman needs to question whether Labour Members are fully signed up to the recommendations of the London Finance Commission. For example, many of his colleagues on the Opposition Benches may not support the retaining of almost half of all stamp duty across England.

#### Scottish Economy

3. **Paul Masterton (East Renfrewshire) (Con):** What assessment he has made of the contribution of the UK internal market to the Scottish economy. [901361]

**The Chancellor of the Exchequer (Mr Philip Hammond):** The UK internal market benefits all the nations and regions of the United Kingdom. It is essential that no new barriers to living and doing business in the UK are created. Exports to the rest of the UK are vital to the success of Scotland’s economy, generating £50 billion in 2015. That compares with £12 billion of exports to the EU and £16 billion to the rest of the world and it accounts for 63% of Scotland’s total exports.

**Paul Masterton:** Small and medium-sized enterprises make a vital contribution to local economies, so I am delighted that in East Renfrewshire the number of registered enterprises has gone up by 18% since 2010. Does the Chancellor agree that as those businesses look to expand from being local to national players, it is vital to maintain the integrity of the UK internal market? Any moves to fragment it would damage the Scottish economy, place huge barriers to trade on both sides of the border, and put that vital contribution he just outlined in jeopardy.

**Mr Hammond:** I strongly agree with my hon. Friend that the fragmentation of the UK internal market would be damaging for the Scottish economy, particularly small businesses. This is not just an issue for Scotland, though. We all agree that protecting the UK internal market is in our shared interests, and the Government will work to make sure that there are no new barriers to doing business across the UK.

**Kirsty Blackman (Aberdeen North) (SNP):** Staying in the UK internal market while the UK crashes out of the EU is set to cost Scotland £30 billion over five years, according to research by the London School of Economics published today. Aberdeen is set to lose the most, at 7% of gross value added. Will the Chancellor be clear on behalf of his Government that no deal is not an option?

**Mr Hammond:** As I have already said, the Government are preparing for all possible outcomes of the negotiations with the European Union, as any prudent Government would, but the Prime Minister has made it very clear that our strong preference is to achieve a deal, which is

good for Britain and which protects British jobs, British businesses and British prosperity—by which I mean the jobs, businesses and prosperity of all of the United Kingdom.

**Kirsty Blackman:** On that note, 56% of EU nationals in FTSE 250 companies are highly likely, or quite likely, to leave the UK before the conclusion of the Brexit negotiations. What is the Chancellor's assessment of the impact on the Scottish economy of all of this talent leaving the UK?

**Mr Hammond:** I am very confident that, whatever the outcome, all of this talent will not leave. The Prime Minister made it very clear yesterday that her top priority remains giving assurance to EU citizens living in the UK, which is why she is working hard to deliver a deal on citizens. It is the area in which our discussions with the European Union are most advanced. The hon. Lady has the Prime Minister's personal commitment on the importance that she attaches to that area.

**Colin Clark (Gordon) (Con):** Financial and accounting services amounted to Scotland's most valuable export service in 2015. Of the £8.8 billion they were worth, £7.6 billion, or 86%, went to the rest of the UK. Does my right hon. Friend agree that conserving the UK internal market is vital to protect such an important sector of the Scottish economy?

**Mr Hammond:** My hon. Friend is right to draw attention to the important role of financial services and insurance in the Scottish economy as a subset of the broader point that the internal market works extremely well for Scotland and is very important to Scotland's exports. It would clearly be catastrophic for the financial and insurance services sector if businesses based in Scotland were no longer able to operate across the border into England.

**Wes Streeting (Ilford North) (Lab):** If I understand this correctly, we have Scottish National party members who understand the benefits of the European single market, but not the UK single market, and we have fanatics in the Conservative party who extol the benefits of the UK single market but who would happily drive a coach and horses through the European single market. Perhaps, in his characteristic fashion, the Chancellor can set out a slightly more grown up position and tell us how he will protect both in the interests of the British economy.

**Mr Hammond:** The Government's position is very clear: the benefits of the UK internal market are absolutely clear to all of us and we will not allow it to be compromised. In our negotiations with the European Union, we hope and expect to agree a deal that will allow British businesses to continue to enjoy the benefits of access to the European marketplace and European companies to continue to enjoy the benefits of access to the UK market.

### Digital Infrastructure

4. **Andrew Percy (Brigg and Goole) (Con):** What recent investment the Government have provided for digital infrastructure. [901362]

**The Exchequer Secretary to the Treasury (Andrew Jones):** The Government are investing more than £1 billion to stimulate the market to build the next generation digital infrastructure that the UK needs for the future. This includes the £400 million digital infrastructure investment fund and the £740 million for full fibre broadband and 5G mobile. That is in addition to the Government-led £1.7 billion superfast programme, which will extend coverage to 95% of UK premises by the end of the year.

**Andrew Percy:** The vast majority of my constituents in east Yorkshire and north Lincolnshire now enjoy superfast broadband, but a small number in rural areas still struggle with access to broadband and to good 4G, 3G or even 2G mobile coverage. What more can the Government do to give BT Openreach and the mobile networks a kick up the backside to make sure that we get the coverage that we are all paying for?

**Andrew Jones:** The Government are working to continue their progress on the superfast broadband roll-out. We expect to reach 95% by the end of this year. We have already seen some changes from the internal reorganisation within British Telecom, separating out Openreach. The progress will be maintained through Government expenditure in that programme and in the digital infrastructure investment fund.

**Helen Goodman (Bishop Auckland) (Lab):** The Office for Budget Responsibility has just reported on the poor productivity record in this country. Investment in broadband is crucial to improving that, so when will the Minister respond to the letter that I wrote to him on 1 September about broadband in Teesdale?

**Andrew Jones:** I absolutely agree that broadband and digital progress are critical to the productivity of our economy. I am not aware of that letter. I will look into it with immediate effect, and I apologise for the delay.

**Alan Mak (Havant) (Con):** As the fourth industrial revolution accelerates, superfast broadband will be key to the productivity of our high-growth technology businesses. Will the Minister continue working with entrepreneurs and businesses to ensure that they get the broadband system that they need?

**Andrew Jones:** I most certainly will continue to work on that. My hon. Friend has consistently spoken up on behalf of entrepreneurs and enterprise since he arrived in this House. The Government's intention to pursue our broadband investment, whether it is superfast or full fibre, is right at the heart of our efforts to improve productivity.

**Sammy Wilson (East Antrim) (DUP):** BT has received hundreds of millions of pounds from the Government for public investment in the digital network. But there are parts of my constituency—both rural and urban—where broadband coverage is still very poor, such as the town of Carrickfergus. BT refused to look at innovative ways of splitting the network. Is it not time that the Government looked to other bids for some of the money they are investing in broadband in order to ensure that there is better coverage?

**Andrew Jones:** The hon. Gentleman makes an important point. All our constituencies have some areas that are not yet fully able to access the important benefits of broadband. I will discuss his points with my colleagues in the Department for Communities and Local Government, and report back to him.

**Peter Dowd (Bootle) (Lab):** I am pleased that the Communities Secretary has been inspired by Labour's fiscal credibility rule in relation to investment in infrastructure—including digital infrastructure and, recently, house building. But this does beg crucial questions. Does the Minister support his colleague's bid to "borrow more to invest" or is it more a bid to steal the Chancellor's job?

**Andrew Jones:** I have already outlined the Government's progress on broadband. The hon. Gentleman mentions, I think, some kind of speculative comment regarding the forthcoming Budget. The Chancellor has already answered that question.

**Peter Dowd:** The digital infrastructure plans are wholly inadequate, as my hon. Friend the Member for Bishop Auckland (Helen Goodman) indicated. Is the Minister aware that productivity figures are at pre-crisis levels, and is he really aware that regional industries are up to seven times more productive than others? What is the digital investment strategy doing to close that shocking gap?

**Andrew Jones:** The hon. Gentleman seems to have forgotten the announcement of the national productivity investment fund—a £23 billion pot of money for investment in infrastructure, including digital infrastructure, across the country. I have already mentioned the £400 million digital infrastructure investment fund and the £740 million for full-fibre broadband and 5G. We are already approaching the figure of 95% of UK premises having access to superfast broadband by the end of the year, and that puts us in a strong place for the future.

### SMEs (East Midlands)

5. **Sir Edward Leigh (Gainsborough) (Con):** What steps he is taking to reduce tax-related bureaucracy for small and medium-sized enterprises in the east midlands. [901363]

**The Financial Secretary to the Treasury (Mel Stride):** The Government are committed to reducing the administrative burdens for small and medium-sized enterprises, including in the east midlands. That is why we delivered £272 million of net reductions in administrative burdens between 2011 and 2015, and why we continue to reduce unnecessary interaction with the tax system.

**Sir Edward Leigh:** We still have one of the longest tax codes in the world. I know that the Treasury is under constant pressure to bung extra pieces of money to particular interest groups, but may I suggest to the Minister that he sticks to his last on the Treasury Bench and argues the case for less taxation, simpler taxation and less debt? That is the best service we can give to the young and to businesses.

**Mel Stride:** My hon. Friend raises an important point about complexity, which is why we continue to work with the Office for Tax Simplification to ensure that our tax code is as simple as it can be. But there is no doubt that, in upholding our exemplary record of clamping down on avoidance, evasion and non-compliance—£160 billion of revenue from 2010 to 2015—we make no apologies for having a tax code that works to support our public services.

**Alison McGovern (Wirral South) (Lab):** Some 130,000 small and medium-sized businesses that export to Europe currently do not have to deal with any bureaucracy at our border to do so, but they could face such bureaucracy if the Minister's colleagues have their way. Does the Minister think that that will be good or less good for British business?

**Mel Stride:** As the hon. Lady knows, we are in the middle of negotiations with our European partners. I am confident that, as the Prime Minister has expressed at every turn, we will secure a good deal for this country. In the context of our borders, that will mean that the situation will be as frictionless as possible, which will be good for trade, our country and our economy.

**Stephen Kerr (Stirling) (Con):** Does the Minister agree that the Labour party's plans to raise corporation tax would harm small and medium-sized businesses—

**Mr Speaker:** Order. Just for the benefit of the hon. Gentleman, may I say that the Opposition's plans for taxes are not a responsibility of the Government? This is a lesson we all have to learn; in my case I learned it early in my first Parliament, and the hon. Gentleman has learned that lesson today.

**Jim Shannon (Strangford) (DUP):** Across the whole United Kingdom, and not just in the east midlands, small and medium-sized businesses have created not hundreds but thousands of jobs. Small and medium-sized businesses in my constituency tell me that they are over-regulated and that bureaucracy restricts their ability to employ more people. What is the Minister doing to address that?

**Mel Stride:** The hon. Gentleman is absolutely right about the critical importance of small and medium-sized enterprises. We have more than 5 million small businesses in our country, and they are right at the heart of generating the wealth that generates the taxes that support the public services we all wish to see thriving. I have already explained that we are working closely with the Office of Tax Simplification to make sure that, wherever possible, the Government get out of the way of business, rather than standing in its way.

### Gender Pay Gap

6. **Mr Shailesh Vara (North West Cambridgeshire) (Con):** What progress he has made on closing the gender pay gap in the public sector. [901364]

**The Chief Secretary to the Treasury (Elizabeth Truss):** The gender pay gap in the public sector is 18.3%, which is a record low, and this compares to 24.5% in the private sector.

**Mr Vara:** I am grateful to my right hon. Friend for those comments. Will she explain how the new duty introduced by this Government, requiring public sector bodies to publish the differences between male and female pay, will support the trend of an ever-reducing gender pay gap, which is at a record low?

**Elizabeth Truss:** The new duty we have introduced will mean more transparency, so we will be able to find out where the particular issues are in the public sector. Are there, for example, occupations such as engineering that are well paid and that women are less likely to go into, and what can we do to encourage women to apply for roles in them?

**Marsha De Cordova (Battersea) (Lab):** Median public sector wages are £1,000 lower in real terms than they were in 2010. Does the Minister agree that it is about time that hard-working public sector workers got the pay rise they deserve?

**Elizabeth Truss:** We have already been clear that the pay review bodies will have the remit to look at how high-quality public sector workers can be retained and recruited right across the board, whether they are teachers, nurses or police officers.

**Nicky Morgan (Loughborough) (Con):** The chief executive of Virgin Money, Jayne-Anne Gadhia, has this morning given evidence to the Treasury Committee on the Treasury's women in finance charter—she is the Government's women in finance champion. Ministers will know that one way of tackling the gender pay gap is to ensure that we have more women in senior roles, so will the Chief Secretary urge the Chancellor to reply to the letter I wrote to him last week about appointments to the Bank of England, where more senior women are needed, because the evidence this morning shows the importance of role models?

**Elizabeth Truss:** First, I congratulate my right hon. Friend on her work to promote these issues that she did as Women's Minister. It would be great to see other professions, such as legal services, looking at the success of the women in finance charter and seeing what they could do. I will urge my colleague to reply to my right hon. Friend's letter asap.

**Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP):** In addition to the gender pay gap, the disability pay gap remains extraordinarily high, yet disabled people are not mentioned in the Government's industrial strategy. When will we harness the potential of disabled people in our economy and create policies that effectively show that?

**Elizabeth Truss:** The hon. Lady is absolutely right to highlight the issue of making sure that disabled people have a full opportunity to participate in the economy. The fact is that we are missing out on huge amounts of talent—the talent of disabled people, women and older people—in our economy. We need to unleash that to help our country to become more productive, and also for the sake of those people, who have so much to contribute.

## Public Services

7. **Ms Nusrat Ghani (Wealden) (Con):** What comparative assessment the Government have made of the level of spending on public services in the UK and other developed countries. [901365]

**The Chief Secretary to the Treasury (Elizabeth Truss):** Last year, public spending was 38.9% of GDP, which equates to about £28,500 per household. This is comparable with other leading countries.

**Ms Ghani:** Does the Minister agree that it is due to this Government's responsible management of the public finances that we are able to spend more on education than Germany and Japan, and more on defence and policing than any other European country?

**Elizabeth Truss:** My hon. Friend is absolutely right. We spend more per student on education than Germany or Japan. Because of our management of the public finances, we have been able to push £1.3 billion more of education spending to the frontline, where it is going to make the most difference in classrooms.

**Chris Evans (Islwyn) (Lab/Co-op):** Is the Chief Secretary concerned by speculation that the Bank of England will increase interest rates by 0.25% in November, which would have an adverse effect on public spending?

**Elizabeth Truss:** That is one of the reasons why we need to make sure that we are reducing our debt and reducing our deficit in order to reduce the interest payments that came as a result of the previous Labour Government leaving us with the highest deficit in history. We have an independent Bank of England, and it is very important that as a Government Minister I do not tell it what to do on interest rates.

## Public Sector Pay

8. **David Hanson (Delyn) (Lab):** What recent assessment his Department has made of trends in the level of public sector pay since 2010. [901366]

**The Chief Secretary to the Treasury (Elizabeth Truss):** In 2010, there was a significant gap between wages in the public and private sectors whereby public sector workers received an average of 5.76% higher pay. Today, wages are comparable, and when we take into account more generous pension benefits, there is an additional 10% pension premium in the public sector.

**David Hanson:** Last week, the rate of inflation was announced at 3%. Public sector pay rises are at 1%. Will the Chief Secretary confirm that that is a pay cut for millions of workers, and will she take this from me as a Budget representation: "Scrap the cap"?

**Elizabeth Truss:** It seems that the right hon. Gentleman cannot take yes for an answer. There is not a public sector pay cap. We have said that individual Secretaries of State will be responsible for making proposals on their workforces dependent on specific circumstances. We are facing very different issues in the NHS and in the armed forces. What is important is that we look at the evidence and make sure that we can recruit and

retain the best possible workers in the public sector, but we also need to make sure that we do not price out of the market people working in the private sector.

**Mr Mark Harper** (Forest of Dean) (Con): Will the Chief Secretary urge her Cabinet colleagues, when they are making these decisions, to bear in mind that public sector pay rises must be fair not only to public sector workers, but to the five sixths of workers in the private sector who face the same pressures and challenges?

**Elizabeth Truss:** My right hon. Friend is right. The fact is that we were left a legacy by a previous Government who spent money that they did not have. We have had to get the public finances back on track. We do recognise that there are areas in which we need to make sure that we can recruit and retain high-quality public sector workers, but we also need to make sure that we have a thriving private sector economy. That is why we have ended up with the lowest unemployment for 40 years.

**Neil Gray** (Airdrie and Shotts) (SNP): We know from the Resolution Foundation that this decade, from 2010, is the worst for wage growth in 210 years, so when will the Chief Secretary to the Treasury ensure that Departments are fully funded to scrap the cap?

**Elizabeth Truss:** The reason we have not seen the wage growth that we want to see is that we have an issue with productivity in this country. In order to raise living standards for everybody, regardless of whether they work in business or in the public sector, we need to make sure that we raise productivity. That is why we are investing in infrastructure and skills—doing all the things that the previous Government did not do to make our country more productive.

**Charlie Elphicke** (Dover) (Con): Can my right hon. Friend confirm, for the avoidance of doubt, whether there is a pay premium for the public sector over the private sector?

**Elizabeth Truss:** There is not a pay premium. Public and private sector pay are roughly comparable, but in the public sector there is an average of 10% additional remuneration in terms of pension contributions.

**Mr Speaker:** I hope that the whole House will join me in congratulating very warmly the right hon. Member for Tatton (Ms McVey) on her significant birthday today.

**Ms Esther McVey** (Tatton) (Con): I am older and, I hope, wiser. Like all the ladies who are at my age, I am just hitting my stride and coming of age.

#### Transport Infrastructure: Cheshire

9. **Ms Esther McVey** (Tatton) (Con): What investment his Department has provided for transport infrastructure projects in Cheshire in the last 12 months. [901367]

**The Exchequer Secretary to the Treasury (Andrew Jones):** I wish my right hon. Friend many happy returns of the day.

I confirm that the Government are taking big decisions for Britain's future and investing in transport infrastructure in Cheshire and across the north. Just last week, my right

hon. Friend the Secretary of State for Transport announced road investment of £65 million in Cheshire. That included £18 million of funding for five different local road schemes and £47 million for the Middleswich bypass. That is on top of improvements that the Government are already making to the M6, M62 and M56.

**Ms McVey:** I welcome the Minister's reply. The Cheshire and Warrington local enterprise partnership has a bold agenda for increasing business in Tatton and Chester. The local plan has an equally bold agenda for increasing the number of houses, which will bring money to the Exchequer and help to meet the country's housing need, but we have a significant need for the mid-Cheshire rail line. May I ask the Chancellor and his team to look at that for the forthcoming Budget?

**Andrew Jones:** I will take that as a Budget representation. The basic point is that we are clearly very ambitious to unlock, through transport investment, both residential and commercial opportunity. That has been a feature of Government policies over the past few years, and I am sure that it will continue to be.

**Tony Lloyd** (Rochdale) (Lab): In Cheshire and across the north, the reality is, as the Minister says, that infrastructure investment will unlock productive capacity. Does the Minister recognise that the disproportionate investment per head between the south-east and the rest of the country is unacceptable and must change?

**Andrew Jones:** The hon. Gentleman's assessment is simply mistaken: Government investment is broadly equal across the different regions of our country. I highlight to him that the central Government investment going into the north during this spending period is £13 billion, which is a record in British history.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. As a very distinguished chartered surveyor, the hon. Member for The Cotswolds (Geoffrey Clifton-Brown) will know that the Cotswold is a very significant distance from the north or the north-west, but we will look forward with eager anticipation to hearing the hon. Gentleman at some later point.

#### Deficit Reduction

10. **James Cartlidge** (South Suffolk) (Con): What recent progress has been made on reducing the deficit. [901368]

15. **Kevin Hollinrake** (Thirsk and Malton) (Con): What recent progress has been made on reducing the deficit. [901373]

**The Chancellor of the Exchequer (Mr Philip Hammond):** The Government have reduced the deficit by well over two thirds—from a post-war high of 9.9% of GDP in 2009-10 to a low of 2.3% of GDP in 2016-17. We have done that not out of some ideological obsession, but because the key challenge is to get debt falling to increase the resilience of our country so that if the need were ever to arise, we would have the capacity to support the economy against a future shock.

**James Cartledge:** I thank my right hon. Friend for that answer. May I make one simple request about the Budget: whatever measures he announces, he resists the temptation to pay for them by billing our grandchildren? Instead, will he continue the excellent work that has seen us slash by nearly three quarters, as a percentage of GDP, the record post-war deficit that we inherited from the Labour Government?

**Mr Hammond:** Yes. It is not responsible to make so-called hard choices by loading the price on to the next generation and the generation after that. We have to make difficult decisions and we have to bear the consequences of those decisions. At £65,000 per household, our public debt is still far too high, so I can confirm to my hon. Friend that we will continue the plans that we have announced to reduce the deficit in a measured and balanced way to ensure that debt falls as a share of GDP.

**Kevin Hollinrake:** Despite this Government's significant efforts to tackle the deficit by reducing tax avoidance, companies such as Microsoft and Apple are still saving hundreds of millions of pounds in corporation tax by booking sales in Ireland. Does my right hon. Friend agree that we need to continue to develop measures to make sure that companies that sell to UK customers pay tax in the UK?

**Mr Hammond:** My hon. Friend puts his finger on an important problem. Corporation tax in the UK—in fact, in all countries—is levied on profits generated by the activities of companies within the territory. The big global digital companies present us with a new challenge of attributing profits effectively to individual jurisdictions. We are continuing to work with the OECD's taskforce on the digital economy, and we are also looking carefully at ideas emerging within the EU for interim solutions pending a full international solution.

**Nick Thomas-Symonds (Torfaen) (Lab):** Given that the previous Chancellor has now said that in 2008 the Labour Government

“did what was necessary in a very difficult situation”,

does the current Chancellor accept that the fact we have thousands of people going to food banks and desperately underpaid public sector workers is entirely the fault of Tory policy?

**Mr Hammond:** No. Of course a Government need to be able to respond to an external shock, but a prudent Government have got the economy in good shape to respond before such a shock arises. The problem in 2008-09 was that the then Labour Government were borrowing tens of billions of pounds at the top of the economic cycle—grossly irresponsibly.

**Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op):** The major cause of the deficit was of course the collapse in tax revenue following the global financial crisis in 2008, yet that is exactly what we will face again unless there is a transitional deal with the EU to allow our world-leading financial services sector—it contributes £66 billion a year in tax revenue—to operate legally within the single market. As my hon. Friend the Member for Nottingham East (Mr Leslie) has already said, we have been asking the Government all year to confirm that there will be a transitional deal. As today is the

penultimate Treasury questions before the end of the year, the last Treasury questions before the Budget, and—if hon. Members have read the papers—perhaps the Chancellor's last Treasury questions ever, will the Government promise UK-based firms a transitional deal guaranteeing market access before the end of this year?

**Mr Hammond:** As I have already said, the Government have made it clear—the Prime Minister set this out in the Florence speech—that we want to agree an implementation period as part of a deal with the European Union. We are greatly encouraged by the fact that, at last week's European Council, the 27 agreed to start internal preparatory discussions on guidelines in relation to an implementation period. We are confident that that will give British businesses confidence that we are going to provide them with the certainty they require.

### Infrastructure: Government Investment

11. **Mr William Wragg (Hazel Grove) (Con):** What assessment he has made of the effect of Government investment on infrastructure since 2010. [901369]

14. **Luke Graham (Ochil and South Perthshire) (Con):** What assessment he has made of the effect of Government investment on infrastructure since 2010. [901372]

**The Economic Secretary to the Treasury (Stephen Barclay):** Infrastructure is at the heart of the Government's economic strategy, and our investment will boost productivity and growth. Since 2010, more than £250 billion has been spent on public and private sector infrastructure.

**Mr Wragg:** The biggest investments in transport infrastructure in generations, including the Ordsall rail curve in Greater Manchester, have been made possible by this Government. Will my hon. Friend commit to further investment in our rail network, particularly on local commuter routes through my constituency?

**Stephen Barclay:** My hon. Friend makes a good point. This Government have committed to the largest rail investment programme since Victorian times, including a £55.7 billion investment in High Speed 2. He will be aware of the Chancellor's announcement in Manchester last month of £300 million to improve connectivity to High Speed 2 across the northern region.

**Luke Graham:** Will my hon. Friend confirm his commitment to the Tay cities and the Clackmannanshire and Stirling city deals, and will he commit to meeting the local leaders and me to discuss how we can deliver this transformational change for our region?

**Stephen Barclay:** The Government remain fully committed to agreeing both city deals, and to working constructively with the Scottish Government and local partners. I am, of course, very happy to meet my hon. Friend to discuss this further.

**Chi Onwurah (Newcastle upon Tyne Central) (Lab):** A decent transport infrastructure is an essential platform for economic growth, but the Minister will be aware that public transport investment in the north-east is only £200 per head, whereas it is £2,000 per head in London.

Will he now commit to investing in the north-east on the Tyne and Wear metro, and with public money, not some private finance initiative?

**Stephen Barclay:** The Government are committed to increasing infrastructure investment across all regions, including the north-east. Indeed, investment is 30% higher than it was under the Labour Government. It would be better for Opposition Members to recognise the record investment in infrastructure, which is driving productivity and growth.

**Mr Jim Cunningham** (Coventry South) (Lab): Will the Minister say how much investment is going to the west midlands, as it is very important to the British economy?

**Stephen Barclay:** The investment going to the west midlands as part of the midlands engine and through the devolution deal is part of wider investment—the £23 billion of investment that has been announced through the national productivity investment fund. The hon. Gentleman will be aware of the Secretary of State for Transport's announcement on rail spending between 2019 and 2024, which includes the £24 billion announced just last week.

### Corporate Tax Evasion

12. **Alex Chalk** (Cheltenham) (Con): What recent progress he has made on reducing the level of corporate tax evasion. [901370]

**The Financial Secretary to the Treasury (Mel Stride):** Since 2010, HMRC has secured more than £53 billion from big businesses alone in additional tax revenue from tackling tax evasion, avoidance and non-compliance, and we have made it an offence for a corporate to fail to prevent the facilitation of tax evasion by its employees. Corporation tax revenues were £55.3 billion in 2016-17, their highest level on record.

**Alex Chalk:** Keeping up the pressure on multinationals to pay their fair share of tax is vital. Will my right hon. Friend join me in welcoming the additional £160 billion in tax revenue collected by HMRC since 2010 as a result of tackling avoidance and evasion, thus making the UK's tax gap one of the lowest in the world?

**Mel Stride:** My hon. Friend is absolutely right—we have collected £160 billion since 2010, far more than was raised during the 13 years under the Labour party. The latest figures show that our tax gap overall is now at 6.5%, better than any year under Labour, where in 2005-06, for example, it was as high as 8.3%.

**Anneliese Dodds** (Oxford East) (Lab/Co-op): Successive cuts to British corporation tax have manifestly not led to greater business investment, and according to the Institute for Fiscal Studies they are not responsible for the rise in receipts since 2010. So, with huge pressures on our public finances, will the Chancellor delay his proposed cuts to corporation tax?

**Mel Stride:** I am surprised that the hon. Lady should raise the issue of corporation tax, because we have brought corporation tax down from 28% in 2010 to

19% and we have further plans to reduce it further, to 17%, and yet the hon. Lady's party wishes to inflate those rates of tax to 26%, which would destroy jobs, destroy wealth, destroy growth and lower the amount of tax that we can collect to support those vital public services that we all wish to see thrive.

**Stephen Crabb** (Preseli Pembrokeshire) (Con): One way that companies avoid tax is, of course, by employing people illegally. We still have too many illegal jobs in our economy in sectors such as construction. So will my hon. Friend and his colleagues resist those calls that are floating around to place new and additional burdens on legitimate work, and instead redouble their efforts at enforcement through HMRC to root out illegal work in our economy?

**Mel Stride:** My right hon. Friend is absolutely right. As the Minister responsible for strategic oversight of tax, I am always concerned to ensure that the measures that we put in place are proportionate, and do not carry extra burdens for those who are rightly carrying on their business and running their companies in exactly the correct fashion.

**Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): Intergovernmental co-operation is vital if we are to combat international corporate tax evasion. In February this year Treasury Ministers withdrew from a meeting with the EU PANA Committee, which was set up to investigate issues and prioritise reform. What sort of message does the Secretary of State think that sends to corporate tax evaders?

**Mel Stride:** International co-operation with other countries is an area where we have an exemplary record. We have co-operated with the OECD on the base erosion and profit shifting project—many of the recommendations are actually going through the House at this precise moment, in the latest Finance Bill—and, of course, we have common country reporting; we were leading that move in around 2012.

**Mr Speaker:** Finally, Royston Smith.

### Income Tax Thresholds

13. **Royston Smith** (Southampton, Itchen) (Con): What assessment he has made of the effect of recent increases in income tax thresholds on household income. [901371]

**The Chancellor of the Exchequer (Mr Philip Hammond):** In 2017-18, as a result of increasing the tax-free personal allowance and the higher rate threshold, 31 million individuals will see their income tax bill reduced and 1.3 million individuals will be taken out of income tax altogether; 585,000 individuals will have been taken out of the higher rate of tax in 2017-18.

**Royston Smith:** In 2017-18 and beyond, all basic rate taxpayers will pay £1,000 less per year in tax than they did in 2010. Can my right hon. Friend confirm that an employee paying the basic rate of tax would need to earn an additional £1,471 annually to take home £1,000 in extra income?

**Mr Hammond:** I can absolutely confirm that. I can also tell my hon. Friend the good news that a typical basic rate taxpayer will pay £1,005 less income tax in 2017-18 than in 2010-11.

**Several hon. Members** *rose*—

**Mr Speaker:** This really is finally. I call Mr Nigel Huddleston.

16. [901374] **Nigel Huddleston** (Mid Worcestershire) (Con): I am very proud of the fact that this Government have taken 3 million of the lowest paid out of paying income tax altogether. These are people who cannot afford to pay more tax. Some Opposition Members—and, indeed, others—often say that they would not mind paying more tax. Can we find a mechanism for them to do so?

**Mr Hammond:** I am always very open to receiving from colleagues around the House ideas for specifically targeted taxes. If my hon. Friend has such an idea I would be very pleased to receive it.

### Topical Questions

T1. [901349] **Sir Desmond Swayne** (New Forest West) (Con): If he will make a statement on his departmental responsibilities.

**The Chancellor of the Exchequer (Mr Philip Hammond):** As we look ahead to the GDP figures out tomorrow and to the Budget in a month's time, my focus is on the three key challenges we need to meet as we seek to build an economy that works for everyone: first, protecting the economy by managing short-term uncertainty; secondly, achieving a good Brexit outcome; and, thirdly, addressing the longer term productivity challenge to ensure that real wages, and thus living standards, can continue to rise. Everything my Department does will be focused towards those three objectives.

**Sir Desmond Swayne:** What revenue has the privatisation programme raised and what would be the cost of nationalising the utilities?

**Mr Hammond:** I refer my right hon. Friend to the analysis of the Opposition party's proposals, if we can call them that, done by the Conservative party at the time of the general election. The Government's policy is to sell assets when there is no longer a policy reason to retain them and to reinvest the proceeds of such sales in policy priorities. Nationalising assets would increase public sector net debt, which would increase our debt interest bill and divert public spending away from more valuable areas. It would also mean that the future investment needs of any nationalised industries would have to compete for capital with our public services.

**John McDonnell** (Hayes and Harlington) (Lab): I listened very carefully to the Chancellor's response to the hon. Member for Aberdeen North (Kirsty Blackman) and my hon. Friend the Member for Ilford North (Wes Streeting) on the issue of no deal. May I tell him that his response was crushingly disappointing? Expressions of hope of a deal are just not good enough. The Chancellor knows the economic perils our country faces if there is no deal: he described it, rightly, as a worst-case scenario. May I urge him, in the interests of our country, to have

the courage of his convictions, and stand up and face down his opponents in Cabinet and confirm today that, like us, he will not support or vote for a no-deal Brexit?

**Mr Hammond:** As the right hon. Gentleman very well knows, our clear objective and priority is to achieve a deal with the European Union. Our preference would be for a deal that gives a comprehensive trade, investment and security partnership between the UK and the European Union in the future. As part of such a deal, we will seek an implementation phase that gives British businesses, and indeed Government agencies, proper time to prepare for the new circumstances they will face.

**John McDonnell:** If the right hon. Gentleman cannot stand up to his opponents on a no-deal Brexit, can he at least stand up to them on the transition period? Business leaders yesterday made it clear that they need certainty now on a sensible transition period, yet the Prime Minister yesterday sowed more confusion in her statement, giving the impression that the transition is to be negotiated only after we have settled on what, as she describes it, the "future partnership" with Europe will be. Businesses cannot wait: they need to plan now; jobs are in jeopardy now. If the Prime Minister is not willing to stand up to the reckless Brexiteers in her party, will the Chancellor? Will the Chancellor make it clear, in a way that the Prime Minister failed to do yesterday and as business leaders have been calling for, that we need the principles of any transition confirmed by the end of this year?

**Mr Hammond:** The right hon. Gentleman is correct to say that this matter is urgent and pressing, which is why we were so pleased that last week at the European Council the 27 agreed to start internal preparatory discussions for an implementation period. I am confident that we will be able to give businesses the confidence and certainty they need.

T4. [901352] **Damien Moore** (Southport) (Con): What estimate has been made of the effect on unemployment of the reduction in the corporation tax rate?

**The Financial Secretary to the Treasury (Mel Stride):** As I said earlier, we have cut corporation tax dramatically and as a consequence we raise 50% more in corporation tax today than we did in 2010.

T2. [901350] **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Chancellor will be aware that the Office for National Statistics has revised downwards the UK positive net international investment position from £470 billion to minus £20 billion. What further shocks of this magnitude does he expect as a result of his Government's handling of the EU negotiations?

**Mr Philip Hammond:** The hon. Gentleman will see, if he looks at that revision, that the cause is lower-than-anticipated returns on UK investment stocks held overseas, principally returns on mining and petroleum-related activities.

T5. [901354] **Amanda Milling** (Cannock Chase) (Con): The location of Rugeley B power station is a large strategic site in the west midlands. Will my hon. Friend join me in urging all the parties involved in the

redevelopment to be ambitious, bold and visionary, and will he outline what Government assistance is available to attract innovative high-tech businesses?

**The Exchequer Secretary to the Treasury (Andrew Jones):** I will most certainly join my hon. Friend in both celebrating the project and urging everybody working on it to be as ambitious as possible. In terms of support, since 2010, my hon. Friend's area has benefited from more than £300 million in grants to support cutting-edge innovation in the west midlands through Innovate UK. The Government welcome private investment in innovative and high-tech businesses right across the economy, which is why we announced an additional £4.7 billion for research and development at the 2016 autumn statement.

T3. [901351] **Joanna Cherry** (Edinburgh South West) (SNP): The Scottish National party has repeatedly asked the Government to take action to enable Scotland's police and fire rescue service to reclaim VAT in the same way as they have done for national bodies such as Highways England. If that action can be taken for Highways England, why not for Police Scotland and the fire and rescue service in Scotland? Will Ministers commit to doing that in the next Budget?

**Mel Stride:** As the hon. and learned Lady will know, when the Scottish Government decided to restructure their police and fire services, they went into that decision with their eyes wide open—they knew what the VAT consequences would be—so it is down to the SNP to ask those questions of itself.

T6. [901355] **Geoffrey Clifton-Brown** (The Cotswolds) (Con): When is the Treasury likely to give the sign-off to phase 2b of HS2, which you will know, Mr Speaker, runs through Cheshire?

**Andrew Jones:** I will take the matter up with my right hon. Friend the Secretary of State for Transport and get back to my hon. Friend.

T7. [901356] **John Mc Nally** (Falkirk) (SNP): Inflation now stands at a staggering five-year high and businesses in Scotland, Falkirk and across the UK face the prospect of increased trade tariffs post-Brexit. On the high street, it is increasingly a case of bricks versus clicks, and businesses are closing down, as people buy online, leaving town centres struggling. Has the Chancellor spoken to retailers about the possibility of reducing the amount of VAT paid by businesses in our town centres to help them cope with online trade and the impending extra burdens?

**Mr Philip Hammond:** We are acutely aware that inflation has spiked, but the overwhelming majority of forecasters expect it to start to fall again in the new year. The spike in inflation has been driven primarily by the depreciation in the value of sterling last year, but I will take the hon. Gentleman's comments on VAT as a representation for the Budget and will consider them carefully.

T8. [901357] **Charlie Elphicke** (Dover) (Con): May I urge the Chancellor to reject the representations that we have just heard from the shadow Chancellor? Is it not the case that one cannot agree a price until one knows what one is paying for, and that only a fool would write a blank cheque with taxpayers' money?

**The Chief Secretary to the Treasury (Elizabeth Truss):** My hon. Friend is absolutely right. We should not be giving away our negotiating position when we are entering one of the most important negotiations that the country has ever been involved in, and that is why we need to be prepared for all eventualities. I am delighted to be meeting my hon. Friend tomorrow to discuss the issue in more detail.

**Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): We are having difficulties with mobile banking in my constituency. I know of instances in which two different mobile banks have arrived in the same community while other communities have seen no mobile banks at all. We have problems with people queuing in rough weather and getting wet, and problems with paper banking. Will the Chancellor, or some other Minister, propose ways of reorganising mobile banking and making it more user-friendly, and of getting the banks to co-operate with each other to deliver a service that is vital in the highlands?

**The Economic Secretary to the Treasury (Stephen Barclay):** Mobile branches are vital to many communities, and I am sure that many banks will have heard the hon. Gentleman express his concerns, but these are commercial decisions. It should be recognised that since 2011 the number of branch visits has fallen by roughly a third, that more than 600,000 people aged over 80 are now registered for internet banking, and that a fifth less cash is used for payments. Those changes in the market reflect the way in which branches, including mobile branches, are being used.

T9. [901358] **Robert Neill** (Bromley and Chislehurst) (Con): Does my hon. Friend accept that the contribution made by UK financial services vastly outweighs any cost of our contribution to the European Union, and that securing a sensible deal from day one is not only an imperative, but much more likely to be achieved through the patient work of my right hon. Friend the Chancellor than through the anti-business rhetoric of Opposition Members?

**Stephen Barclay:** My hon. Friend is right. The UK financial services industry pays more than £71 billion to the Exchequer in tax and employs more than 1 million people directly and 2.2 million through the sector as a whole, two thirds of whom are outside London. Because of his work as chair of the all-party parliamentary group for Gibraltar, my hon. Friend will be aware of the importance not just of financial services in the UK, but of our links with industries in territories including Gibraltar.

**Rachael Maskell** (York Central) (Lab/Co-op): Teachers have travelled from all over the country today to lobby Parliament about severe real-terms cuts in their pay. The Chief Secretary has said that she has lifted the pay cap owing to the pressure that Labour has placed on her, but will she confirm that her Department will fund the recommendations of the pay review body rather than cash-strapped local authorities?

**Elizabeth Truss:** The fact is that teachers received, on average, a 4.6% pay rise last year, including promotions and responsibility allowances. Pay in schools involves a great deal of flexibility, and headteachers can decide

how they pay teachers. However, it will be up to the Department for Education to look at the specific circumstances in schools and make those determinations.

**Mr Peter Bone** (Wellingborough) (Con): Does the Chancellor share my frustration at the fact that since the EU referendum, a number of senior politicians have been talking down the economy? Should they not be talking it up, because we have a great future outside the European Union?

**Mr Philip Hammond:** Yes. As I said earlier, the UK economy is fundamentally strong. We have the world's second largest services export sector at a time when emerging economies across the globe are sucking in new demand for services, and we have a global lead in various areas of emerging technology that will drive the fourth industrial revolution. This country has a bright long-term future. Of course we must deal with short-term uncertainty, and of course we must tackle our productivity challenge, but we are fundamentally in good shape.

**Patrick Grady** (Glasgow North) (SNP): Given that support for a single Scottish police force was in the 2011 Scottish Tory manifesto, can we assume that the Government think that the £280 million VAT fee is a price worth paying, or will they finally see sense and scrap the VAT on Scotland's fire and police services?

**Mel Stride:** The hon. Gentleman's colleague, the hon. and learned Member for Edinburgh South West (Joanna Cherry), asked exactly the same question, and I shall give exactly the same answer. When the Scottish Parliament and Government made that decision, they knew that structuring the police and fire services in the way that they chose would lead to the VAT outcome that they should have expected all along.

**Jeremy Lefroy** (Stafford) (Con): What does the Chancellor believe we need to do to improve productivity, which is rightly one of his three priorities?

**Mr Philip Hammond:** We need to invest in our infrastructure and the skills of our people, we need to ensure that our high growth businesses have access to long-term capital, and address the regional disparity in productivity performance. If we can tackle those four things, we can start to close Britain's productivity gap and see real wages rising sustainably over many years ahead.

**Stephen Timms** (East Ham) (Lab): Speaking to the Treasury Committee earlier this month about the transition agreement for exiting the European Union, the Chancellor said that

"it will still have a very high value at Christmas and early in the New Year. But as we move through 2018, its value to everybody will diminish significantly."

Yesterday, however, the Prime Minister told us that we will not get a transition agreement until October next year at the earliest. Does the Chancellor stand by the very different view he expressed just a fortnight ago?

**Mr Hammond:** As I have said several times today, we are reassured by the fact that at the European Council the 27 agreed to start the internal preparatory discussions on an implementation period. We are absolutely aware

of the needs of business in this area, and they have been reinforced again by business leaders this week. We are confident that we will be able to deliver reassurance to business in accordance with its needs.

**Antoinette Sandbach** (Eddisbury) (Con): May I urge my right hon. Friend when looking at the business case for HS2 phase 2b to consider carefully the additional £750 million cost to the Exchequer of building over the Cheshire salt fields?

**Andrew Jones:** We discussed this issue when I was a Transport Minister. All the topography and construction implications as the route is finalised will be taken into consideration as part of the business case.

**Mr Speaker:** We all remember when the hon. Gentleman was a Transport Minister and he enjoyed telling us how he travelled to work by bus; I remember thinking that the fellow passengers on the bus must have been absolutely exhilarated to know that they were accompanied at the time by the Under-Secretary of State for buses.

**Helen Goodman** (Bishop Auckland) (Lab): The Chancellor acknowledged earlier that the fall in the exchange rate following the Brexit vote has pushed up inflation. What is the Treasury's estimate of the impact of that on people's standard of living?

**Mr Philip Hammond:** The hon. Lady will be aware of the increase in inflation—CPI inflation stands at 3%. Most forecasts suggest that it might go 0.1% higher before falling steadily from late this year. Obviously any increase in inflation will have a negative impact on real wages, and we very much look forward to CPI inflation falling and real wage growth resuming in this country next year.

**Several hon. Members** *rose—*

**Mr Speaker:** We are out of time, but the temptation to hear remaining colleagues is, frankly, just too powerful.

**Anna Soubry** (Broxtowe) (Con): The Chancellor, in his efforts to secure a good Brexit deal and a transition period, has the confidence and support not only of Members on the Government Benches, but from across the whole of British business, including in Broxtowe—unlike the Labour party, which inspires complete fear with the Marxist mayhem it would put into policy if elected into government. Will my right hon. Friend confirm that it is in the best interests of British business to secure a transition period as a matter of some urgency, and will he do all he can to get that transition period?

**Mr Hammond:** Yes, British business has made it clear that it wants the earliest possible certainty about the implementation of interim arrangements. It has also made it very clear that it does not want any Marxist mayhem.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op) *rose—*

**Scott Mann** (North Cornwall) (Con) *rose—*

**Mr Speaker:** Can either remaining Member ask a question consisting of 10 words or fewer?

**Mr Sheerman:** May I make a plea to the Chancellor? A teacher has visited me in the House today, whose school has run out of money for photocopying and for books in the Library. If the Chancellor wants to do something about productivity, he should invest in schools and colleges now.

**Elizabeth Truss:** The hon. Gentleman seems to have missed the announcement just before the summer that we are putting £1.3 billion more into the frontline, not by taking in more taxes, but by using the money we have across government better.

**Scott Mann:** The previous Chancellor of the Exchequer implemented a second homes stamp duty levy, which has delivered £5.11 million into the Cornish economy and is set to deliver 1,000 homes. May I seek an assurance from the Treasury that this money will continue into the future?

**Mr Philip Hammond:** We consider all areas of taxation in the run-up to all fiscal events, but I have certainly heard my hon. Friend's comments and I will take them as a representation.

## Raqqa and Daesh

12.40 pm

**John Woodcock** (Barrow and Furness) (Lab/Co-op) (*Urgent Question*): To ask the Foreign Secretary if he will make a statement on the liberation of Raqqa and the future of the counter-Daesh campaign.

**The Minister for the Middle East (Alistair Burt)**: I thank the hon. Gentleman for his continued engagement on this important issue. Raqqa was officially liberated on 20 October. The Syrian Democratic Forces, supported by the global coalition against Daesh, began operations to liberate Raqqa in June 2017. Military operations are ongoing. My right hon. Friend the Secretary of State for Defence has highlighted the continued leading role that the UK is playing as part of the global coalition's counter-Daesh campaign, and we in this House pay tribute to the courage, commitment and effectiveness of the British forces overseas. The United Kingdom is the second largest military contributor to the global coalition and plays a leading role in the humanitarian response.

The liberation of Raqqa this month follows significant Daesh territorial losses in Iraq, including Mosul in July. Daesh has now lost more than 90% of the territory it once occupied in Iraq and Syria. The Foreign Secretary will in due course provide a full update to the House on the counter-Daesh campaign, including the operation to liberate Raqqa. I look forward to providing the hon. Gentleman and other Members with further information in due course.

**John Woodcock**: I thank the Minister for that response. He will recall that back in November 2015 the then Prime Minister, David Cameron, made the case for the liberation of Raqqa—which has now been achieved—a central part of asking the House to endorse the RAF airstrike campaign, which has been taking place in Syria since that time. I think I speak for the whole House when I echo the Minister's tribute to the professionalism of the Royal Air Force and how it has carried out that campaign. There are significant questions about the conduct of some of the forces in some of the actions in the campaign, but the RAF has been exemplary.

There are many questions that flow from this, but I want to cover three broad areas in the short time that I have today. First, what is the future for the region? Will the Minister tell us how the UK will engage in attempts to bring to an end the civil war that has already claimed 500,000 lives, the vast majority at the hands of the Syrian regime under President Assad? Secondly, what will be the UK's role in the reconstruction of the region? Thirdly, what will be the next steps in the global campaign to defeat not only Daesh, which is clearly disintegrating, but the evil ideology that has perverted so many people in the region and enticed too many Brits to join it? Will the Minister also tell us what the future will be for the Brits who have been over to the region and might now be seeking to return?

The Minister has always been assiduous on this matter, but the Government's failure to offer a statement to the House following the liberation of Raqqa suggests a lack of respect for Parliament and for the British people, on whose behalf we were asked to make the decision to send the Royal Air Force into a theatre of combat.

There is a worry that it also suggests the complacency and lack of grip that have too often been the hallmark of Governments of both colours when attempting to maintain stability in a region in the aftermath of conflict.

**Mr Speaker**: I am not going to make any evaluative comments about the motivation or conduct of the Government. Suffice it to say, principally for the benefit of those who are not Members of the House but who are attending to our proceedings, that one of the principal motivations for the Speaker in selecting an urgent question is the judgment that the matter needs to be treated of in the House and, implicitly perhaps, that a Government offer of a statement might reasonably have been expected.

**Alistair Burt**: Thank you, Mr Speaker. To deal with the hon. Gentleman's last point first, a range of statements have been made at regular periods on Iraq and Syria and counter-Daesh operations, and I indicated in my remarks that the Foreign Secretary intends to present a full statement that covers the range of recent activities. I take the hon. Gentleman's point about the liberation of Raqqa, and a statement covering that and other things is expected and will come in due course, but he was right to ask this urgent question, and I appreciate that and am happy to respond.

The hon. Gentleman reminded us that David Cameron asked the House to support activity due to the impending civilian crisis in the area where Daesh was active and the horrendous stories of abuse that were emerging. It is to the House's credit that it recognised and supported that action, and we have seen that carried through extraordinarily by the forces that the House asked to take part. As for the UK military contribution, the RAF has conducted 1,609 strikes to date—1,348 in Iraq and 261 in Syria—using six Typhoons, eight Tornados, and Reaper drones. We have around 1,350 military personnel committed in the region. UK troops have helped to train over 57,000 Iraqi security force personnel, which says much for the opportunity of future stabilisation. Again, we pay tribute to the forces and what they have done, and the quality and accuracy of the airstrikes in which they have been involved.

The hon. Gentleman asked three specific questions about what happens next in terms of activity, stabilisation issues and ideology. Our partner forces are closing in on Daesh's presence in the Euphrates river valley up to the border with Iraq. There, the Syrian efforts will be met with those of the Iraqi security forces, closing in on Daesh and ensuring their ultimate military defeat. No one should underestimate the importance of Raqqa to the whole Daesh ideology, and media reports have made that clear. The fall of Raqqa and Mosul is a tremendous blow to those who would have inflicted harm upon us all. The taking of those cities is of immense importance.

As for stabilisation, we have immediately stepped up our humanitarian support. This weekend, the Secretary of State for International Development announced an additional £10 million to help restore crippled health facilities, to deliver much-needed medical support and relief and, crucially, to clear lethal land mines and explosives. In leaving the city, Daesh has left a reminder of its killing machine behind it, and we are making immediate efforts in relation to that. We will of course move towards further stabilisation in due course as the area becomes more stable.

[Alistair Burt]

Lastly, the hon. Gentleman is right to suggest that military action on the ground is only one part of the contest with Daesh and its ideology. We must be prepared for Daesh to change its form. It will return to its terrorist roots, luring more adherents to its evil ideology, so we will continue to tackle the extremists on simultaneous fronts, including by preventing foreign fighters from returning to their country of origin. We will continue degrading Daesh's poisonous narrative, decreasing its ability to generate revenue and denying it a safe haven in the virtual world. Indeed, as I was able say at the United Nations recently, we will also ensure that Daesh is brought to justice. Fighters returning to the United Kingdom can expect to be questioned about their role, and it will be for the Crown Prosecution Service to consider any evidence against them. Fighters who are captured in Iraq or Syria must be treated according to the laws of armed conflict, but they can well expect to stand trial there if offences are alleged against them.

**Sir Hugo Swire** (East Devon) (Con): We should reject the language coming out of Russia comparing the bombing of Raqqa to the bombing of Dresden. None the less, the result is not dissimilar.

Will my right hon. Friend try to rectify a wrong that has so often affected us in the aftermath of such events by calling for a donor conference and showing British leadership, so that we can start to rebuild Raqqa and what little remains of the shattered lives of its inhabitants and those who used to live there?

**Alistair Burt:** My right hon. Friend is correct to point to the immediate misery of the aftermath for those who have been caught up in the conflict. The world now recognises that it has a responsibility to work with those on the ground to rebuild areas of conflict, because that is the best way to prevent conflict from happening again. We expect a political reconciliation, so that there are no sectarian difficulties in either Iraq or Syria as they return to conventional governance.

On the physical reconstruction, the Syrian Democratic Forces have been at pains to minimise the damage to the city's infrastructure as they advance, but, in an urban battle such as this, it is impossible to advance against an enemy such as Daesh without causing any damage at all. It must be remembered that Daesh's tactics do not adhere to the conventions of warfare. It booby-traps buildings and has taken many other desperate measures to protect its vile interests, including using schools and hospitals as tactical headquarters, denying those facilities to the innocent civilian population.

A stabilisation programme will be put forward under the auspices of the UN reconstruction effort, which will come after political decisions are made to ensure the reconstruction follows political commitments made by those involved in the governance of Syria. I do not know about a donor conference yet, but I will take that idea back to the Foreign Secretary and the Secretary of State for International Development.

**Emily Thornberry** (Islington South and Finsbury) (Lab): Thank you, Mr Speaker, for granting this urgent question to my hon. Friend the Member for Barrow

and Furness (John Woodcock). I thank the Minister for his opening remarks. I wholeheartedly agree with his sentiments. For once, we are in union that the victory against Daesh in Raqqa is a vital blow against an evil death cult, and it makes a mockery of Daesh's pretensions to establish a caliphate in Syria or elsewhere. It shows them to be the weaklings and cowards they are.

This is a timely reminder of the battle we and our allies fought on this very day 75 years ago, the second battle of El Alamein—the battle that destroyed the Nazis' ambition to control Egypt. As we recall Churchill's words after that hard-fought victory, perhaps we can turn them around: this is not the end of the beginning for Daesh, it is the beginning of their end. We should be grateful for that.

I hope the Minister can address my questions in his response. If he is unable to do so and we rely on the Foreign Secretary to make a fuller statement, will he ensure the Foreign Secretary is able to answer my questions? I will not repeat the question on the Government's response to the humanitarian crisis, but this is my second question: now that Daesh is in disarray in Syria, what is Britain's ongoing military mission in Syria? In short, what is our strategy for the future of Syria, and what is the military's role in that strategy? In particular, what steps will the Government now take to help rebuild some form of sustainable governance in Raqqa? What role, if any, will the armed groups that helped to liberate the city from Daesh play in its future administration? And how will the Syrian, Kurdish and Arab opposition forces, which played such a pivotal role in the campaign to retake Raqqa, be represented as part of a genuinely viable peace process for Syria as a whole? If there is one thing on which we can all agree, surely it is that the very last thing the middle east needs right now is another vacuum.

Finally, as the Minister will know, his Department recently confirmed that it has channelled £200 million since 2015 to support the so-called moderate opposition in Syria. Can he give the House a guarantee today that none of that money has ended up in the hands of al-Nusra or other jihadi groups? It would be a tragedy if, while rightly celebrating the destruction of Daesh in Raqqa, British taxpayers' money is funnelled into organisations that are just as bad.

**Alistair Burt:** I warmly welcome the right hon. Lady's remarks, which are highly appropriate and much appreciated. The whole House has engaged collectively on this subject, and it is appreciated by all that she speaks as she does. The House is demonstrating that there is nothing between us on presenting a united front against Daesh and its ideology.

I am pleased that the right hon. Lady mentions El Alamein, partly because I was there on Saturday. As a much-travelled Minister, I had the opportunity to represent Her Majesty's Government in laying the wreath on behalf of the United Kingdom to commemorate the 75th anniversary of that extraordinary battle, which over a period of days turned the tide in north Africa and in the war. I was proud to stand alongside representatives of the Commonwealth and people from the United Kingdom who fought with the Desert Rats, as well as representatives of the German and Italian Governments, to recognise that, 75 years later, Europe has achieved much by coming together. In doing so, we

demonstrated tolerance and forgiveness, which are sometimes rather lacking in other parts of the middle east, where memories are long and dates are often remembered for the wrong reasons. I was proud to represent the United Kingdom, along with representatives of the military, our ambassador and Admiral Sir Tim Laurence, who represented the Commonwealth War Graves Commission, of which he is vice-chairman.

Returning to the right hon. Lady's questions, we recognise the need for ongoing humanitarian relief, about which we have more information if she wishes. As far as the military are concerned, we do not know what will come next. The military will remain engaged as long as there is a need for them to be there. As I have indicated, the strategy further to close off the avenues for Daesh in the Euphrates valley will be supported by United Kingdom personnel until there is no possibility that military action could recommence and no possibility that coalition forces could be put under pressure.

As the right hon. Lady rightly says, the coalition is clearly essential. The coalition comprises a large number of people from the Kurdish region of Syria and Iraq and from other areas. Discussions are ongoing about how the coalition will stay together, but it is premature to say anything about a disbandment. The coalition has to be kept in place until there is no further military threat, and that will be advised either by my right hon. Friend the Defence Secretary or my right hon. Friend the Foreign Secretary in due course.

On support going in the wrong direction, there has been a continual concern since 2011 that, in trying to provide support for legitimate opposition forces in such difficult circumstances, arms and money get traded. There has been an absolute determination to try to ensure that supplies going to support opposition forces do not go in the wrong direction. As far as possible, that is still the case. I cannot say with absolute certainty that not a single pound or element of aid has gone in the wrong direction—there are difficulties on the ground, where forces must co-operate to overcome Daesh—but the Government are absolutely determined to ensure that, as far as possible, the risk is minimised. I assure the right hon. Lady that that is the case.

**Mr Speaker:** The Minister of State is an extraordinarily busy and conscientious bee, and I feel sure that I speak for the whole House in saying how delighted we are that he represents us on these important occasions in all sorts of different parts of the globe.

**Dr Julian Lewis** (New Forest East) (Con): Does the Minister accept that the reason why bombing Daesh in Syria was so much more controversial than bombing it in Iraq is the same as the reason why there have been so many more RAF airstrikes in Iraq than in Syria? Namely, we want the ground forces of the Iraqi Government to win in Iraq, but we claim not to want the ground forces of the Syrian Government to win in Syria. Does he accept that the outcome of the welcome squeezing out of Daesh in Syria is down to a combination of the Kurdish-led Syrian Democratic Forces and Syrian Government forces, whether we like it or not? The 70,000 so-called moderates are now well and truly dominated by Islamists, and as the right hon. Member for Islington South and Finsbury (Emily Thornberry) said, we ought to be careful about whom we support.

**Alistair Burt:** I am not going to go over previous discussions about this, and I understand the point of my right hon. Friend's question. The coalition forces in Syria that have been backed in relation to Raqqa contain a variety of forces, but not Syrian regime forces. We still hold, and are right to hold, the Syrian regime responsible for a large proportion of the atrocities in Syria, and that should not be forgotten or glossed over. President al-Assad is responsible for launching murderous attacks on his own people, and it has been right to separate, in so far as is possible, coalition forces fighting Daesh from those of the regime.

**Chris Law** (Dundee West) (SNP): We welcome the news that Daesh or the so-called "Islamic State" has been defeated in Raqqa by the Syrian Democratic Forces after its three-year rule over the city. We also welcome the pledge we hear today of £10 million from the Department for International Development in humanitarian aid.

Does the Minister agree that in order to sustain the military achievement in Raqqa, rebuilding efforts and the introduction of post-IS mechanisms need to start immediately in order to allow locals to develop and run their city meaningfully and in an inclusive manner that will ensure good governance and reliable public services? What funds have therefore been allocated, both to the immediate and the long-term reconstruction of Raqqa and the wider region? Does the Minister agree that British jihadists need also to be captured, where possible, and tried for their heinous war crimes, some of which, such as genocide, can only be faced in the International Criminal Court at The Hague? That would allow the whole world to witness them. Does he agree we should do that rather than, to use the words of the Minister of State, Department for International Development, the hon. Member for Penrith and The Border (Rory Stewart), follow an approach where

"the only way of dealing with them will be, in almost every case, to kill them."?

That of course will only fuel IS recruitment.

**Alistair Burt:** I thank the hon. Gentleman for his support. There are two elements of reconstruction after conflict, the first of which is the stabilisation phase. My right hon. Friend the International Development Secretary addressed that the other day, and it is about providing the immediate assistance that is needed. As I indicated, that helps to clear lethal landmines and explosives, restock hospitals and mobile surgical units, provide some 145,000 medical consultations, provide immediate relief for innocent people who have been displaced, improve access to clean water and look after pregnant women who are in difficulties. The United Kingdom is contributing to that immediate work. In the longer term, resources have not yet been allocated, and that will be done in conjunction with UN and other donors who will be providing support. That will be a long-term process.

Again, the hon. Gentleman put his finger on the necessity for inclusive governance in a difficult area. That will be a matter for the Syrian people and for the political negotiations we expect to start in Geneva in November, which will look at the overall governance.

[Alistair Burt]

They will have to take into account the situation in Raqqa and the political situation in the area, which will be difficult, but he is right to talk about inclusion.

On those returning to the United Kingdom, let me make it clear, as the Defence Secretary said on 12 October, that those who go to Syria put themselves in danger. Those who go to Syria to take action against the United Kingdom and the UK's interest put themselves in particular danger, and if they are involved in conflict or in planning actions that will take the lives of British citizens, they run the risk of being killed themselves. Of course those who surrender to forces in the area must expect to be treated under the laws of armed conflict, and to be treated properly and humanely in terms of being brought to justice. As I have said, those who return to the UK will also be questioned about their activity and brought to justice. It is important that justice is seen as the ultimate outcome for those who have committed wrong, but those who are a present danger to the UK run a greater risk and it is right that they do.

**Tom Tugendhat** (Tonbridge and Malling) (Con): I thank my right hon. Friend for his detailed and full answers; he has been educating the House very effectively. May I, however, press him on a couple of areas he has not yet addressed? Does he not agree that the finality of the conflict in Raqqa gives the lie to Russia's claim that it was in any way supporting the fight against Daesh? May I therefore call upon him and on his colleagues to make representations to the Russian Government that the actions they are taking in Syria are against the interests of humanitarianism and of the civilians? Will he make representations to the Russians to say that what they are actually doing is making a new problem for themselves in the future?

**Alistair Burt:** I thank my hon. Friend, who is the Chair of the Foreign Affairs Committee. Russia's engagement in this has clearly been to stabilise the Assad regime. The Russians' primary objective has been to secure their interests in Syria, through Assad, rather than to recognise that he had turned against his own people and to join in a coalition of interests to secure peaceful transition and peaceful reform as part of the end of the conflict. Clearly there are operations against Daesh which have not been participated in by regime forces or those who have supported them, such as the Russians, and other action has been taken, but I am not sure it is true to say that in all cases Russia has not taken action against Daesh forces, because it will have done when those forces were threatening the regime. That is when Russia will have taken that action.

Moving on, the Geneva talks that will start under the guidance of Staffan de Mistura will inevitably involve Russia as a participant in trying to see what we can do now, towards the end of the conflict, to provide stabilisation. I can make it clear that the UK will echo the remarks made by the Chairman of the Foreign Affairs Committee. We recognise Russia's responsibility in the conflict, but now it has a responsibility in the post-conflict situation to remedy some of the problems it has caused.

**Mr Ben Bradshaw** (Exeter) (Lab): Some Members of this House received and continue to receive considerable abuse for the decision we took back in November 2015

to support the extension of the RAF mission to Syria. Does the liberation of Raqqa and this considerable setback to Daesh not show that we were absolutely right?

**Alistair Burt:** Yes, in a word. We have been learning over time the consequences of not taking action. We have all learned that there are consequences of action and of inaction, and sometimes the choices are impossible. But it is perfectly clear that decisions not to do anything will almost inevitably result in a situation becoming worse and steadily more difficult for those involved. The right decisions have to be taken on intervention or not, but the decision of the House to support David Cameron's determination to take action in Syria was the right one.

**Sir Henry Bellingham** (North West Norfolk) (Con): Is the Minister aware that a young medical student from my constituency, who was radicalised at Khartoum University, went to Raqqa, via Turkey, to work in an ISIS hospital? She and dozens of other such medical students are obviously authors of their own peril, but does the Minister agree that every effort should be made to get them out safely?

**Alistair Burt:** We have no facility to get British citizens out of Syria. Those who have gone to Syria have not been able to access any consular support, because we cannot put British officials at any risk in trying to deal with that. At present, that is the situation. Those who have gone to Syria have done so at their own risk. Inevitably, some people will return, and I hope that those who have a story to tell about turning against Daesh are able to convince others that this was a false ideology and that they should not be seduced by them into travelling abroad; these people may have a role to play in making that story clear.

**Jo Swinson** (East Dunbartonshire) (LD): In welcoming the liberation of Raqqa from Daesh, we recognise that the city has experienced death and displacement on a huge scale. The 8,000 or so civilians left are in a devastated city without access to drinking water, sewerage, electricity, schools and hospitals, and Assad's forces are just a few kilometres away. Where does the Minister think responsibility for the rebuilding of Raqqa lies? What will the UK Government do to minimise any delays in that arising from what he referred to as political decisions?

**Alistair Burt:** In a sense, it is not a question of responsibility—certainly the people of the area have not caused their own destruction—and it makes sense for the world to be supportive of efforts that will ensure a return to normality, with people having decent lives. Members can expect the UK to play a leading part in supporting those efforts to rebuild schools, hospitals and the economy. I think this is something in which the world will be engaged. On the responsibility of the state, clearly the UK holds the regime to be responsible for a significant part of what has been inflicted upon its people. There has to be a political decision about moving forward with a political process before reconstruction can begin. The decisions have to be taken and that is the view of the international community. It does not prevent the immediate humanitarian assistance in difficult situations

from taking place—that is what is happening now—but longer-term reconstruction must follow a political settlement.

**Bob Stewart** (Beckenham) (Con): Does my right hon. Friend know how many Daesh terrorists have escaped from Raqqa and where they might be headed?

**Alistair Burt:** I do not know the answer to that question because it is just impossible to gauge. Talk seems to centre around the low thousands of foreign fighters. Over time, it will become clearer, but I am not sure I can rightly say anything more accurate than that. It is clear that some will attempt to return to other parts of the region and beyond from where they came. Some countries have supplied more fighters than others. They will be a risk until they have all been interviewed, those who are responsible for crimes have been brought to justice, and others have been dealt with in other ways.

**Mike Gapes** (Ilford South) (Lab/Co-op): My right hon. Friend the Member for Exeter (Mr Bradshaw) referred to the vote two years ago. Unfortunately, I was unable to take part in that vote, but I welcome the liberation of Raqqa. As the Minister said, it proves that conflicts of this kind cannot be won simply from the air. Ground forces have to be used. Will he reiterate our praise for the Syrian Democratic Forces, particularly Syria's Kurds, who have played a pivotal role, and tell the Turkish Government to stop attacking them?

**Alistair Burt:** The hon. Gentleman has always been clear in his determination to take what he considers to be the right action, regardless of the political pressure on him, and he has been courageous to do so. Some battles clearly cannot be fought without ground troops being involved, as recent conflicts in Iraq and Syria have shown. There would have been no liberation of Mosul from the air, nor of Tal Afar or Raqqa. The United Kingdom did not take part in those operations; others have done so elsewhere, with our support. The hon. Gentleman is right to mention Kurdish forces' leadership of the coalition forces that have been operating in Raqqa and the extraordinary work they have done. Whatever difficult situations may be faced back in the Kurdish region of Iraq, it is clear that those fighters and the people they represent deserve to be treated with the greatest of respect. Any political situation needs to be handled with great care, and there needs to be a lot of dialogue between states, not undue pressure or force.

**Ms Nusrat Ghani** (Wealden) (Con): I welcome the news that Raqqa has been liberated from Daesh, especially with respect to Paradise Square, where the terrorists carried out public beheadings. I thank the Minister for all his work to secure the UN resolution on locating and prosecuting Daesh. Will he update us on that, and on the Geneva process?

**Alistair Burt:** I thank my hon. Friend for her kind remarks. I was pleased recently to have the honour of moving the resolution at the UN, which was adopted unanimously by the Security Council, to further the work commenced the year before by the Iraqi Foreign Minister to bring to justice those responsible for the crimes of Daesh and to institute an investigative process to help that work. The United Kingdom will support

that work and see the resolution carried through. I met Staffan de Mistura in New York and he is hopeful that the Geneva process will restart in November. There is clearly a long way to go, but an absence of conflict will help that process. It is essential that a process of justice emerges from the political conversations in which the people of Syria have the chance to choose their leadership, and that they do not have one imposed on them.

**Alison McGovern** (Wirral South) (Lab): The Minister has said some helpful things today, not least about the cost of inaction possibly being as great as the cost of action—a point made forcefully in the paper written by the hon. Member for Tonbridge and Malling (Tom Tugendhat) and Jo Cox, “The Cost of Doing Nothing”. Does the Minister agree that it is vital that those who have committed war crimes in Syria are brought to justice? Will he update the House on the British Government's role in making sure that the Syrian Government, who have prosecuted a brutal campaign and bombed hospitals, are brought to justice in whatever way possible?

**Alistair Burt:** I hope it will please the hon. Lady if I tell her that while I was in New York I met the leader of the White Helmets, along with members of the opposition. We give enormous credit to them for what they have achieved, and to the work of the hon. Lady and others in supporting them.

On bringing people to justice, it is clear that those who are responsible for war crimes in any circumstances—whether they belong to Daesh or the regime—should feel that justice is available against them. The process against Daesh is clear; I suspect that the process against the regime will be more difficult, but if there is evidence, it should be prosecuted and pursued. The United Kingdom will be determined to see that process carried through, although I do not suspect for a moment that it will be particularly easy.

**Rehman Chishti** (Gillingham and Rainham) (Con): Like all colleagues, I welcome the military defeat of Daesh in Raqqa. What steps is the international community taking to ensure the vacuum in that area is not filled by the Iranian militia? That region is a key link to Lebanon, where Iran has some key interests.

**Alistair Burt:** My hon. Friend's knowledge of the area is considerable, and we remember his long campaign to make sure that we refer to Daesh as Daesh. We pay tribute to him for that. The militias operating in the region are not always under the control of the coalition forces or, in Iraq, of the Iraqi Government. As far as I am aware, every attempt has been made to ensure that the forces occupying the ground are under the coalition's control and thereby to minimise any danger of sectarian activity. However, we have to remember that some of the militia have been involved in close fighting and helping to relieve some areas. It is essential that those who are responsible for them now play a part in building a consensual process of governance and do not use them for sectarian purposes. It is an opportunity for some to perhaps show new colours, take a different direction from the one they have taken in the past, and build stability rather than disruption.

**Chris Bryant** (Rhondda) (Lab): The Minister rightly referred to the accuracy of the 261 British strikes on Daesh in Syria, by which I presume he also means to say that, to his knowledge, no civilians were casualties of British strikes. By contrast, the Russians said that their whole aim in Syria was to attack and put an end to Daesh, yet 95% of their attacks seem to have been on other opponents of Assad. Does that mean that the Russians are liars or militarily incompetent?

**Alistair Burt:** On the first part of the hon. Gentleman's question, only 0.31% of coalition air strikes result in a credible report of civilian casualties, highlighting the care taken by the coalition to avoid such casualties. We have not seen any evidence that we have caused civilian casualties, but that is not the same as saying that we have not or will not, especially in close urban fighting against a ruthless terrorist enemy that uses civilians as human shields. Hopefully, the relief of Raqqa will make that likelihood still less.

The question about the other air strikes that have taken place and the use of other forces is one for others to answer, but the hon. Gentleman is correct about the care taken by the coalition, and particularly by the RAF. The RAF's rules of engagement, avoiding strikes where it is known there are civilians, are very clear. Others must be responsible for their actions, but actions and air strikes that have unnecessarily taken civilian lives make the process of reconciliation afterwards so much harder and therefore fuel the causes of further conflict, which the UK has tried desperately hard not to do.

**Leo Docherty** (Aldershot) (Con): The Minister has mentioned Iran. Does he think that the role played by Iran in both Syria and Iraq presents a threat to our interests?

**Alistair Burt:** I wish that we had more time. My hon. Friend's knowledge of the area is very considerable, and he brings that with him to the House. We have been clear in saying that there is evidence of Iran being a disruptor in the region. It has been involved in activities in both Iraq and Syria—in Syria, supporting the Assad regime and supporting its own interests by doing so, and being complicit with a leader who has waged war on his own people have made that region more unstable. In Iraq, it must now allow the Iraqis to run Iraq—the Iraqi Government to run a unified Iraq—and recognise that its influence should be confined to the border. It has an opportunity now to play a part in making peace in the region, but can only do so if it listens to the concerns of others and understand that its influence can be used for better in different ways than it has been up to now.

**Ian Murray** (Edinburgh South) (Lab): I thank the Minister for his work on this very difficult issue. Has he any idea of how many UK nationals have left the UK to fight with Daesh, and of what work the Foreign and Commonwealth Office is doing with the Home Office to identify these individuals and, where possible, repatriate them?

**Alistair Burt:** The short answer is that I do not know. I do not have a figure. We have worked on the number of relatively low hundreds, but we do not know. I will

not put a figure on it—why pluck one out of the air? The numbers are not huge, and are not as great as some from other places. On dealing with people when they return, let me make it clear that there is no facility to return people—certainly not from Syria. We have no personnel there and we have no responsibilities in that regard. If people make their way back to the United Kingdom and are identified as having taken part in conflict in Syria or Iraq, they will be detained and will have to answer questions while it is found out exactly what they have done, which is right and proper, and those who have committed offences can expect to face justice.

**Mr Philip Hollobone** (Kettering) (Con): My constituents in Kettering are increasingly alarmed about the number of British jihadists who have been fighting our armed forces personnel in Iraq and Syria. My understanding is that about 850 of them have been identified, of whom about 400 are already back in the UK. Please correct me if I am wrong but I do not believe that there has been a single prosecution for any offence. Will the Minister try to understand that if no effective action is taken against these people in this country, it will send a positive signal to potential jihadists to Syria to say, "We can go off and fight British services overseas because nothing will happen to us when we return."

**Alistair Burt:** Many terrorist offences have extra-territorial jurisdiction, which means that people can be prosecuted in British courts for terrorist activity in Syria or anywhere else in the world. Any decision on whether to prosecute will be taken by the police and Crown Prosecution Service on a case-by-case basis. That requires evidence of what people have done. It does not require rounding up people who have been in a particular place and detaining them without any legal process for doing so. It is essential that we find out what people are doing. That will require the sort of investigative work that I announced earlier that we have promoted through the UN. The investigations unit is entirely designed to uncover the evidence that will bring people to justice. It is a question of holding this number of people in reasonable bounds so that everyone knows that they have gone there, but that the numbers are not as great as those from other countries. There is a determination in the United Kingdom to make absolutely certain that if those who put the country at risk return, they can expect to be questioned, to be brought to the notice of the security authorities and to be subject to controls thereafter according to existing law. Where prosecutions are possible, people will be prosecuted and rightly so.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): I am sure that the whole House will agree with me when I offer my thanks and congratulations to all those people, and their families, who have served in Operation Shader. Given what we learned in Fallujah about the industrial use of improvised explosive devices in domestic property, can the Minister give us some more information on what efforts are being made to ensure that, on the ground, we are supporting people to clear those IEDs?

**Alistair Burt:** I thank the hon. Lady for her question. She is right to thank the families of those involved for their sacrifice, too. As I mentioned earlier, my right hon. Friend, the Secretary of State for DFID, deliberately

targeted some of the money that has been given to deal with the IEDs, the explosive devices and booby traps that are littering Raqqa and Mosul. The United Kingdom is contributing to the landmine clearance effort, and we will continue to do so.

**Henry Smith** (Crawley) (Con): Further to earlier questions about returning fighters to the UK, there are a number in my constituency who have actively supported Daesh in Syria and are now back home. I appreciate the fact that a cross-Government response has been made to those individuals and that there will be prosecutions where appropriate. In addition, can I also have an assurance that, to keep the wider community safe in my constituency and across the country, the security services will be monitoring the activities of those who have returned but cannot be prosecuted because there is insufficient evidence to ensure that they are not radicalising their communities?

**Alistair Burt:** My hon. Friend is absolutely right. More than 60 countries are now providing data to coalition partner Interpol to build a global database of those foreign fighters who have worked with Daesh. The database has grown from 40 people in 2013 to 14,000 internationally and it continues to grow. This information, along with our other investigative efforts, helps to ensure that people in the United Kingdom are safer.

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): The Minister was correct earlier to pay tribute to the Kurdish peshmerga forces for their contribution in defeating Daesh on the ground in both Iraq and Syria. How concerned are the British Government, therefore, about the events of last week when the Iraqi military and Shi'a militia captured Kurdish-held territory in Kirkuk province, about the reported clashes with Kurdish forces and about a splintering of the anti-Daesh forces in future?

**Alistair Burt:** The Foreign Office and I are in pretty close contact both with the Iraqi Government and the Kurdish Regional Government in Iraq. Our understanding is that the process of recovering so-called disputed territory has been done not through conflict, but by agreement between the Government of Iraq, peshmerga forces and the Kurdish authorities. We have been at pains to do all we can to say to both the Regional Government and the Iraqi authorities to do nothing to risk a conflict. There are Shi'a militias in the area, but my understanding at the moment is that the responsible parties are doing everything they can to avoid conflict so that they can return to the dialogue that must take place between the Kurdish representatives and the Iraqi Government following the referendum in September.

**Graham P. Jones** (Hyndburn) (Lab): There is a significant presence of al-Qaeda in the Arabian Peninsula and Daesh in Yemen. What assessment have the Government made of the extremist threat in Yemen, and what support are we giving to the ground troops of Saudi Arabia and United Arab Emirates and the Government forces that are trying to defeat those extremists in that country?

**Alistair Burt:** That is a slightly wider question, but, in relation to Daesh and others, it is absolutely pertinent. We do not take part directly in the coalition operating

in Yemen. Of course UK representatives are available to ensure that international humanitarian law is adhered to by those who are taking action using munitions supplied by the United Kingdom. That work is ongoing, but it is not a direct part of the coalition. We have supported the coalition's aims in pushing back an insurgency against an elected Government, which has opened up the risk of more ungoverned space in Yemen in which AQAP and Daesh can operate. We continue to work towards a conclusion of that conflict. We are working extremely hard on trying to get negotiations to start again so that the conflict can come to an end, because that is the only thing that will secure the area and deal with that risk of al-Qaeda in the Arabian Peninsula.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): One of the most horrifying elements of this war has been the weaponisation of food. I am sure that the Minister has seen the story in *The Times* today, reporting that the United Nations says that 90% of its aid trying to get through the Wafideen checkpoint to East Ghouta is turned back. What are the Government doing about that particular case and, more broadly, how are they trying to fight against President Assad waging starvation?

**Alistair Burt:** The hon. Gentleman is right. The area has returned to medieval conditions of war and siege in which humanitarian aid, which ought to get through under international rules, is not allowed to get through because of forces on the ground. We make strenuous efforts through the UN and humanitarian agencies, which do extraordinary work in these places. We should pay tribute to those who are working on the ground in dangerous conditions to provide relief and to try to get things through, but it is difficult and we will continue to make that case. In Raqqa, however, the UK has provided more than 660,000 relief packages—including blankets, clothing, hygiene items and kitchen utensils—and more than 88,000 monthly food rations, so where we can get things through, we do. But there is no doubt that aid and the refusal of aid is used as a weapon of war, and it should not be.

**Toby Perkins** (Chesterfield) (Lab): It is in the interests of Assad and Putin to suggest that life is returning to normal in Syria. The Minister mentioned the meeting in Geneva in November. In light of that, what more will the UK Government be doing to ensure that Russians and other actors are aware that there can be no lasting peace in Syria while Assad continues to rule and while there is not a role for peace-loving Sunnis, as well as those of all other communities, in Syria?

**Alistair Burt:** The House can be absolutely clear that the points that the hon. Gentleman has made were made during conversations with the P5, including to Foreign Minister Lavrov and Staffan de Mistura. Russia is protecting its own interest in Syria and it is doing so in what we consider to be an unconscionable manner, by supporting President Assad and what he has done to his people. There can only be a political resolution that gives the people of Syria the free choice to choose their Government. This is not an easy process, and we are giving all backing to Staffan de Mistura as he restarts the Astana talks in Geneva with all parties present. It is essential that the people of Syria have the choice of their own President and Government. It cannot be the

[Alistair Burt]

case that everything is returning to normal in Syria. That is true in some parts but, in areas of serious conflict, the situation is still miserable for civilians attacked by their own Government.

**Phil Wilson** (Sedgefield) (Lab): I congratulate my hon. Friend the Member for Barrow and Furness (John Woodcock) on securing this urgent question. The decision in this House in December 2015 to take military action in Syria was obviously controversial, but it was the right one in my view. As somebody who supported that decision, I pay tribute to the RAF and to the professionalism of our military servicemen and women who are in the region today. My question is about UK foreign fighters who may have left Syria and ended up in refugee camps in Turkey. What are we doing to track those people down and return them to justice?

**Alistair Burt:** As I mentioned earlier, the acquisition of names on to the Interpol database is extending the reach of national authorities in the more than 60 countries from which foreign fighters have gone to fight in Iraq. That will provide a basis for what happens when they return. I am not aware of any efforts that are being taken to visit camps in order to identify people before they return. I do not know about that matter, so I will find the answer and ensure that it is made available in the Foreign Secretary's next statement.

**Sammy Wilson** (East Antrim) (DUP): Happily, the campaign against Daesh in Syria is coming to an end, bringing hope to millions who suffered abuse from these evil madmen. But in light of the events in Kirkuk last week, is the Minister concerned that Iraq and Iran are now turning their attention militarily towards the Kurds? Does he see that as a potential source of conflict, and what role can he and the Government play in trying to diffuse the situation?

**Alistair Burt:** The first role I hope that I can play is to urge the House to be cautious of reports coming out from the region. It is not always entirely clear what is happening on the ground, and those with vested interests are trying to stir up more conflict than there need be. Our understanding is that there is sufficient of a relationship between Baghdad and representatives of the Kurdish Government to enable a dialogue to take place so that the conflict is avoided. I do not believe it is true that Iraq and Iran have turned their attention to conflict in the Kurdish region. There is a risk of conflict—that is true—but everything we know about Prime Minister Abadi, and his actions and rhetoric, indicates that he does not want conflict. That has been mirrored by those in the Kurdish region. We are using all our efforts to ensure that that will remain the case, but the hon. Gentleman is right that there are spoilers who might start to urge a conflict. We should be doing all we can, in this House and at a Government level, to urge the necessary dialogue, which we think is taking place.

## Points of Order

1.35 pm

**Iain Stewart** (Milton Keynes South) (Con): On a point of order, Mr Speaker. You will be aware of the growing level of abuse and intimidation in many parts of our political system. Such toxicity endangers a considerable progress on equalities that this country has made and that you have commendably championed. It could dissuade many decent people from taking part in legitimate political debate. Have you received any indication from the Minister for Women and Equalities that she wishes to make a statement to the House to clarify the legal obligations of political parties under the Equality Act 2010? In the absence of such an indication, could you advise me on how such matters might urgently be considered by the House?

**Mr Speaker:** I am grateful to the hon. Gentleman for his point of order and for his courtesy in giving me advance notice of it. The short answer is that I have received no such indication as yet from the Minister for Women and Equalities, whom, as it happens, I saw last night at an event that I hosted in Speaker's House, at which she spoke eloquently and with conviction on the importance of inter-faith harmony. It is open to a Minister to volunteer a statement. Such has not, to date, been proffered.

The hon. Gentleman is referring to an ongoing problem, arguably of greater salience, scope and prominence than in the past. If there is no such statement, but the hon. Gentleman—possibly supported or accompanied by colleagues from across the House—wishes to debate the issues, it is open to him to seek either a one and a half hour debate in Westminster Hall or to approach the Chair of the Backbench Business Committee and seek a debate under its auspices. That is the best and most practical advice that I can give to the hon. Gentleman, who has raised a serious matter in a very measured way. [Interruption.] Is the Government Whip muttering something of importance? I am sure that he has something to say, but it does not need to be said in the Chamber; it can be held for elsewhere, where I am sure it will be of great interest.

**Amanda Milling** (Cannock Chase) (Con) *rose*—

**Mr Speaker:** I am not sure that there is much to add. If the hon. Lady wishes to raise a point of order on the same matter, the answer is no, to be honest.

**Amanda Milling** *rose*—

**Mr Speaker:** Order. The hon. Lady raised a point of order with me yesterday. She sought my guidance, which I offered her. If the point of order is on a similar matter to that which the hon. Member for Milton Keynes South (Iain Stewart) has just raised and to which I have responded with crystal clarity, there is nothing to add.

**Amanda Milling:** Further to that point of order and the point of order I raised yesterday, Mr Speaker. I would like to seek some clarification. Yesterday, you suggested that I apply for an Adjournment debate. I was wondering what mechanism—

**Mr Speaker:** Order. Forgive me, but I think it is extremely clear that I have dealt with a serious matter raised in a very measured way by the hon. Member for Milton Keynes South and given clear advice. If there are people who are unclear on the basis of what I have said, I am frankly surprised by that, but it is open to them to approach me for further guidance. What they should not seek to do—I am sure that the hon. Lady would not knowingly seek to do this for one moment—is to abuse the procedures of the House. I have tried to help the hon. Lady, and we will leave the matter for now.

**John Mann (Bassetlaw) (Lab):** On a point of order, Mr Speaker. Where an MP is elected by Parliament to represent us on a foreign delegation and is subsequently sent home from that delegation for inappropriate behaviour, will such cases always be reported back to the body that elected them—that is, to Parliament—and have they been in the past?

**Mr Speaker:** What I would say to the hon. Gentleman is as follows. He has raised an extremely important matter, and, again for the avoidance of doubt, I do not consider or treat it lightly. That said, the House will note that the hon. Gentleman raised the issue in extremely broad terms—I do not knock him for doing that, but I say it by way of factual response.

I say to the hon. Gentleman, on advice, that raising a point of order in the House is not necessarily an effective way, or even necessarily a proper way, of pursuing an allegation of impropriety against anybody, whether a Member of the House or anybody else. If the hon. Gentleman has grounds for supposing that there has been impropriety by an hon. or right hon. Member, falling short of possible criminality, which would obviously be considered elsewhere, I ask the hon. Gentleman to write to me, because I am sure he is interested in the issue, rather than in, for example, securing parliamentary attention—I know that would not motivate the hon. Gentleman. [*Interruption.*] No, no, I have known the hon. Gentleman for over 30 years, and I know that

would not motivate him in any way. If he is concerned about the issue—and I respect that—and he has a particular point that he wants to raise with me in writing, I assure him, and, more widely, I assure the House, that I will give the matter my urgent attention. I hope that is helpful to the hon. Gentleman.

**John Mann:** Further to that point of order, Mr Speaker. No, my motivation is to clarify what is the policy and procedure of the House in a circumstance where a Member has been elected at any stage by this Parliament. Will these things be reported back?

**Mr Speaker:** I am very grateful to the hon. Gentleman. As I have just been advised—and it would seem to me fairly clear—where a question is hypothetical, it is actually quite difficult to provide a concrete answer. I would certainly expect that if a suspected abuse had taken place, that would be reported, in all likelihood, to the political party of which the suspect was a member. Depending upon the nature of the visit—that is to say, whether it was a visit organised by, or with sponsorship in some way from, a parliamentary body—it might well also be reported elsewhere. I would certainly hope and expect that such occurrences, or alleged occurrences or abuses, would be reported, and if they are reported, those who are reporting them can expect them to be investigated.

I hope the House can see that, far from brushing aside the hon. Gentleman's concern, or that of any other Member, I am keen that those matters should be properly explored, but they are not necessarily best explored via the point of order procedure on the Floor of the Chamber. The hon. Member for Milton Keynes South sought my guidance. I gave him very clear and practical guidance, which I have every expectation he will follow. If practical guidance is what people want, that is what I am seeking to provide.

If there are any further points of order that are unrelated, I am happy to take them; if not, we should proceed to the ten-minute rule motion.

## Affordable Home Ownership

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

1.43 pm

**Mr Christopher Chope** (Christchurch) (Con): I beg to move,

That leave be given to bring in a Bill to make provision for affordable home ownership; to require the inclusion of rent to buy homes in the definition of affordable housing; to make provision for a minimum proportion of new affordable housing to be available on affordable rent to buy terms; to provide relief from stamp duty when an affordable rent to buy home is purchased; and for connected purposes.

It is beyond dispute that home ownership is by far and away the most popular and desirable form of housing tenure. This is confirmed by the British social attitudes survey, which shows that 86% of people aspire to own a home. Home ownership lies at the heart of a true property-owning democracy, in which young and old alike are enabled to take responsibility for their own lives. Home ownership facilitates flexibility in the size and location of accommodation, taking into account changes in a place of employment or additions to the family. Home ownership also encourages long-term financial independence from the state and, therefore, from taxpayer subsidies.

With home ownership so popular and so manifestly in the public interest, one is bound to ask why it has been allowed to decline—it is now at a 30-year low of only 63%. The answer is lack of affordability. In most parts of the country, the price of houses has been increasing far faster than earnings. The greatest impact has been on younger buyers. In the 1980s, six out of 10 of those aged under 40 were homeowners; now, fewer than four out of 10 are.

To her credit, the Prime Minister clearly wishes to correct this public policy failure, which is having such an adverse impact on the next generation of aspiring homeowners. The proposals in the Affordable Home Ownership Bill should therefore be particularly appealing to the Government—not least because they do not add to the nation's debt, but rely instead on ensuring that some of the land set aside under section 106 planning agreements for affordable housing is earmarked for homes built for affordable rent to buy. My Bill requires the Government to put beyond legal doubt that local authorities must treat affordable rent to buy on a par with affordable rent, and it requires local authorities to specifically include affordable rent to buy schemes in their development plans.

For those not familiar with affordable rent to buy, this is how it works. It provides an accessible route to home ownership for those who cannot immediately afford a deposit. In that respect, it has an advantage over other low-cost home ownership schemes, which still require substantial up-front funding. Under affordable rent to buy, families take out a fixed five-year renewable assured shorthold tenancy and agree to pay an affordable rent—80% of the market rate, normally—for five, 10, 15 or 20 years. By paying an affordable rent, families are able to start saving towards a deposit.

In addition, under the scheme, which is being pioneered by a small number of imaginative local authorities, the tenants receive 10% of the property's market value as a

gifted deposit to add to their savings and reduce their mortgage costs at the point of purchase. On becoming 100% homeowners after five, 10, 15 or 20 years, tenants can access a wide range of mortgage products utilising the credit worthiness they will have developed during their time as tenants. The essential element of security of tenure also enables families to develop roots in their local community.

The model to which I refer is wholly funded by institutional investors. Substantial funds have already been forthcoming, but a further £40 billion will be available under this system for new affordable homes, at no cost to the Exchequer. That could provide homes at £200,000 each, and that could provide 200,000 such homes—a significant way of addressing the problem we have with housing.

However, that is all subject to one caveat, which it is the purpose of the Bill to address. Currently, affordable rent to buy does not come clearly within the definition of affordable housing, and the Bill requires that it should so do. There needs to be an explicit reference to affordable rent to buy in the national planning policy framework definition of affordable housing. Such clarity would enable many more local authorities to take forward these innovative schemes.

There should be no problem with clarifying the definition, because, in a typical affordable rent to buy scheme, one in three purchasers is moving directly from the social rented sector, and almost all the others are from the housing waiting list.

The House of Commons Library briefing paper published in late August states:

“There is no all-encompassing statutory definition of affordable housing in England. Indeed, there is a good deal of ambiguity in the way the term ‘affordable’ is used in relation to housing.”

It is to help fill that vacuum that I brought forward this Bill, which will provide a definition of affordable rent to buy. Subject to consultation, this would be the definition: “Affordable rent-to-buy housing is housing that is made available at a rent level which is at least 20% below market rent, including service charges where applicable, and later made available to the tenant living at the property to buy at a cost which may be less than market value. Provision should be made for receipts or a proportion thereof to be recycled for alternative affordable housing provision if the subsidy is withdrawn. Eligibility is determined with regard to local incomes and local house prices.”

I hope that the Minister for Housing and Planning, my hon. Friend the Member for Reading West (Alok Sharma), who I am delighted to see in his place on the Treasury Bench, will embrace that, or a very similar, definition. Unfortunately, despite parliamentary questions and letters from a number of colleagues, many of whom are co-sponsors of the Bill, we are still waiting for a result. It may be that we are waiting for the announcement to be made not by my hon. Friend but by the Chancellor of the Exchequer on 22 November. However, whether it be now or on 22 November, something must be done about this, because we need to open up the £40 billion of private institutional investment in our housing that we so desperately need.

If one looks, as some of us may, at the Government website on affordable home ownership schemes, it is a depressing sight. Indeed, there is hardly anything on it,

and certainly no reference to anything as imaginative as the schemes to which I have referred. I will save anybody interested in looking at the website the need to do so by quoting from it. It has an overview saying how people can get

“help with savings, through a Help to Buy ISA”

or

“a home through shared ownership”.

It goes on to say:

“The Help to Buy mortgage guarantee scheme closed at the end of 2016.”

It then talks about Help to Buy equity loans and so on. However, it does not address the real problem: that so many people in this country want to embark on a road to home ownership but cannot afford even to save for a deposit because they are paying full market rent rather than an affordable rent. I therefore hope that the Government will take seriously the issues raised in this Bill.

One of the most significant fiscal changes affecting housing in the last 30 years has been the policy of the Treasury to treat stamp duty as a cash cow. Stamp duty is now a significant burden for those moving into home ownership. It is a transaction tax, which, like all such taxes, has had the consequence of reducing the number of transactions. My Bill would enable the Government to give special relief from the burden of stamp duty, in line with avowed Government policy to promote home ownership among first-time buyers. I hope that we will hear more about that in the Budget.

This Bill should enjoy the support of everybody in this House because it works with the grain of public opinion and would enable more people to reach their aspiration of becoming homeowners in the United Kingdom.

*Question put and agreed to.*

*Ordered.*

That Mr Christopher Chope, Mr Gary Streeter, Derek Thomas, Craig Tracey, Mr Philip Hollobone, Mr Ranil Jayawardena, Steve Double, Robert Halfon, Philip Davies, Sir Edward Leigh and Sir Desmond Swayne present the Bill.

Mr Christopher Chope accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 3 November and to be printed ( Bill 115 ).*

## Universal Credit Roll-out

*Emergency debate (Standing Order No. 24)*

**Mr Speaker:** Before I call the shadow Secretary of State for Work and Pensions to open this emergency debate, I should advise the House that it can last for a maximum of three hours and that a very significant number of colleagues—in excess of 25—wish to speak. There is of course no time limit on Front-Bench speeches, but I would be grateful if Front Benchers would tailor their contributions to take account of the interest of their Back-Bench colleagues.

1.55 pm

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): I beg to move,

That this House has considered the Government’s response to the decision of the House on pausing the Universal Credit full service roll-out.

Once again, Mr Speaker, I thank you for granting this emergency debate, which is so important to the people we represent. It is very important that we have this opportunity to return to the roll-out of universal credit, following last week’s Opposition day debate. Just to refresh everyone’s memory, the motion calling for a pause to the programme was unanimously approved by 299 votes to zero. Since then, we have heard nothing from the Government about what they intend to do, in response to the concerns raised last week, to fix universal credit. I always welcome the Minister for Employment to his place, but why is the Secretary of State not here to answer? Obviously I understand that emergencies do happen, but I did not get a satisfactory response from his office when I rang earlier, and apparently Downing Street is none the wiser either.

The press has reported that the Government are considering reducing the six-week wait for the first payment after making a claim. Will the Minister confirm whether that is correct and, if so, when will it happen? Will he also explain why his Government deem it acceptable to brief the media but not to make a statement to this House? Does he recognise the constitutional implications of his Government’s inaction to date?

**Chris Bryant** (Rhondda) (Lab): Did my hon. Friend notice that virtually every Conservative, or Conservative representative of the Government, who spoke on this matter over the weekend seemed to suggest that the problems with universal credit were to do not with the policy but just its implementation? However, the six-week delay is actually a policy decision that was in place from the very beginning, and that is what is causing the poverty and the problems.

**Debbie Abrahams:** My hon. Friend is absolutely right. To be fair, some Conservative Members, and indeed a Conservative Assembly Member, have recognised the real problems with the structural design of universal credit, even saying that it is “indefensible”.

As it stands, there is overwhelming evidence of the harmful impacts of universal credit, including rising debt, rent arrears and even evictions. The Government must take action or face serious constitutional questions. They have had three sitting days to respond to the legislature but have failed to do so, keeping this House and the country waiting, along with the 7 million people who are expected to be using this programme.

**Ruth George** (High Peak) (Lab): The Government's figures indicate that 90,000 families will be transitioned on to universal credit full service over the next 90 days. Does my hon. Friend therefore agree that while the Government delay making a decision, about 1,000 more families each day, on average, will have to wait six weeks and get further into debt?

**Debbie Abrahams:** My hon. Friend is absolutely right, and that is why this debate is so urgent—we cannot wait. Although, yes, this is still a small proportion of the full number of people who will have universal credit rolled out to them, this amounts to a 63% increase in the number of people who will be on full service over the next six months.

**Lucy Frazer** (South East Cambridgeshire) (Con): Does the hon. Lady accept that 50% of people who have received universal credit have actually received it early and applied for an advance payment?

**Hon. Members:** It is a loan!

**Debbie Abrahams:** As my hon. Friends are saying, it is a loan. I will return to that, but I want to make that important point.

**Simon Hoare** (North Dorset) (Con): The hon. Lady nailed it in a remark that she made a moment or so ago. There have been just three sitting days since the Opposition day debate. Were we to presuppose that Her Majesty's Government would seek to respond to that debate—let us not presume that—would it be fair, in all honesty, to expect them to do so within three sitting days?

**Debbie Abrahams:** I will come on to that in a moment. The precedent was, unfortunately, set by the current Government.

As I said, the Government have had three sitting days to respond to the legislature. It might be useful to quote the right hon. Member for Ashford (Damian Green), who is now First Secretary of State. At the last such defeat for a Government, in 2009, he raised an immediate point of order, in which he asked the then Deputy Speaker:

“In the wake of that devastating vote for the Government, have you had any indication that Ministers intend to come to the House and make an immediate statement about how they propose to change their policy, as the House has now spoken clearly?”—*[Official Report, 29 April 2009; Vol. 491, c. 931.]*

Within three and a half hours, the then Government made a statement.

The right hon. Gentleman had changed his tune a bit by last Thursday, when he said that all

“governments have to abide by the rules of parliament. We're a parliamentary democracy,”

but that

“as the Speaker said last night, motions like that are non-binding motions, so they don't engage government activity particularly.”

He cannot have it both ways.

These events have raised a more fundamental constitutional question, given reports that the Government no longer intend to require Conservative Members to vote against Opposition day motions.

**Kevin Hollinrake** (Thirsk and Malton) (Con): The hon. Lady said earlier that the up-front payment is, in her words, a loan. If it was not a loan, it would increase the overall quantum of benefit paid to recipients. Is that what she is proposing?

**Debbie Abrahams:** I will say exactly what I am proposing very shortly.

If the Government's position is that Opposition day debate motions should have no binding effect on the actions of the Government, it fundamentally alters the relationship and balance of power between the Executive and Parliament. It would mean that apart from votes on legislation and matters of confidence, the Government could ignore the decisions and will of Parliament. This is very dangerous ground, and the situation needs to be seen in the context of the blatant power grab by the Executive that we witnessed on Second Reading of the European Union (Withdrawal) Bill last month.

**Jeremy Quin** (Horsham) (Con): For the hon. Lady to accuse the Government in such a way is to suggest that there has been a change from precedent, but votes on Supply days have never been binding on the Government. That is a clear precedent going back many years, and the position was entrenched by the Fixed-term Parliaments Act 2011.

**Debbie Abrahams:** The point is that we need an urgent response to this really important issue. We are calling for a clear set of proposals from the Government that will reflect the will of the House and pause universal credit roll-out while the issues that I raised—and many more that I did not have time to raise—are fixed.

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): I thank my hon. Friend for securing this debate. Is she as surprised as I am by Conservative Members' denial of the seriousness of these issues? Their comments will give no succour to my constituents, such as the mother of three who is currently sleeping on her cousin's floor after she was evicted from her home because of non-payment of rent that resulted from delays in universal credit. This is not about the Opposition versus the Government; it is about real people—our constituents—suffering.

**Debbie Abrahams:** My hon. Friend raises an important case. It is absolutely shocking that in 2017, in the fifth richest economy in the world, such cases are brought to our surgeries day in, day out. Things are only going to get worse, and that is absolutely unacceptable.

**Heidi Allen** (South Cambridgeshire) (Con): The moment for pausing universal credit—this is determined by statutory instrument, as the hon. Lady knows—has passed, but there will be another opportunity to do so in January, when another one-month pause is built into the system. If we could find a compromise with the Government and make significant changes to the policy, such as reducing the six-week wait to four weeks, would that be acceptable to the Opposition?

**Debbie Abrahams:** Something needs to happen urgently. As the hon. Lady knows, full service is being rolled out to 55 areas this month. The cold months are upon us, and Christmas is just around the corner. We need an urgent response now.

**Mr Jim Cunningham** (Coventry South) (Lab): A number of cases have been brought to me. Last Christmas, one constituent waited for two months without any money to get redress. On the constitutional question, democracy can only work if everybody gets involved. It is no good the Government boycotting Parliament.

**Debbie Abrahams:** I totally agree with my hon. Friend. We must have a responsive Government who listen to the will of the House and the people we represent. It is not good enough just to say that a motion is not binding—we need action.

**Ms Angela Eagle** (Wallasey) (Lab): Does my hon. Friend agree that there is an urgent need for a pause? In Wallasey, the roll-out will begin halfway through November. Six weeks later, it will be Christmas. The Department for Work and Pensions will not be open on Christmas day, which means that many of my constituents will have to wait until the new year for assistance. That is why our local food bank is looking to collect 15 tonnes of extra food to deal with demand. Does she agree that it is time that the Government listened to Parliament and acted to alleviate such obviously avoidable hardship?

**Debbie Abrahams:** My hon. Friend makes an important point. Food banks are running out of food as the scheme is being rolled out. What will happen to families who desperately need financial support?

**Paula Sherriff** (Dewsbury) (Lab): One of my constituents who has severe mental health problems has been signed off as sick until December. We go on to universal credit in November, and he has been advised that if he does not prove that he is looking for work, he will be sanctioned and his benefits will be stopped. Does my hon. Friend agree that it is dangerous to have assessors overriding the views of registered doctors?

**Debbie Abrahams:** My hon. Friend makes an important point about the impact of in-work conditionality. There are about 1 million people on zero-hours contracts who may not know from one week to the next whether they will be able to work 35 hours each week, and we know how much harm universal credit will do to them. Those people are doing the right thing, but they may be sanctioned if they are deemed not to be working enough hours.

**Ms Karen Buck** (Westminster North) (Lab): My hon. Friend is being generous with her time. During last week's debate, I raised the reluctance of private sector landlords to rent properties to people who are on universal credit. Is she aware that social landlords frequently issue a notice indicating that they will seek possession of a property if the tenant is in arrears for only a week? Is it not scandalous that an ever-increasing number of people will approach the Christmas period with such a threat hanging over them?

**Debbie Abrahams:** Absolutely. Surely what is happening is not right, so we must stop this.

I will now make some progress, although I will take more interventions later. People might not have kept up with the hundreds of stories that we have heard from colleagues on both sides of the House, but we must make sure that the Government's flagship programme is

amended to take account of the real hardship that people are experiencing. We have heard about that hardship not just from claimants, but from charities that deal with claimants, as well as many other organisations.

There are three key issues with universal credit: the programme's design flaws, which have been there from the outset, as I mentioned last week; the cuts that were introduced in 2015; and various implementation failures. First, I will talk about the programme's flaws. The six-week wait before new claimants receive any payment is particularly draconian, and it is having real impacts. Four weeks of the waiting period are to provide that universal credit can be backdated, but an additional week's wait was added as policy, and claimants must wait a further week for their payment to arrive. That is believed to be one of the primary drivers of the rise in debt and arrears.

**Kevin Hollinrake:** The hon. Lady talks about a six-week delay before any payments are received, but she will be aware that up-front payments are made available at the initial stage, so does she accept that that is not quite the case?

**Debbie Abrahams:** No, I do not.

It is so important to stress that half of those in rent arrears under universal credit entered arrears after making a claim. We know that one in four is waiting more than six weeks, and one in 10 is waiting more than 10 weeks.

**Stephen Lloyd** (Eastbourne) (LD): There are 1.5 million people on housing benefit in the private rental sector, and private landlords do not have the flexibility or even the patience of housing associations and councils. Does the hon. Lady agree that if 50% of the 1.5 million people who will ultimately be on universal credit lose their homes, it would be an absolute catastrophe?

**Debbie Abrahams:** We know the real issues involved in the housing crisis at the moment, so the hon. Gentleman makes a very fair point.

The Government claim that the purpose of making payments once a month in arrears is to mimic the world of work, but that is not the case. Data published just yesterday by the Office for National Statistics shows that a quarter of the lowest-paid—those most likely to be on universal credit—are paid every week or fortnightly. As my hon. Friend the Member for Wirral West (Margaret Greenwood) has said, given that nearly 400,000 more people are due to go on to universal credit over the winter, at this rate 80,000 people will be waiting more than six weeks for a payment, with 40,000 people waiting more than 10 weeks for their first payment.

**Louise Haigh** (Sheffield, Heeley) (Lab): Will my hon. Friend give way?

**Debbie Abrahams:** I will take one last intervention.

**Louise Haigh:** My hon. Friend makes the very important point that these policies are not accidental consequences, but something that is baked into the universal credit system. That is why it is not unreasonable to ask the Government to respond within three sitting days of last week's Opposition day debate. Does she share my concerns that universal credit payments will be made to only one

[Louise Haigh]

member of a household and about the consequences of that policy for victims of domestic violence, on which my hon. Friend the Member for Birmingham, Yardley (Jess Phillips) has been campaigning?

**Debbie Abrahams:** Again, my hon. Friend makes a very important point. I will come on to all the different issues. I have raised the so-called advance payment, which is in fact, as I have said, a loan—it has to be paid back within six months.

**Lucy Frazer:** Will the hon. Lady give way?

**Debbie Abrahams:** No. I am sorry, but I am not going to take any more interventions.

Other design problems I mentioned last week include: the fact that payment is made to one member of the household—predominantly men—and that the second earners, who are predominantly women, face much reduced work incentives; the fact that severe disability premium payments were not incorporated into universal credit; the fact that rent is paid to the claimant rather than the landlord; the fact that self-employed people are subject to the punitive minimum income floor, which fails to reflect the reality of the peaks and troughs in their working hours; and the fact that in-work conditionality is coming down the track, meaning that 1 million working people will have to visit jobcentres while much of the Jobcentre Plus estate is being closed, and will face financial sanctions if they fail to work the hours their job coach deems they must work. On top of that, there are the real-time information flaws, which have been mentioned by my right hon. Friend the Member for East Ham (Stephen Timms), and the fact that there is no time limit on disputes, which will lead to more delays in payments. There is also, of course, the fact that the child element of universal credit has been reduced from 20 to 19 years.

I turn to the cuts made to the programme since its introduction. Universal credit was meant to simplify the system, but it was also meant to make work pay. We have always supported those principles, and we still do, but unfortunately the 2015 summer Budget slashed the work allowances, and the rate at which support is withdrawn was dramatically increased. As the Institute for Fiscal Studies said in its response to the Budget, that meant the promise that work would always pay was lost. The cuts reduced the work allowances from £222 a month to £192 a month for a couple with two children claiming housing costs. It is estimated that that will result in an additional 340,000 people in poverty by 2020. Some families have been left as much as £2,600 a year worse off.

Families with three children face even greater difficulty, as the Government have decided that the state should play no role in supporting the life chances of the third child. A whole generation of children will be born without the support that was offered to their siblings, which is a break from the historical principle that the state should not punish children for the circumstances of their parents. Single parents have been hit particularly badly. In real terms, a single parent with two children who is working full time as a teacher will be £3,700 a year worse off.

That is even before we reach the Government's freeze on social security rates, which the Joseph Rowntree Foundation predicts will push 500,000 more people over the poverty line. Its analysis shows that the freeze will mean that a family of four receiving universal credit will be over £800 a year worse off in 2020, and that is on top of the other cuts I have outlined. Will the Minister confirm that the Government will continue the freeze on social security payments, including universal credit, given that it was introduced when inflation was 0.3% but the rate is now 3%?

As I revealed last week, the Child Poverty Action Group's forthcoming report estimates that these cuts will push 1 million more children into poverty, 300,000 of whom are under five. What does it say about this Government when their policies knowingly push children into poverty? The Secretary of State, the Minister for Employment and many other Conservative Members have tried to suggest that data apparently showing a 3% increase in employment outcomes under universal credit compared with the situation under the previous system is evidence that universal credit works to get people into work. However, they fail to add that the data is from 2015—before the cuts were implemented. Will the Minister now commit to updating the figures, and will he retract these particular statistics, which he has used numerous times?

It is worth pointing out that the most recent figures show an underspend—I repeat, an underspend—on tax credits of as much as 2.4% compared with the projections of the Office for Budget Responsibility. Will the Government provide an exact figure for the savings that that has created? Could not some of the underspend be put towards sorting out the problems that we are now encountering under the new programme? I will return to that point in a minute.

**Kate Green (Stretford and Urmston) (Lab):** Will my hon. Friend give way?

**Debbie Abrahams:** I am very sorry, but I will not give way now.

I turn to the implementation failures. Leaving aside the many changes to the programme's schedule over the past few years, the most recent roll-out has been beset by problems. I was glad that the Government listened to Labour and will replace the high-cost phone line with a free one. Will the Minister give me a timetable of when that will happen? Will he also assure me that the free phone line will be funded not by the taxpayer but by Serco, the contractor?

Other implementation issues still remain, however, including the fact that people are denied prescriptions and dental treatment because pharmacies and dental practices do not know who is eligible for free treatment. People also do not know about advance payments or alternative payment arrangements.

I have been inundated with emails and calls from people telling me their UC horror stories. For example, a self-employed Oldham woman is worried that she will lose her business and home when she goes on to universal credit. I have received so many stories from self-employed people that you would not believe it, Mr Speaker. They are really concerned about what universal credit will mean for them. A private landlord is worried that three of his tenants are thousands of pounds in rent arrears

under universal credit, although they had never previously been in rent arrears. Southwark Council estimates that such arrears will be an average of £1,700 per universal credit tenant. Disabled people are isolated and alone as the support of severe disability premiums disappears, along with other disability support. As I have mentioned, food banks are running out of food. Even current and former DWP advisers are expressing their deep concerns about the programme and the fate of claimants.

I come back to my asks. First, the Government must end the six-week wait. They should bring it forward by at least one week, but if it is to be brought forward by two weeks, as has been widely reported, that will make a huge difference to people. Secondly, they must ensure that alternative payment arrangements are offered to all claimants at the time of their claim. To suggest that this already happens is more than a little disingenuous. The DWP guidance is vague to say the least. The alternative payment arrangement options include fortnightly payments, split payments and payments directly to the landlord.

**Lucy Frazer:** Will the hon. Lady give way?

**Debbie Abrahams:** I will not; I am sorry.

My third ask is that the Government reconsider closing one in 10 jobcentres at the same time as they are rolling out the programme. It is nonsensical that those closures are happening at the same time.

Finally, given the latest assessment from the OBR, which shows a projected 5% underspend in tax credits, which is equivalent to £660 million, will the Government commit to investing that money back into the programme, for example to eliminate the two-child limit? I also remind the Minister of my earlier question about lifting the social security freeze.

All this is reason for the Government to respect the will of the House—this country's elected representatives—and pause the universal credit full service roll-out. I stand ready to work with them in the national interest to address these problems and avert the disaster that is universal credit.

2.20 pm

**The Minister for Employment (Damian Hinds):** We had a very good debate last week, to which around 80 Members contributed. As I said then, there were passionate, thoughtful and insightful speeches from across the House. I am aware that many hon. Members wish to take part in today's debate, so I shall keep my remarks brief.

The hon. Member for Oldham East and Saddleworth (Debbie Abrahams) pressed us to respond to last week's vote. It may help if, before coming to the substantive matters, I put that vote in context.

**Liz McInnes (Heywood and Middleton) (Lab):** Will the Minister give way?

**Damian Hinds:** Not just yet, but I will later if I may.

We take part fully in all proceedings of the House, including Opposition day debates. Last Wednesday, the Secretary of State opened, I closed, and large numbers—

**Liz McInnes:** On that point.

**Damian Hinds:** I just said, not just yet.

Large numbers of Conservative MPs made valuable contributions. The decision on whether or not to vote is a matter for Members and their parties, and as you, Mr Speaker, noted last week, it is a legitimate decision to take. Universal credit was fully legislated for in the Welfare Reform Act 2012 and subsequent statutory instruments, and it was extensively debated by Parliament.

**Liz McInnes:** If the Minister thinks we had such a good debate last week, why did his party abstain from voting?

**Damian Hinds:** Well, I will come to many of the things that came out of the debate, and as I just said, it is a legitimate decision to vote or otherwise in such a debate, but there is much that one takes from a debate like that, and I thought, as I said, it was a very high-quality session of this House.

**Frank Field (Birkenhead) (Lab):** I have asked the Secretary of State twice, and now the Minister twice, for advice for me to take home to Birkenhead. On the Secretary of State's advice, he says that the roll-out of universal credit in Birkenhead in November will all go hunky-dory—no need to worry: people will not actually be reduced to hunger and perhaps destitution. However, the staff of our food bank in Birkenhead are saying that, on the experience of other areas where the benefit has been rolled out, they will need to raise another 15 tonnes of food in the coming year. Should I go home and tell people not to pay any attention to the food bank staff and say that they are scaremongering? Should we put all our trust in the Minister that this will work?

**Damian Hinds:** The right hon. Gentleman is of course right that he has raised that point a number of times. I think last time he raised it, he put it in the context specifically of Christmas. I am aware that organisations like food banks do have an increase in their activity at Christmas-time. I think we have to be careful in ascribing the reasons for the usage of food banks to individual or simple causes, and as I said to him—

**Ms Angela Eagle:** Will the Minister give way?

**Damian Hinds:** No. If the hon. Lady will forgive me, I am responding to the right hon. Gentleman.

**Mr Speaker:** Order. I understand the—*[Interruption.]* Order. I understand the very strong passions in this debate, but Members should respectfully wait for the Minister to deal with one intervention before immediately seeking to embark upon another. If I may very gently say so, I do think that the Minister himself is a most courteous fellow, and I think he ought to be treated with courtesy.

**Damian Hinds:** And, Mr Speaker, my response to the right hon. Member for Birkenhead (Frank Field) today is to say no, of course we do not expect that to happen. We want this system to work absolutely as well as it can. We have improved the process, for example, on advances, to make sure that people get the assistance that they need in a timely way.

**Frank Field** *rose*—

**Damian Hinds:** If the right hon. Gentleman will forgive me, I am very conscious of time. I am conscious of the large number of people who wish to take part.

**Frank Field:** Will the Minister give way on that very point?

**Damian Hinds:** I give way.

**Frank Field:** This is not the food bank staff thinking up ideas or targets. This is our food bank talking to other food banks in other areas that have already had the roll-out. On that basis, they suggest that in the coming year—not just Christmas—they need to raise an additional 15 tonnes of food. Are they scaremongering, so we should put what they say to one side, or should we believe them that the Government will not be able to deliver universal credit without reducing people to hunger?

**Damian Hinds:** Of course I am not going to say a word against the right hon. Gentleman's food bank staff and suggest that they are scaremongering or doing anything else negative like that, but my response to his substantive question is, no, we do not expect these things to happen because we want this system to work as well as it possibly can. Its performance continues to improve and we continue to evolve and improve the system.

**Jim McMahon (Oldham West and Royton) (Lab/Co-op):** Will the Minister give way?

**Damian Hinds:** No, if the hon. Gentleman will forgive me.

We also continue an active dialogue with Members across this House and, of course, other people outside, and we will continue to listen to concerns. Where we hear about improvements and identify the need for them, we will make them. As the Secretary of State and I said in opening and closing last week's debate, the Government will continue to roll out this benefit gradually, in a considered way, adjusting as necessary as we go.

The Opposition are asking for a pause in the roll-out. We already have planned pauses in the roll-outs. We have just had one pause and another is scheduled for January. These breaks in the schedule have intentionally been built in. They illustrate my point of a slow and considered roll-out, rather than the alternative big bang approach—an approach which Opposition Members may recognise from 2003, with the disastrous implementation of working tax credits, with billions misspent and many families left without money for six months, and many, many more facing huge repayment bills.

**Jim McMahon:** If the Government are so confident in their position, why this week have they refused to publish the risk register that would set out for the whole of Parliament exactly what had been planned?

**Damian Hinds:** Debates over risk registers in relation to a number of different parts of Government policy happen the whole time. They also happened, by the way, when the Labour party was in government. I think people in general would agree that it is important, for the sake of better management of government, to be able to consider these things in the way that they are.

**Albert Owen (Ynys Môn) (Lab):** The Speaker is right that the Minister is a courteous man. I have written to the Secretary of State and not yet received a response, and I was hoping to question him today on this very point. Before first coming to this House, I ran a welfare centre. This policy is flawed because it relies from day one on hardship payments. Hardship payments should not be a policy decision. The Secretary of State could do the decent thing now and pause this, or even reduce that period. I ask the Minister to respond directly to that point.

**Damian Hinds:** It is a system that is replacing a deeply flawed system and striving to face up head-on to endemic problems that we have had for decades and that were left in the "too difficult to deal with" tray—an old system, where complexity and bureaucracy had so often served to stifle the independence, limit the choice and constrain the outlook of its claimants.

**Jeremy Quin:** Would my hon. Friend agree that, unlike the disaster that was the tax credit roll-out in 2003, the Minister and the Government had built into this process a slow roll-out, and the Minister has proved himself adaptable on the landlord portal and on the advances and the ever-increasing speed with which these payments are being made?

**Damian Hinds:** My hon. Friend is quite right. We will not remake those mistakes of the past, and that is why this is such a careful and gradual process.

**Wendy Morton (Aldridge-Brownhills) (Con):** Would my hon. Friend agree, therefore, that by doing this roll-out steadily, over a period of time, over nine years, it enables us to continue to learn and adapt as we go and to develop the best system, which clearly is what we are doing?

**Damian Hinds:** I agree with my hon. Friend entirely. It is so important to go through the process and optimise the system, because universal credit prepares people for work, helps them into work and helps them to get on in work. Eventually, we estimate that about 7 million people will benefit from the advantages it brings, with a quarter of a million more people in paid work as a result. We know that it is working already. Three separate studies show that people get into work faster with universal credit than they do with jobseeker's allowance. Once there, they face none of the hours rules and cliff edges that have held people back.

**Ms Marie Rimmer (St Helens South and Whiston) (Lab):** The Government listened to some of the requests raised in a Westminster Hall debate on this issue in January 2016. There have been some changes and improvements. However, it is the cuts and the savage implementation of sanctions that are hitting people the hardest, and giving a loan to somebody already in debt is not a help at all. You should not be doing that, Minister.

**Damian Hinds:** We think that having a system with conditionality is important and the level of sanctions is down quite significantly year-on-year. The vast majority of people are not receiving sanctions.

**John Redwood** (Wokingham) (Con): One flexibility the Labour spokeslady asked for was the opportunity to pay rents direct to the landlord, so that tenancy is protected. Is the Minister considering that?

**Damian Hinds:** Not only considering, but over a third of tenants in the social rented sector have that arrangement under universal credit right now. It is available for vulnerable claimants and for those for whom that arrangement is important.

As you said last week, Mr Speaker, what we do in this House is important. Members' insights are important, too. Indeed, Members of Parliament are uniquely placed to funnel and convey feedback and to critique and propose improvements.

**Peter Aldous** (Waveney) (Con): I pay tribute to the Minister. Since February, he has engaged with my constituency to improve universal credit. Taking into account the debates we have had over the past few days, does he not agree that to make universal credit truly flexible and personalised but also fair, it is necessary to ensure that first payments are made far more quickly and that private sector landlords can set up alternative payment arrangements on the same basis as social landlords?

**Damian Hinds:** We are continuing to improve processes, and that includes my hon. Friend's point about ensuring that alternative payment arrangements in the private rented sector work as well as they can. He and I have had the opportunity to discuss this issue.

**Sammy Wilson** (East Antrim) (DUP): In looking at what might be available to him, will the Minister look at the situation in Northern Ireland where, by default, payments are made directly to landlords, payments are made on a two-weekly basis, unless claimants request otherwise, and split payments are made on the basis of demands from individual claimants? If the changes introduced in Northern Ireland are working effectively, will he take some lessons from them?

**Damian Hinds:** It is, of course, a reality of devolution that we will have different systems operating. There is a different approach in Northern Ireland and a different approach again in Scotland—they are not exactly the same. For clarity, the hon. Gentleman identifies three points: rent paid direct to landlords, which we have discussed; more frequent payments; and split payments, which came up a couple of times in the speech by the hon. Member for Oldham East and Saddleworth (Debbie Abrahams). They are all possible in England when appropriate for an individual claimant.

**Hannah Bardell** (Livingston) (SNP) *rose*—

**Kate Green** *rose*—

**Damian Hinds:** I want to press on, because I do not want to take up too much time.

From last week's debate, as well as the general commentary received and heard, I have taken away for action a number of points that were raised. There were some individual cases, and also policy and process matters, including how we can improve arrangements for direct rent payments, our approach in cases of domestic abuse and the process for housing benefit

debt recovery. Some informational issues also came up. In response to my hon. Friend the Member for Gloucester (Richard Graham), I committed to publishing the roll-out schedule for the landlord portal and trusted partner status. A question was asked by the hon. Member for Newport East (Jessica Morden) about staffing levels. In fact, we are increasing, not decreasing our staffing levels to complement the roll-out of universal credit. The hon. Member for Oxford East (Anneliese Dodds) asked about the process for third-party representatives acting for clients. I recognise that we can do more in providing clear information on such matters and I commit to doing so. As well as reporting to the whole House, we are making sure that additional information is provided to Members as the full service comes to their constituency, and we are running a number of sessions in the House for both Members and caseworkers.

**Liz Kendall** (Leicester West) (Lab): Those of us who have had some experience of working in government on rolling out policies know that just because a policy or change in policy is announced does not mean it is actually happening on the ground. I urge the Minister to accept the call for a pause to guarantee that the changes he says he is making are actually filtering through on the ground. That is a problem. It is not a new problem in government, but if he pauses some of the changes can be made so that people's lives do not have to suffer.

**Damian Hinds:** I am grateful to the hon. Lady for that intervention. Of course, we monitor those things constantly. As I was saying earlier, this is one reason why we have pre-scheduled pauses in the sequence.

Yes, this is a fundamental reform. This is a lot of change. It is a new benefit, a new IT system and a new operational system involving new ways of working with partners. Yes, that does bring with it some challenges, but its implementation is happening at a very measured pace, stretching over nine years from 2013 to 2022. In the next four months, universal credit will move from covering 8% of the benefit recipient population to 10%. This careful, gradual approach means we can continually adjust and evolve the programme. We can see that in enhancements such as the landlord portal and trusted partners, the refreshed approach to advances and many, many other back-of-house and systems changes. We see this effect coming through in the huge improvements in timeliness and first-time accuracy.

**Kate Green** *rose*—

**Ms Angela Eagle** *rose*—

**Damian Hinds:** I apologise to both hon. Ladies who have stood up, but I want to bring my remarks to a conclusion. I know that many Members, on both sides of the House, probably including them—

**Kate Green** *indicated dissent*.

**Damian Hinds:** Not including the hon. Lady, but many Members, perhaps including the hon. Member for Wallasey (Ms Eagle), will wish to contribute to the debate.

In every phase and in every respect, the development of universal credit has been all about enhancing the way it helps people to get into work and get on in work.

[Damian Hinds]

Already, universal credit is transforming lives and we want more families to benefit from the satisfaction, the self-esteem and the financial security that comes from progressing to a job, to a better job and to a career.

2.38 pm

**Neil Gray** (Airdrie and Shotts) (SNP): Thank you, Mr Speaker, for the opportunity to debate universal credit again today, and well done to the shadow Work and Pensions Secretary for securing today's debate.

In my two and a half years in this place, I have become accustomed to some big, historic events happening, such is the nature of the era of politics we are living through right now. Last Wednesday, we witnessed something very rare: not only a Government losing an Opposition day motion, the first time that has happened for over 40 years, but a Government refusing to concede an inch to try to win the vote and Mr Speaker giving as close to a rebuke as is possible for the Chair to give to those on the Government Benches.

I pay tribute to you, Mr Speaker, in that regard. I do not believe the Government would have had any intention of respecting last week's debate, last week's vote, or indeed the conventions of this House, were it not for you challenging their behaviour in such a way. The statement from the Leader of House at business questions on Thursday was apparently to be the sum total of the Government's response to the defeat. It gave no indication of when the Secretary of State would return to the House following the debate, nor did she say which areas of concern the Government were looking to act on. The Government's behaviour last week encapsulated perfectly their approach to difficult decisions, whether they be difficult because of divisions within the Cabinet, divisions within the Conservative party or divisions among our constituents.

Either way, this is a Government paralysed by fear, indecision and a complete lack of strategic direction, a Government desperate to deflect, defer and delay. I say that because they have basically accepted they need to do something in key areas that are completely undermining universal credit, but rather than accept a partial solution, offered to them on a plate by a group of Tory Back Benchers ahead of the debate last week, they deflected and deferred, caught up in indecision. They threw up red herrings on the telephone charges but refused to do anything substantive in the key policy areas. Their every move is a desperate calculation to fight the fires of that particular day. Strong leadership would have seen action last week; strong leadership would have accepted the parliamentary arithmetic and the mood of the House and of our constituents, and would have accepted the need to act.

Last week, we saw the desperate weakness of a Government unwilling to defend their flagship social security policy in the Lobbies, in what must be a near unprecedented scenario. They completely misread the House. They had no idea—or decided to ignore the fact—that the main Opposition parties were working together to force a vote on Wednesday night. They completely misread the strength of feeling in the House against universal credit in its current form and the way that you, Mr Speaker, would react to that defeat and the

Government's sleekit abstention. In doing so, they showed a disrespect for Parliament. They thought they could wriggle out of an embarrassing defeat by abstaining, but instead they had to contend with a defeat and an embarrassing rebuke from the Chair. Even now, after the Government have been dragged to the House, we still get nothing.

I feel for the Minister, who has been forced to substitute for the Secretary of State, because he has been asked today to defend the indefensible. I am hoping that the events of the last week will have offered some steel to those on the Government Back Benches who pushed hard for reform but accepted the three-line Whip to abstain. This is a Government on the run. Now is the time to force home the changes we have all been pushing for: fixing the six-week wait, fixing the advance payment being a loan, fixing the monthly payments. All of these would be a start, but the biggest win would be for the Government to acknowledge the glaringly obvious—the evidence in front of their eyes—and admit that universal credit as it stands is failing those it should be helping.

**Lucy Frazer:** My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) put a very good question to the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) when he asked whether she anticipated that the overall pot would increase. She said she would come to that, but she did not—I twice tried to intervene because she did not come to it, but she did not take my interventions. What is the SNP's position on that?

**Neil Gray:** That is a question for the Labour party, not for me.

The Government could and should accept the three proposals already outlined, which would garner the support of the House, but they should also be going further, and we all know it.

**Kate Green:** Does the hon. Gentleman agree that if the Government are making choices, it would be sensible for them to choose to prioritise the incomes of low-income families, instead of prioritising the interests of higher earners by cutting taxes and raising the tax threshold? Does he agree that there is scope for improving work allowances in universal credit and helping those who earn the least?

**Neil Gray:** I absolutely agree with the hon. Lady, and I will come to that shortly.

The Government should review the cuts to the work allowances, which are acting as a disincentive to work and making work pay less; review the cuts to housing benefit, which are driving up rent arrears, as I am sure will be touched on in tomorrow's debate; and review the cuts to employment support, which are denying help to those who need it most, and they should fully review and then scrap the disgusting sanctioning policy, which could have cost the life of my constituent, Mr Moran, and has cost the lives of others. That was the subject of an excellent paper by Sharon Wright of Glasgow University and Peter Dwyer of the University of York in *The Journal of Poverty and Social Justice*.

The Government are hiding behind the illusion that universal credit helps people into work and makes work pay. They actually believe that universal credit is working on this basis. The Secretary of State's own figures show

that in the 2% of jobcentres where universal credit has been rolled out, there has been a mere 3% uplift in employment rates.

**Justin Tomlinson** (North Swindon) (Con): The hon. Gentleman and I often speak in the same debates and I understand his passion for supporting the most vulnerable in society, but from visiting jobcentres and talking to people going through the process, I know that the staff are incredibly passionate about the way universal credit is helping people. It is time that all Members engaged and listened to the positives as well as the challenges we need to navigate.

**Neil Gray:** I thank the former Minister for his intervention. I said last week, and I say again, that we agree with the premise of universal credit—rolling together all these benefits into one payment and simplifying the system—but under successive Chancellors and Work and Pensions Secretaries, of whom there have been too many in recent years, the benefits have been salami-sliced to nothing. The issues facing universal credit are the result of the Government's cutting and cutting the areas where they are meant to be helping people.

**James Cartlidge** (South Suffolk) (Con): Further to the very good intervention from my hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer), if the hon. Gentleman thinks that universal credit has been cut too much, and given that the Scottish Government have tax-raising powers, will he put his hand in his pocket and add extra relief north of the border?

**Neil Gray:** The hon. Gentleman knows better than just to regurgitate the Whips' interventions notice, and he knows that the Scottish Government are responsible for 15% of social security powers and that they have already mitigated more than £400 million of Tory cuts. How much more does he expect the SNP Scottish Government to clear up this Tory Government's mess?

**Dr Philippa Whitford** (Central Ayrshire) (SNP): Does my hon. Friend recognise the figures that show a 17% increase in rent arrears, a 15% increase in the number of people getting into debt with loan sharks and a 87% increase in crisis grants from the Scottish Government in universal credit areas?

**Neil Gray:** My hon. Friend is absolutely right. The evidence is there for the Government to see.

Is the 3% uplift in employment rates really worth the rise in in-work poverty we see in universal credit areas, the crippling rise in rent arrears or the disgusting rise in foodbank use? There is no data on the quality of the jobs the 3% are managing to pick up, but we know that work coaches are forcing universal credit claimants to sign conditionality forms that force them to take any job, regardless of its security or suitability, and that the threat of sanctioning is forcing them to take it. We know that in general there is a rising prevalence of insecure and low-paid work, which is crushing morale and harming the UK's productivity rate. The threat of sanctioned destitution is forcing people into accepting precarious and unsustainable work.

**Joanna Cherry** (Edinburgh South West) (SNP): My constituent Martyn Dewar, the disability students officer at Heriot-Watt University, has pointed out to me that although under employment and support allowance a disabled person can become a student and continue to claim, the same will not happen under universal credit? Does my hon. Friend agree that this is another loophole the Government should close in the interests of disabled students, if they obey the instruction of the House last week to pause the roll-out of universal credit?

**Neil Gray:** I absolutely agree with my hon. and learned Friend, who raises a very pertinent point that I hope the Government have heard.

We all agree that employment is a route out of poverty, but what hope do we give those who are employed and living in poverty? What hope can the Government give them, given that they are currently participating in the only route out of poverty the Tories know and yet still live below the line? The cuts to universal credit are making people worse off. In East Lothian, more than half of the local citizens advice bureaux clients on universal credit are worse off by on average £45 per week. A third of their clients are better off but by just 34p per week. We know from the Resolution Foundation that the decade from 2010 is to be the worst for wage growth in 210 years. Not since the Napoleonic Wars have we had it so bad.

**Antoinette Sandbach** (Eddisbury) (Con): In those calculations, does the hon. Gentleman include the 1.3 million people who do not have to pay tax any more, or the £1,000 that goes straight into the pockets of those earning the least in this country?

**Neil Gray:** The cuts in the tax thresholds do not help those on the lowest incomes. [*Interruption.*] They do not. That is not the best direction of the funds. Helping people in receipt of work allowances and addressing the taper rates would be of far more assistance to people on low incomes.

Universal credit is not making work pay, and the Government are not making work pay. They are making people pay the price for austerity cuts. If the Government are serious about universal credit and serious about tackling inequality, they need to get serious about fixing the major problems with universal credit as it is currently being rolled out. Parliament has spoken on universal credit, and it is time the Government acted to fix it.

**Several hon. Members rose—**

**Mr Speaker:** Order. There is a very large number of would-be contributors to the debate, and as a result I am applying a four-minute limit to each Back-Bench speech, with immediate effect.

2.50 pm

**Mr Mark Harper** (Forest of Dean) (Con): I am grateful to you, Mr Speaker. It is always good to have that discipline behind one.

Let me start with a point about process. I listened carefully to what the shadow Secretary of State, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), said. In the House, she resisted temptation and accurately quoted what the House had decided

[Mr Mark Harper]

last week, but I am afraid that outside the House the Labour party is misleading people. It is saying that Parliament voted to pause and fix universal credit, but the motion last week did no such thing. I mention that because it is important to the substance of today's debate about the Government's response.

As the hon. Lady said, the House did ask the Government to pause, but what the House did not do was provide a single reason in that motion why the Government should pause. [Interruption.] I was at the debate last week, and I spoke in it. The hon. Lady set out some reasons in her speech, but the motion, which is what the Government have been asked to respond to, contained not a single reason why the Government should pause.

**Victoria Atkins** (Louth and Horncastle) (Con): It may well be that if Her Majesty's Opposition had added just a couple of words to their motion so that it read, "That this House calls on the Government to pause the roll-out of universal credit full service in January 2018, as announced in the written statement by the Government in November 2016", we could all have agreed.

**Mr Harper:** I am grateful for my hon. Friend's intervention.

Let me run through, very briefly, one or two of the points made by the hon. Member for Oldham East and Saddleworth. She is fond of saying that she completely supports the principle of universal credit and wants it to be implemented, but she then goes on to list innumerable reasons for her fundamental disagreement with all the key strands of the benefit. She cannot have it both ways. If she does not want universal credit to be implemented, let her just stand up and say so. She should not pretend that she agrees with the fundamental principles, and then say that she disagrees with almost every important aspect of it.

I listened to and read very carefully what the hon. Lady said during last week's debate. I shall pick just a couple of reasons for the fact that I could not support that motion. The hon. Lady referred specifically to housing. The Minister set out the position very clearly today, as the Secretary of State did last week. If there are universal credit recipients who have issues with managing their rent, they can arrange for their landlords to be paid directly, but I do not think we should patronisingly assume that every single person receiving universal credit is incapable of managing the rent. Most of them are perfectly capable of managing their finances, and we should treat them accordingly.

**Ms Buck:** Can the right hon. Gentleman explain, then, why two thirds of private landlords are now expressing a reluctance to accept universal credit claimants as tenants in the first place?

**Mr Harper:** What I was going to come to was why I do not think it is right to pause the roll-out. One of the important aspects of the roll-out is the housing portal which will enable social housing landlords in the first instance to communicate with the Department to deal with tenants when there are rent issues. If we were to

pause the roll-out, the Department would not have an opportunity to deal with the real issues that are raised, and to fix them.

**Stephen Lloyd:** Will the right hon. Gentleman give way?

**Mr Harper:** I am going to make some progress. I have only a couple of minutes left.

The Minister has been very clear today, and, like the Secretary of State last week, he has listened carefully to the issues that have been raised and, I think, has dealt with them. If we just paused, we would not have the opportunity to deal with any of those issues.

**Hannah Bardell:** Will the right hon. Gentleman give way?

**Mr Harper:** I have only a couple of minutes left.

The shadow Secretary of State had a number of asks, although I noticed that between last week and this week the list had become considerably longer. That is what happens when the asks are not included in the motion. In her speech last week, the hon. Lady specifically asked for waiting days to be removed completely. Waiting days have always been a factor in the welfare system. [Interruption.] I read the hon. Lady's speech very carefully, and she said at the beginning that she wanted to get rid of the waiting period.

The reason for the waiting period is very simple. If someone falls out of work for a few days, for example, we do not want that person to submit a universal credit claim. There has always been a waiting period in the benefits system, and I think that that is sensible. The Minister has already dealt with the cases in which people need to be paid more frequently, and has accepted, as the Secretary of State did last week—

**Hannah Bardell:** Will the right hon. Gentleman give way?

**Mr Harper:** I am not going to give way. I have only a minute left.

The Minister has accepted, as the Secretary of State did last week, that the system was not paying people fast enough initially, but also pointed out that the more recent figures showed that the Department had speeded up the payments, and that it has refreshed the guidance to ensure that people can receive advance payments, which I think is very sensible. [HON. MEMBERS: "Loans."] They are not loans; they are advance payments. Anyone who earns a salary is familiar with the concept of an advance.

I have looked at all the issues that the hon. Member for Oldham East and Saddleworth raised last week. The Secretary of State dealt with each and every one of those issues thoroughly during the debate, but the motion, which called for a pause, did not give a single reason why the Government should pause roll-out. The Secretary of State, the Minister and the Leader of the House have made it clear that as we develop changes in the policy, they will be reported to the House. That is why I do not find it surprising that after only three sitting days—as was pointed out by my hon. Friend the Member for North Dorset (Simon Hoare)—Ministers had not come to the House.

I think that the Minister set out the position very clearly today and that the House has debated it very clearly, and I therefore think that people should have confidence in a policy that will get more people into work.

2.57 pm

**Carolyn Harris** (Swansea East) (Lab): Last Wednesday I came to this place to do what I, like everyone else here, was elected to do: to debate the issues that affect our constituents, and to vote on those issues in the way that we believe will best support them. The Ayes definitely had it last week, with 299 votes to zero in favour of pausing the full roll-out of universal credit until the problems encountered in the pilot scheme had been fixed. Not only did the Government forfeit their right to vote, but they are now ignoring the result, pretending that it did not happen and burying their heads in the sand.

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): Does my hon. Friend agree that it is one thing for the Government to ignore Opposition Members, but it is another thing—and foolhardy and irresponsible—for them to ignore organisations such as Shelter, Citizens Advice, Gingerbread and the Child Poverty Action Group, to name but a few, which are at the forefront of dealing with the chaos of this roll-out?

**Carolyn Harris:** I certainly do. Such is the Government's arrogance.

Coastal Housing, one of the leading social housing providers in my constituency, tells me that 90% of its tenants who are already on the pilot scheme are behind with their rent. In total, those tenants are over £73,000 in arrears, which means that, on average, each of them owes approximately £830. Coastal Housing and its tenants have told me of a series of problems with the scheme. The initial seven-day waiting period does not cover housing costs; the month-long assessment period, followed by a wait of up to seven days for the money to be paid into their banks, is putting too many people in debt before they even start on the scheme; and people are being forced to rely on food banks for the first time ever while they wait for their money. However, despite all those issues with the pilot scheme, the Government think that the best way forward is to plough on regardless.

I anticipate mayhem for far too many vulnerable people on 13 December, when the scheme is rolled out in Swansea. It does not take a mathematician to work out that if they transfer 12 days before Christmas and the payments take between 35 and 42 days to appear in bank accounts, a lot of Swansea residents will be in dire straits at the worst possible time.

**Hannah Bardell:** The hon. Lady is making a powerful speech. Does she agree that if the Government had a heart, they would put that pause on the roll-out of universal credit—and, indeed, on other benefit sanctions—before Christmas, so nobody goes without over the Christmas period?

**Carolyn Harris:** I certainly do agree. No money and no support services open over the festive period means that my most vulnerable constituents are going to be desperate. Where is this Government's compassion?

**Kevin Hollinrake:** The hon. Lady says there is mayhem. In my area, universal credit was rolled out 15 months ago, and although there are undoubtedly some problems, it is certainly not mayhem, and the measures introduced by the Government in recent weeks will fix the vast majority of the problems. So may I give the hon. Lady, and hopefully her constituents, the comfort that this will not be mayhem?

**Carolyn Harris:** I do not agree, and I can give examples from the summer when there was mayhem, even before this system came into operation.

How can Conservative Members be so oblivious to the predicament they are putting people in? [*Interruption.*] If they quieten down, they will be able to listen to what I have to say.

During the summer holidays I became aware of the empty shelves in my local food bank. These shelves were empty because mothers could not afford to feed their children. They were relying on the free school meals during term-time, but during the school holidays they had no choice but to visit the food banks. So I decided to do something: I set up a lunch club for local children. I anticipated that me and my team would feed around 500 children, yet we ended up feeding 6,638 over 10 days. That was the scale of the problem, and that was before universal credit.

So how on earth are my constituents going to cope at Christmas with less money coming in and an even greater demand for money going out? Should I start planning a Christmas lunch club now, and asking local companies for donations yet again, or will the Government please open their eyes, look at the situation they are creating, and put a hold on the roll-out until the fundamental flaws of this ridiculous universal credit are resolved?

3.2 pm

**Kelly Tolhurst** (Rochester and Strood) (Con): Last week we had a Labour Opposition day debate on pausing the roll-out of universal credit, and now we are debating the outcome of that Opposition day debate. Universal credit is a great move forward in how benefits are claimed. It is replacing an outdated system—a system which is complex, and which I have seen from my own experience in my constituency discourages people from working for more than 16 hours a week. Many of my constituents have wanted to work more than 16 hours a week and have said that it is just not worth the hassle, because if they were to do more than 16 hours even for a short period, they would be affected and could be left in financial difficulty, with waits for benefits to be reinstated.

Universal credit will ensure that people are better off in work and will make it far easier for constituents who want to work more hours and gradually increase hours to be better off, and to be able to do that without the stress or worry about the impact. This is a gradual roll-out over nine years, moving from 8% of the claimant count to 10%, and all new claimants. The number of people on universal credit as of the summer was 590,000, and 230,000 of them—nearly 40%—were in work.

As with all policies, implementation is key. Of course when we move from an extremely complex system to a more simple system there will always be things that crop

[*Kelly Tolhurst*]

up, which the Government then work to address. That is shown by the fact that the Government are doing a gradual roll-out.

**Mrs Anne Main** (St Albans) (Con): I am listening to the figures my hon. Friend mentions. Does she recall that the hon. Member for Swansea East (Carolyn Harris) said there was mayhem before universal credit was rolled out? I am puzzled by that, as this is a gradual process.

**Kelly Tolhurst**: My hon. Friend raises an important point, which serves to show that there are some inconsistencies in the Opposition's argument against universal credit.

The Government are doing a gradual roll-out, so that testing can take place, and they are then able to modify the implementation based on what is learned from the experience of the practical implementation of the scheme. As Ministers have made clear, claimants who cannot afford to wait can get advances up front. These payments are made straight away. The Opposition are irresponsibly scaremongering in an attempt to frighten existing and potential claimants, and trying to negatively portray the universal credit system as a bad thing, rather than talking about the benefits to the people of this country.

**Stephen Lloyd**: Will the hon. Lady give way?

**Kelly Tolhurst**: I will not give way at the moment.

The Opposition are scaremongering rather than talking about the benefits of universal credit in helping people move into work and making it easier for claimants in the long run. Universal credit is a good step forward in how benefits are delivered to the people who need them. Claimants who need these advance payments because of their particular circumstances will receive advances within five days, which is quicker than for new claimants applying for the old jobseeker's allowance.

**Dr Whitford**: Does the hon. Lady recognise that these have to be paid back once universal credit is received, which means that people will already be spiralling into debt? It is just a loan.

**Kelly Tolhurst**: I thank the hon. Lady for her intervention, but there is an assumption that everyone on universal credit will already be in debt, which I refute.

For Labour to suggest that this Government want to deliberately disadvantage people when they need help from the state is frankly appalling. I am also amazed by the indignation of the Opposition about the outcome of last Wednesday's debate, which was just that: it was an opportunity for the Opposition to debate an issue that they wanted to bring before the House.

However, over the last few weeks since returning from recess we have had some major pieces of actual legislation from Government passing through the House, but where were the Opposition in these most important debates? Why were they not in the Chamber debating and questioning the Government? Notably on the Finance Bill, we would have expected the Opposition to be doing exactly that. Was the reason for their absence that that would not have generated sharp headlines? The Committee

of the whole House on the Finance Bill did not even run to its full allotted time. That is unbelievable, since the Opposition have complained not only about not having enough time to debate important issues, but we have also debated not debating in this House. The first piece of Brexit legislation had a Second Reading in the House last Monday, too, and where were the Opposition?

If the Labour party truly believed what it was saying—that it does indeed support the principle of universal credit—it would be working with the Government to make sure that the roll-out is a success, rather than scaremongering and trying to block this good reform to our benefits system.

3.7 pm

**Jack Dromey** (Birmingham, Erdington) (Lab): Disaster looms for tens of thousands of Birmingham citizens, with universal credit being rolled out less than a fortnight before Christmas, on 13 December. MPs' offices are being besieged by worried claimants, including people who have suffered previous changes introduced by the Government, and the Government seem to be oblivious to the pain they are causing. All too often over the years they have shamefully demonised claimants, and they blunder ahead learning nothing from the mistakes of the past, even on universal credit where there is agreement in principle but the Government seem determined to get it wrong in practice.

On the issue of demonising, I must tell the story of Angela, who came to my constituency office and wept for 45 minutes as she poured out the fact that she had left school at 16, trained to be a nurse, met her husband in the NHS, and they then got married, bought their own home, and had three kids, but, sadly, two of them were disabled, with Scotty, the eldest, being severely disabled. She told about how she was feeding Scotty on one occasion, and then she saw on the television, as she said, Mr Osborne's speech about shirkers and strivers. Three weeks later a whispering campaign started against her in Kingstanding, with two neighbours in particular saying "Why has she got a car on benefits and we haven't?" She described what this ultimately culminated in: "Jack, you know what kids are like; they listen to their parents." Twice in three weeks, when she was out in the streets with Scotty in his motorised wheelchair, local youths threw stones at him.

I thought to myself then, and I think to myself today: do the Government not begin to understand the pain that they have caused over the years—in the changes from disability living allowance to personal independence payments, for example? The impact studies showed that 0.5% of the claims were fraudulent and 99.5% were not. Nevertheless, the Government went ahead with the change, which had catastrophic consequences for people such as Fiona in my constituency, who fought for her life and tried to keep working but ultimately got her PIP two weeks before she died of breast cancer, and Zak, who was in a wheelchair and was assessed and reassessed from three months old. He finally got his PIP two years ago on 17 July; he died on 3 August.

Do the Government not recognise the problems on this and so many other fronts, including for those suffering from motor neurone disease who are desperate to secure lifetime awards rather than being constantly

reassessed? I heard a very moving contribution at a recent event here in the House of Commons from a man who said:

“I’m going to die. For God’s sake, why do you keep reassessing me?”

Then we have the Tory Workers Union attacking people like us who are raising issues like this today. It has said to me:

“Most people are not on UC but have jobs and want their MP to show some sort of encouragement”.

Actually, many of them do have jobs. We will never cross the road on the opposite side. We will support the working poor, the poor and the vulnerable. Labour founded the welfare state and we believe in a Britain that looks after the poor, the working poor, the disabled and the vulnerable.

**Martin Whitfield** (East Lothian) (Lab): My hon. Friend talks about workers who are claiming universal credit. Studies in East Lothian have shown that 18% of those people who are working saw no change in their income, that 18% saw an average increase of £18.31, and that 45% of people in work saw a fall in their income of £39.99 a week.

**Jack Dromey:** My hon. Friend is describing real-life experiences in our constituencies and bringing home the facts that the Government seem oblivious to. I sometimes question what planet the Government are living on.

We are determined that we will get this right, and that is why, unashamedly led by our shadow Secretary of State, we have been fighting to achieve precisely that. I stress again that there is agreement across the House on the principle of universal credit, but unless the Government get it right, the pain will continue and be magnified for hundreds of thousands of people in the next stages. I say to Ministers specifically in relation to Birmingham: please do not press ahead with the introduction of universal credit on 13 December. Come and listen to some of the heartbreaking cases. We have had people in tears in our constituency offices asking, “What are we going to do over Christmas?” Come and listen to the landlords who say that they are never again going to let to tenants on universal credit. Hear at first hand the real-life experience of the consequences of your actions. Have you no heart? Pause universal credit and then get it right.

3.13 pm

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): This is the second time in less than a week that I have stood and spoken in favour of the Government’s planned roll-out of universal credit. Last week, my colleagues and I listened as we were lectured by the Opposition. Time and again, it was implied that because, at election time, we on these Benches wear blue rosettes rather than red, orange, yellow or green ones, we did not hear the same difficult tragic cases in our surgeries, we did not work just as hard for those vulnerable individuals who desperately need our help, or we did not care just as much for the welfare of our constituents. In fact, some even asked—I have heard this again today—whether we were proud that we were pushing our constituents into poverty. And do you know what? I find that grossly offensive.

**Kate Green:** Will the hon. Gentleman give way?

**Andrew Bowie:** I will not give way.

I am proud to be a Conservative Member of Parliament and I am proud to sit on these Benches with colleagues who work just as hard, and care just as much, for the people they represent as any other Member of this House. Let us be clear that no party in this place has a monopoly on compassion. Socialist, nationalist, Liberal, Conservative or Green—all of us in this place are here first and foremost to serve our constituents. To imply otherwise, and to indulge in wild and insulting generalisations, does not help our constituents, does not inform the debate, and does very little for how people perceive this place, and neither does the gratuitous scaremongering that we heard too much of in last week’s debate. To imply that simply because this Government are a Tory Government they do not care, and are not listening to and acting on the concerns of Members and public bodies, is unfair and untrue.

Last week the Secretary of State announced that all Department for Work and Pensions helplines would be free by the end of the year. A couple of weeks before that, he announced that a more proactive approach would be taken to making clear the availability of advance payments.

**Chris Stephens** (Glasgow South West) (SNP): I thank my fellow member of the Work and Pensions Committee for giving way, but does he not agree that an issue about third-party providers remains? Is he as worried as I am about constituents in Glasgow who have telephone bills of £100 as a result of using third-party providers to try to get help from the DWP?

**Andrew Bowie:** I thank the hon. Gentleman for that intervention. I agree that questions have to be asked about third-party providers, so I would join him in questioning the Government about that.

I know that the Secretary of State was listening to the Work and Pensions Committee last week when I and other Members expressed concern about the amount and quality of the data being gathered on advance payments. None of these actions is that of a Government who are not listening. This debate is about whether we should pause the roll-out of universal credit or if we should press cautiously ahead while learning, and evolving, testing and refining the system, as we continue to deliver this important life-changing benefit to the people of the UK. In my opinion, we should and must press ahead.

3.16 pm

**Eleanor Smith** (Wolverhampton South West) (Lab): I recently had a meeting with the Snow Hill citizens advice bureau in my constituency, which has expressed concerns about the roll-out of the full service. I agree that we need to simplify our benefit system, but universal credit is not working for most of its claimants. The six-week waiting period is pushing claimants further into debt, with some facing more delays if they have complicated circumstances. This forces claimants to borrow money and rely on food banks, and some face eviction while waiting for their first payment. Although the full service has not yet been implemented in my constituency, the shocking cases I have heard about from the citizens advice bureau and other organisations

[Eleanor Smith]

have prompted me to speak out. I agree with many of my colleagues that the Government should pause the roll-out until a system that is fully functional has been put in place.

3.17 pm

**Douglas Ross** (Moray) (Con): Mr Speaker, you will be aware that I received much criticism for missing last week's debate on universal credit, so I welcome the opportunity to contribute to this week's proceedings, six days on from the last time we discussed the matter. I note that the hon. Member for Falkirk (John Mc Nally) is not in the Chamber on this of all days.

My constituency will see the full roll-out of universal credit in April next year, so I did follow the debate very closely. I was encouraged that Members on both sides of the House agreed that the general principles of universal credit were correct. We heard that from Conservative Members and from all the Opposition parties. I also noted the final vote last Wednesday. As my right hon. Friend the Member for Forest of Dean (Mr Harper) said, that result was different from what Labour Members have described in this debate. The Leader of the Opposition tweeted earlier today that Labour had secured an emergency debate on why the Government were

"not respecting Parliament's vote to pause & fix Universal Credit".

That was not the vote that Parliament held last week, yet that is what the leader of the Labour party is suggesting we are speaking about just now. That is not the case.

While there are issues with universal credit—I will come to them in a moment—we must also acknowledge the benefits. Recent data shows that compared with under the old welfare system, people on universal credit are more likely to find work, to stay in work and to earn more money in work.

**Several hon. Members** *rose*—

**Douglas Ross:** I am sorry, but Opposition Members were critical that I was not here to represent my constituents' views last week, so I will use my four minutes to speak for them.

That the system has benefits is hardly surprising, given that things have been simplified. I am grateful that the Government are listening to concerns raised by Members on both sides of the House, as we saw with the decision on the cost of calling the helpline.

Our last debate under Standing Order No. 24 was about another Government decision not to vote. During that debate, the hon. Member for Perth and North Perthshire (Pete Wishart) said:

"The key thing is that nobody expects them"—

the Government—

"to change their policy or direction on certain issues just because they get beat on a Labour party Opposition day motion—that is the last thing people expect."—[*Official Report*, 10 October 2017; Vol. 629, c. 228.]

While the SNP shadow Leader of the House might not expect things to change, I am encouraged that the Government are listening to concerns from Government and Opposition Members. The responses that I have

received from the Secretary of State and Ministers to constituency queries have been constructive and helpful. By dealing with issues in that way, we can ensure that universal credit, which is accepted across the political spectrum with an agreement in principle, not only works for everyone, but delivers for everyone.

3.21 pm

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): Thank you for allowing this debate, Mr Speaker, and for your comments about whether it should be held. I also thank the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) for her efforts in bringing this debate to the Chamber today. She said earlier that we cannot wait, and she is absolutely right. We cannot wait any longer for the Government to listen finally to the pleas that are being made. They ignored Parliament last week, but they have been ignoring calls since the pilot programme was launched in Inverness and the Highland Council in 2013.

Between 2013 and 2017, there have been ministerial meetings, letters, questions and debates pleading for action. The hon. Member for Swansea East (Carolyn Harris) said that the problems were evident before the full service roll-out, which was exactly what we found in Inverness. We have been pleading for action. The hon. Member for Birmingham, Erdington (Jack Dromey) spoke eloquently about the people who come to his constituency surgeries in tears, and I have also had many people turn up in tears—the disabled; single mothers; the low-waged. Last Friday, a constituent turned up to my office crying tears of gratitude for, in her words, "ending her nightmare" with universal credit.

The situation is not just about the wait for payments. This is about missed payments, delayed payments, wrong payments, communication blockages and debt by default. Those who talk about scaremongering or do not want to acknowledge that those things are facts should come and listen to the people who experience them from day to day. There is the humiliation of their being asked to go for a work capability assessment when they are clearly unable to work.

**Fiona Onasanya** (Peterborough) (Lab): Does the hon. Gentleman agree that this has a tremendous impact on disabled people? We have asked for the roll-out to be paused and rectified instead of continued at a time when the Government know that the system is not working.

**Drew Hendry:** I completely agree, and I am grateful to the hon. Lady for making that point. I have had constituents whose carers have helped them struggle to my constituency surgeries to tell me about their difficulties with the process. People who are blind or incapable of walking unaided are having to go for work capability assessments. That is humiliating and degrading, and the roll-out should be paused. Those things should be fixed or taken out of the system.

**Mr Paul J. Sweeney** (Glasgow North East) (Lab/Co-op): The Government have lauded the fact that the system for processing universal credit will be entirely online, but 35% of people do not have access to the internet in my constituency, which has one of the highest claimant counts in Scotland. Surveys by Citizens Advice have

found that 32% of people will be totally unable to access the system and that another 32% will have great difficulty in doing so. This is just a Kafkaesque nightmare that further frustrates, demoralises and depresses the poorest and most vulnerable in our society.

**Drew Hendry:** I thank the hon. Gentleman for his contribution, and I completely agree. I have experience of exactly the same—

**Rachel Maclean** (Redditch) (Con): Will the hon. Gentleman give way?

**Drew Hendry:** I am going to answer the—

**Rachel Maclean:** Will the hon. Gentleman give way?

**Mr Speaker:** Order. I have said this before, but I will gently say it again for the benefit of new Members: a Member cannot be expected to give way to a second Member while responding to an intervention from the first. It is just a matter of timing. That is all. I understand the hon. Lady's commitment, but we have to do these things in an orderly way.

**Drew Hendry:** I was just clarifying that I have experienced exactly the same in my constituency, where mobile phone coverage still lags behind, particularly in our rural areas. This is not only about people's inability to get online; people are unable to get on a bus to actually get to a jobcentre to use its facilities. Those bus services sometimes do not exist.

**David Linden** (Glasgow East) (SNP): I commend my hon. Friend on his work in Inverness, which everybody in Parliament admires. When he mentioned jobcentres, I noticed the Minister for Employment shaking his head, but he wants to close three of the four jobcentres in Glasgow East, where digital exclusion is a massive problem. Does my hon. Friend share my concern?

**Drew Hendry:** I am grateful to my hon. Friend. It beggars belief that jobcentres will be closed during this process. Moving on—

**Rachel Maclean:** Will the hon. Gentleman give way?

**Drew Hendry:** I am going to make a little progress.

I want to discuss some of the effects that have occurred in my constituency since 2013. This is not new to us; we have experienced things on a daily basis. Over 60% of my casework—this is coming to everybody—is made up of universal credit issues. This is an incredible drain on the resources of my staff. The jobcentre staff are working as hard as they possibly can, as are staff at the citizens advice bureau and all the other agencies, including food banks, which are having to deal with the collateral damage. The use of food banks is being driven up by universal credit. If anyone on the Government Benches cares to listen to the people at the sharp end, they will understand that that is a fact of life. By the way, if someone is going to donate to food banks, please take UHT milk and tinned meat, because those are the kinds of things that they desperately need. The chair of the Scottish Welfare Fund told me in the past week that people are now going to food banks for food that does

not need to be cooked so that they can save money on electricity and avoid running up bills. How damning is that?

I agree with you, Mr Speaker, that the Minister for Employment is a gracious gentleman. I have spoken to him across the Chamber about this issue on many occasions, but now is the time to listen to the experts and to those who are actually experiencing the effects of this. Now is the time to pause this shambolic, chaotic roll-out, and to take the trouble to fix it. Now is the time to listen to the people who are struggling through against the increasing poverty to which they are being subjected. Please, come to my summit in Inverness, listen to the agencies, hear what these people have to say, and get them involved in the process of sorting this out so that people can live in dignity.

3.28 pm

**Michael Tomlinson** (Mid Dorset and North Poole) (Con): It is a pleasure to have the opportunity to set out my clear support for universal credit and its principal aim of ensuring that work always pays.

**Several hon. Members** *rose*—

**Michael Tomlinson:** I will give way in a few moments.

I support universal credit, which simplifies what was an over-complex and bureaucratic system. Like my hon. Friend the Member for West Aberdeenshire and Kincardine (Andrew Bowie), I am disappointed by some of the tone of the debate both today and last week. Today, we have heard accusations of knowingly pushing people into poverty; last week, we heard the comment that the Conservative party is undertaking "calculated cruelty." When I raised that point, there were cries of "Oh, yes it is!" from the Opposition. What a ridiculous assertion. What utter nonsense.

A person does not have to be best friends with Opposition Members to know that, as my hon. Friend the Member for Eastleigh (Mims Davies) said, no party has a monopoly on compassion. No party has a monopoly on care or concern for the most vulnerable. I know many Conservative Members, just as there are in each and every political party, who were driven into politics by their concern for the most vulnerable in our society. Let us not have any more nonsense about calculated cruelty.

Where there is a difference is on policy. This debate is on the Government's response to last week's debate. What is their response, and what should it be? Mr Speaker, you rightly said in response to a point of order that "this motion does matter; it is important; it was passed. As a matter of fact, however, it is not binding. That is the situation."—*[Official Report, 18 October 2017; Vol. 629, c. 959.]*

So what should be the Government's response? Let us consider the substance. Conservative Members want universal credit to succeed, but heaving heard the debate both today and last week, I fear there are Opposition Members who do not want it to succeed.

**Kate Green:** The hon. Gentleman and I have previously been Committee colleagues, and I have a lot of respect for the way he approaches such matters. When the Government first proposed universal credit in 2011, they said it would lift 900,000 people out of poverty,

[Kate Green]

including 350,000 children. That laudable aim should be welcomed on both sides of the House. What is the Government's ambition today for the number of people they expect to lift out of poverty?

**Michael Tomlinson:** I, too, enjoyed working with the hon. Lady in a cross-party spirit on the European Scrutiny Committee in the last Parliament, and I look forward to doing so again. I have been told—I hope the Minister is able to confirm this—that 250,000 additional people will be helped into work as a result of this policy.

**Helen Goodman** (Bishop Auckland) (Lab): Will the hon. Gentleman give way?

**Michael Tomlinson:** No, I will not.

The Government's response should be to ensure that universal credit succeeds and has the transformative potential to get people into work and to ensure that they stay in work. The Government should continue to test, to learn and to rectify during the gradual roll-out.

**Richard Graham** (Gloucester) (Con): Does my hon. Friend agree there are three things that the Government could recommend? First, Jobcentre Plus offices should brief all local councils on what universal credit is about and how it is being rolled out. Secondly, jobcentres should be encouraged to have credit union literature to help people avoid getting into loan sharks and debt problems. Thirdly, the Government should work closely with the largest housing associations, such as Bromford, to establish best practice between housing associations and jobcentres.

**Michael Tomlinson:** I would encompass those questions in one by saying that better communication is needed. Each of us, as a Member of Parliament, bears a responsibility for that communication, too. Having heard the responses, we should pass them on to our constituents in good faith and in good time.

**Alison Thewliss** (Glasgow Central) (SNP): Will the hon. Gentleman give way?

**Michael Tomlinson:** No, I will not.

The Government should be listening, and they have listened on telephone numbers. It was implied last week that it was a premium-rate number and that all telephone calls cost 55p a minute, which is absolute rubbish, but I am pleased that the Government have listened and, in fact, have gone further by indicating that all telephone calls to the Department for Work and Pensions will now be free. I welcome that development.

The Government should not listen to those who want this policy to fail. The system is not perfect, and the Government are right to listen and to learn from their mistakes, but it is not cruel to encourage people into work. It is not cruel to support people while they are in work, to remove barriers to people increasing their hours or to remove disincentives for people getting into work. Arguably, the cruelty was in the old system. People were penalised if they wanted to take on more hours, which left them trapped on benefits, rather than enabled to reach their full potential.

3.34 pm

**Ruth Cadbury** (Brentford and Isleworth) (Lab): Last week, the Government party refused to vote on the Opposition day motion seeking a pause on the roll-out of universal credit. The motion was tabled because UC is not working in the way its designers told us it would and the way many of us intended and wanted it to. The full roll-out of UC started in my constituency in April 2016, and it is not working for hundreds of my constituents. I know that because they have told me directly and because I have also been told by those trying to help them to deal with the consequences and the mess: the citizens advice bureau, the council's revenues and benefits staff, food banks, places of worship, community organisations, teachers and school welfare officers.

Those whose income and business depends on regular and reliable payments are also feeling the impact—not only council and housing association landlords, but private landlords, many of whom are small businesses, and childcare providers, which are also small businesses. Employers are telling me of the stress the delays and non-payments are having on their staff who are UC claimants; this is affecting their ability to remain in work, because they cannot afford their childcare place or the cost of travel to work. At worst, claimants are losing their homes, and the only temporary accommodation available at a price the DWP will pay is well outside London—it is too far to commute for those in work hoping to keep their jobs.

**Stephen Timms** (East Ham) (Lab): My hon. Friend is absolutely right. Does she agree that alongside the delays, which are such a huge problem, this system is riddled with errors—its administration is not working as it should?

**Ruth Cadbury:** If I have time, I will make one specific point on that.

Other impacts have emerged as the Government cut the funding for DWP staff, which adds to waiting time and errors; many Members will have seen the article in *The Independent* from a DWP worker who deals with benefits. Then we saw the cuts to in-work support and the cuts to support for third and subsequent children. Those of us who live in high-rent areas, such as west London, where a small family flat costs about three quarters of an average worker's take home pay, have seen no proper adjustment of the local housing allowance.

In the face of all this evidence, so clearly set out last week by so many MPs on both sides of this House, the Government party refused to vote, and three parliamentary days later the Government have still made no statement to the House in response to the many important and excellent points made in the debate calling for a pause. The Leader of the House committed the Government to respond to the debate and the vote. There is no reason why the Secretary of State or a Minister could not have come to this House before now, at least with an initial response, and today the Minister did not use the opportunity he had to respond to the vote last week. The Government's actions—or, rather, lack of them—hold in contempt not only Parliament, but those already unable to feed themselves or their children, those who are facing eviction, those who have lost their jobs and, overall, those who have lost their dignity and hope for the future.

Let me give an example from my casework to show why the Government need to freeze or put a pause on the roll-out of UC. I have encountered two people, at different times, whose UC was stopped when employers paid them at the end of the outgoing month, because of the way the weekend or the bank holiday fell, and the DWP stopped their claim because it told them they had been paid double that month and so were not entitled to any UC. This went on for weeks and weeks, with them having no money to pay the rent and the childcare places being lost, and they were put at risk of losing their jobs. If a UC claim is terminated by the DWP, even because of a mistake by the DWP, it cannot be reopened, and the claimant is required to make a fresh claim and to use a new email address—all the journal is lost.

My hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams) has given the House several suggestions for changes and improvements that could be made to the UC system, including reducing the six-week wait, reinstating the limited capability for work element for disabled people, assessing self-employed people on their annual income, reinstating the level of work allowances and reducing the taper rates. Those are just some of the improvements that could be made and that the Minister could be considering. He could have made some initial comment on them just now, but he did not do so. The system needs to be properly resourced and to have adequate staffing and adequate IT. Local authorities and other landlords need to have access to claim data. By saying that they want the system to work, the Government are, in effect, admitting there is a problem. They need to do more than just want the system to work; we need to know when they will make it work.

Mr Speaker, after last week's debate, you said:

"This place, and what we do here, matters very much."—[*Official Report*, 18 October 2017; Vol. 629, c. 957.]

I agree with you, and so do my constituents.

3.39 pm

**Jeremy Quin** (Horsham) (Con): I am grateful to have caught your eye, Mr Speaker; I am conscious that I spoke in the recent debate on the Government's response to Supply day debates and in the debate last week on universal credit. I recognise that in this place repetition is not frowned on, and that hesitation and deviation are positively encouraged in some quarters, but I shall do my utmost not to try the House's patience.

With the greatest of respect to the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), I question the wording of the motion, which asks us to debate the Government's response to

"the decision of the House"

on universal credit. The House knows what the hon. Lady means—I know what she means—and I am not interested in silly semantic arguments, but this does get to the core of the matter. The Commons expressed a view, as you wisely said in response to the points of order after last week's debate, Mr Speaker. It gave its advice to the Government on the roll-out of universal credit. However, the House cannot, on the basis of an Opposition day non-legislative motion for debate, take a decision on a matter of Government policy.

As we discussed at length in the previous debate under Standing Order No. 24, and as I believe was agreed among Government and Opposition Members,

declamatory resolutions proposed for Opposition day debates are not and cannot be binding on the Government. That constitutional convention was entrenched by the Fixed-term Parliaments Act 2011, the principle of which was supported in the Labour and Liberal Democrat manifestos in 2010. When that Act was last debated, three years ago yesterday, the Opposition spokesman at the time, the hon. Member for Liverpool, West Derby (Stephen Twigg), spoke in its favour and said that the Labour party continued to support it.

There is no constitutional requirement for the Government to respond to resolutions of the nature we are discussing if that is what the Opposition choose to table for Supply day debates. If the Government choose to respond, they have to determine when and exactly how, particularly if there are fiscal consequences to any actions they determine. Part of the role of the House is to hold the Government to account, so I do not think that last week's debate was in any way fruitless or a waste of time. In the immediate term, the Government were held to account through the Secretary of State's responding to 17 interventions. By my count, in a much shorter speech this afternoon, my hon. Friend the Minister for Employment replied to 11 interventions. He was held to account by this House.

I have absolutely no doubt that Labour's talented Front-Bench spokespersons will do their utmost and use all their wiles to ensure that the Government's decisions on universal credit are drawn to the electorate's attention. Conservative Members are comfortable with the roll-out, the time we are taking and the way we are presenting it to the country. Ultimately, the electorate will decide. They are seeing the Opposition's view and the Government's view, and that is one role of the House.

I am comfortable with the position that our Government are taking in implementing the changes. That is partly because when I talk to staff at my local jobcentre, expecting the usual litany of failure that accompanies IT projects from all Governments, I hear enthusiasm and positivity about the universal credit system and how responsive it is. I am pleased that the Government have already proved themselves similarly responsive, with 50% of new claimants now securing advances, the new landlord portal and the consistent improvement in the time taken to make payments. There may be other measures that the Government can take to bolster the success of the system, but to my mind they would be wholly wrong to pause the roll-out of a system that reduces complexity, increases flexibility and improves employment outcomes for the recipients.

**Helen Goodman:** Conservative Members have talked a lot about improving work incentives. I shall not go over the history, but I have constituents who say things such as:

"My own personal position is that of a single parent carer to my disabled child. I can't work as he has very high and complex needs... Quite frankly the rollout of universal credit is terrifying"—

**Mr Speaker:** Order. The hon. Lady's eloquence is equalled only by her length. Interventions must be brief.

**Jeremy Quin:** The hon. Lady is always eloquent, and I take seriously the issue she has raised. I urge her to draw that to the attention of Ministers. I cannot handle

[Jeremy Quin]

specific issues in her constituency, but as I conclude I can describe the generality of employment under this Government. We previously debated universal credit on the day on which the new employment figures came out.

**Heidi Allen:** Will my hon. Friend give way?

**Jeremy Quin:** If my hon. Friend does not mind, I will not.

I assume that it was only because of the timing of the release of those employment statistics that the Opposition Front-Bench team were unable to weave them too strongly into their speeches on the day. They did not welcome the 52,000 increase in employment on the previous quarter; they did not welcome the 215,000 increase in employment on the previous year; and they did not welcome the fact that unemployment is at the lowest rate since 1975. [Interruption.] Obviously, they did not have time. There is evidence that universal credit is helping this success story. I urge the Government to continue to look creatively at how the system can work better, but under no circumstances to halt the roll-out.

3.44 pm

**Laura Smith** (Crewe and Nantwich) (Lab): Last week, I shared with the House my own experience of benefit delay as a single parent when I was working as a teacher. We all sat and listened as Members from across the House voiced their concerns—and their constituents' concerns—about the impact of universal credit. We also heard some horror stories—only they were not stories; they were accounts of ordinary working people living through the so-called reforms that this Government have insisted on pushing through. The concerns raised on the Opposition Benches were echoed by Gingerbread, Citizens Advice, Crisis and—indeed—some Members on the Government Benches.

Surely the Government do not plan to ignore the decision made by this House and to carry on regardless? The six-week wait is forcing people into further debt. My constituency of Crewe has been identified as one of the most indebted places in the country, with almost 4,000 children living in poverty. My constituents literally cannot afford to be subjected to this punitive programme.

Will the Government admit that the six-week wait is nothing more than a penny-pinching exercise? How dare they patronise us with their excuses? Do they really expect me to explain to my constituents that the Government's six-week wait is there to teach them how to manage their finances better? We keep hearing the stock defence that universal credit is getting more people into work. What type of work is that—secure work, work that pays a real living wage? We all know what lies behind those unemployment figures—poverty pay and precarious work. The truth is simply that this Government's policies are hurting ordinary working families, hurting the poorest and hurting the most vulnerable in our society.

We were told that this policy would “make work pay”, but the Institute for Fiscal Studies says that a further 3 million working families will be made on average £2,500 a year worse off. Food bank referrals have increased by more than double the national average in areas where universal credit has been fully rolled out.

The Government have finally listened to the Labour party and stopped ripping off constituents with their premium charge helpline. They now need to listen to the calls of charities and councils and immediately pause and fix the roll-out of universal credit, before more people are pushed into debt, hunger and homelessness. A pause would stop the rapid increase in the number being brought under their programme. I ask the Secretary of State to outline his response to the many concerns that have been brought to his attention again today. This is the Government's last chance to show that they do have some heart, that they can see sense and that they respect the decisions made by this House; otherwise, they risk consigning themselves to the dustbin of history as a Government who lack compassion, competence and credibility in equal measure.

3.48 pm

**Chris Green** (Bolton West) (Con): A policy should be founded on its vision and its values. The idea that work should always pay is clearly a good value, and many people across the House agree with that. The system should be easy to understand as those accessing it should be able to do so without any challenges or barriers in their way. Simplifying the system from six benefits down to one achieves that aim. People should be able to increase or decrease their hours as the work or the requirements change. It should be quite straightforward for people to increase their hours and for employers to give more hours and more work—if that is what they want to do—so that people can get more experience and there is more reason for employers to give more training and for people to gain greater qualifications. That allows progression and, perhaps, promotion in the workplace, which is very good for those individuals, for the society around them and for the businesses employing them.

**Helen Goodman:** Will the hon. Gentleman give way?

**Chris Green:** I will not give way; time is tight.

The Government are delivering for the poorest. Periods of Labour government have always resulted in an increase in unemployment. From 1997 to 2010, unemployment went from 2.1 million to 2.5 million. Unemployment has dropped to below 1.5 million under this Government.

**Rachel Maclean:** As well as the employment figures rising, we have seen more disabled people get back to work. Does my hon. Friend agree that that is a chance for them to fulfil their potential in the workplace and in life?

**Chris Green:** My hon. Friend highlights an important point. Many fully able people have got into work, and we need to ensure that the whole of society—all our communities—can get into work.

The number of children in workless households has fallen to a record low in every region since 2010, and the figure has fallen by 90,000 in the past year. The Resolution Foundation reported that the number of low-paid people—those on less than two thirds of the median wage—is at the lowest level since the 1980s.

**Martin Whitfield:** Will the hon. Gentleman give way?

**Chris Green:** I will not give way.

Labour supported universal credit and has no plans to drop it. As my right hon. Friend the Member for Forest of Dean (Mr Harper) highlighted, the initial debate was supposed to be about a pause and fix of the universal credit roll-out, but it has now changed to just a pause. A pause to do what—amend it or drop it? There are currently no proposals from the Opposition to roll out a new system. We must have the opportunity to fix through the test, learn and rectify approach. Only 8% of universal credit has been rolled out so far and there are proposals to take that figure to 10%, but this is a slow and cautious procedure.

**Tracy Brabin** (Batley and Spen) (Lab/Co-op): Will the hon. Gentleman give way?

**Chris Green:** I want to get to the number of issues that do need to be fixed.

The policy would be better if it were closer to its values. For example, the taper should be set so that it rewards people better than it does now. The seven-day waiting period ought to be reduced—not receiving money for one week involves a substantial sum for people who are often on the lowest wages. The test, learn and rectify approach gives an opportunity to improve the system of direct payments to landlords. That ought to go forward rapidly, but we also need to reflect on individuals being in charge of their own finances. The responsibility actually helps the individual because it is a responsibility they will have when they go into full-time work. It is a terrible situation when someone who has been so supported by the state and is, in a sense, dependent on it moves into work and has to realise the loss of that welfare support in addition to all the challenges of a new job. We also need to change the substantial six-week waiting period, which is not in the spirit and values of universal credit. The period ought to be four weeks, right from the off.

The Government are demonstrating that they are listening. A key part of that has been the introduction of the free telephone service. I do not want the roll-out to be stopped, but there needs to be reform for it to go on.

3.53 pm

**Afzal Khan** (Manchester, Gorton) (Lab): I am a new Member here. I was here for the debate last week, but I did not have the opportunity to contribute. However, I agree with the Minister that that debate was a good one.

It is outrageous that the Government are ignoring the clear will of the House—expressed by a vote of 299 to zero—to pause and fix the roll-out of universal credit. This is a real danger to the authority of Parliament. I will highlight two issues in my constituency to the Minister. A jobcentre is closing in my constituency, and many of my constituents are worried that the roll-out of universal credit will mean more trips to the jobcentre, which means that they will have to travel further. That could result in more sanctions as people are late or miss an appointment.

**Alison Thewliss:** Will the hon. Gentleman give way?

**Afzal Khan:** I only have one more short point; then I will see if the hon. Lady can have another opportunity.

The second point is that rent arrears are higher among universal credit claimants, young people cannot receive payments towards housing costs, and claimants need to borrow money before they receive their first payment, and all of that is contributing to a higher risk of eviction and homelessness. Will the Minister commit to addressing these issues?

**Mr Speaker:** Has the hon. Gentleman completed his speech?

**Afzal Khan** indicated assent.

**Mr Speaker:** I am most grateful to the hon. Gentleman. I call Lucy Frazer.

3.55 pm

**Lucy Frazer** (South East Cambridgeshire) (Con): The issue of how we encourage more people into work and ensure that those who are not in work have a decent standard of living is an important one and is worthy of debate. It is valuable to debate not only the principle behind universal credit and the Government's formulation of the policy, but, given that a further roll-out is due shortly, whether there should be a further pause to resolve and discuss issues such as the timing of payments before the roll-out is extended.

Both of those are legitimate concerns, but the difficulty with the motion and the debate last week was that those two issues were conflated. On the face of it, the motion before the House purported to raise the second issue—namely, whether there should be a pause, and a pause alone. A pause is a temporary or brief interruption, after which service will resume. However, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), in speaking in support of the motion, went far beyond arguing for a pause and instead identified fundamental weaknesses, as she saw it, in universal credit. She identified no fewer than 11 individual amendments she wanted to see. She quoted the charity Gingerbread as saying that the errors in the administration and structure of the system itself needed addressing. She concluded by saying:

“We cannot allow the devastating impacts of universal credit roll-out to happen.”—[*Official Report*, 18 October 2017; Vol. 629, c. 865.]

Those points are important, because when the Opposition bring an Opposition day motion before the House on an important point that affects the lives of our constituents, it is important that we as MPs know what we are voting on. When the Labour party put that motion before the House, did it intend to request a short and temporary pause to universal credit, or was it asking significant questions about the operation of universal credit? My concern is that, in that motion, the Opposition were playing politics and would have sought to use how we voted on it. If the Government had voted in favour of the motion, it would be open to the Opposition to say the Government agreed with the wider issues in universal credit outlined by the hon. Member for Oldham East and Saddleworth. If the Government had voted against the motion, the Opposition would say the Government were not even willing to agree to a short-term, temporary measure to fix administrative issues with universal credit.

**Anna Soubry** (Broxtowe) (Con): Does my hon. and learned Friend agree that the Opposition's motion would have had more credibility if it had included the word “fix”? There was no mention of that. It was simply about a pause.

**Lucy Frazer:** I do agree, because it would have identified what they were addressing.

I also agree with my neighbour and hon. Friend the Member for South Cambridgeshire (Heidi Allen). She asked the hon. Member for Oldham East and Saddleworth whether she was just asking for a pause or would accept administrative changes, and the hon. Lady did not answer the question.

We know the Opposition are playing politics, because the hon. Member for Walsall South (Valerie Vaz) admitted that in the last Standing Order. No 24 debate. It was put to her by my hon. Friend the Member for Cheltenham (Alex Chalk) whether she thought it was potentially contemptuous to put forward a motion for political effect, and she answered:

“I am sorry but I thought we were in politics. We are politicians, so that is what we would expect to do in here.”—[*Official Report*, 10 October 2017; Vol. 629, c. 217.]

Mr Speaker, in this House I expect to debate motions that affect the lives of my constituents. I expect when I vote that it is clear what I have voted on, so that I can be held to account. That should be the nature of politics.

3.59 pm

**Hugh Gaffney** (Coatbridge, Chryston and Bellshill) (Lab): Today, like every day, I am going to be speaking for the many, not the few. In my constituency and across the United Kingdom, people are worried. They live in fear that they cannot build a better, brighter future—and most criminal of all, no one is listening. So many of those constituents do not feel they are being listened to—not by the Tories in Westminster and not by the SNP in Scotland. Policies north and south of the border make this clearer every day. Indeed, this Government’s flagship policy on universal credit is the best example of this. Last week, I shared with the House a very simple message I had for the people of Coatbridge, Chryston and Bellshill, and people across the country: we are listening. My hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams) is listening, my right hon. Friend the Leader of the Opposition is listening, and those on the Labour Benches are listening. That is why we are here today.

I want to start by tackling the myth that people want to live on benefits; that they are lazy; that they are immigrants stealing from British taxpayers. How offensive, how wrong, how damaging, and how reflective of the society we are living in today. People do not choose to live on benefits. Millions of children across the United Kingdom are growing up in working poverty.

Several hon. Members *rose*—

**Hugh Gaffney:** No, I will not give way. I am going to continue for the sake of other Back Benchers who want to speak. [*Interruption.*]

**Mr Speaker:** Order. Passions are running high—very high indeed—but the Member must be heard.

**Hugh Gaffney:** Thank you, Mr Speaker.

These parents go to work but they still have trouble paying their bills. They cannot fill the fridge. This is not about choosing to live on working benefits—it is about a country that is not paying our workers the wages they deserve. It needs to be changed. Workers need justice. The welfare system was created by the Labour party

and will only ever really be protected and saved by the Labour party. I want to make this clear: I am not against looking to ensure our welfare system is accessible, working and delivering for people in need, but I am against a failed system that does not work, and so far universal credit is not working.

**Martin Whitfield:** Does my hon. Friend agree with my constituent who describes receiving universal credit as “not a choice but the only means for survival”

and says that there is

“little that is human, supportive and protective in UC”?

**Hugh Gaffney:** Yes, I do.

We know of so many stories across the country of families pushed to breaking point and people becoming more and more ill thanks to the pressures they are increasingly put under. We have heard over recent days attempts from the Government to try to control this situation. They now concede that we need to see a cut in the waiting times for receiving payments—payments that go on food, bills, and simply getting by. That is why Labour Members want to see an immediate halt and that is why some Conservative Members are starting to smell the coffee. Does the Minister disagree with his colleagues who have raised concerns? The fact that they were feted and dragged into Downing Street last week tells me that this Prime Minister is more worried about her job than about the millions of people across the country who are suffering.

I just want to say a word about last week. I had Tory MPs laughing at me when I was speaking. I saw Tory MPs mocking the moving points raised by hon. Members on the Labour Benches. It was a disgraceful way to behave, and it was made even worse by the fact—

**Simon Hoare:** On a point of order, Mr Speaker. I appreciate that I have not been in this House for that long, but this is a debate in which the hon. Gentleman has cast some very serious allegations against Conservative Members with no substantiation whatsoever. A number of colleagues have tried to intervene to tease and prise out the argument that he is putting—he is perfectly in order; I take that entirely—but what he has just said, on two occasions, has certainly caused offence to me, and I believe to all Conservative Members.

**Paula Sherriff:** Further to that point of order, Mr Speaker.

**Mr Speaker:** Order. I can deal with only one point of order at a time, I say to the hon. Lady in terms that frankly brook no contradiction.

I have heard what the hon. Member for North Dorset (Simon Hoare) has said. I understand that he—an extremely level-headed, even-tempered, equable fellow—is genuinely offended. I am not sure that I can find a cure for his sense of offence. The hon. Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney) may, in the hon. Gentleman’s mind, have been discourteous—although that is a debatable point, as most things are here—but it was not disorderly. I hope that the hon. Member for North Dorset, who is a seasoned graduate of the Oxford Union of some decades ago, has not had his tender sensibilities overly offended.

**Paula Sherriff:** Further to that point of order, Mr Speaker. There was an unfortunate occasion in the House during the universal credit debate last week when a Government Member made an unfortunate comment, or used unfortunate behaviour, although he later apologised to my hon. Friend. To suggest that there was no mocking or inappropriate behaviour is not correct, because the Member in question did have the grace to apologise.

**Mr Speaker:** I am grateful to the hon. Lady for that attempted point of order. We will take the view that there has been an exchange. Now Mr Gaffney, who is, I think, approaching his peroration, should have the opportunity to do so.

**Hugh Gaffney:** Yes, I did get an apology last week. I accepted the apology, and we can move on. It was a disgraceful way to behave, but what made it even worse was the fact that you sat on your hands, and you did not turn up to do your job.

**Mr Speaker:** Order. I am enjoying the hon. Gentleman's very spirited speech, but I must just say to him that I did not sit on my hands. I did not fail to turn up to do my duty. I most certainly did my duty. Debate goes through the Chair, and I think that the target of his criticism is other Members; I do not think that his target is me.

**Hugh Gaffney:** I certainly did not target you, Mr Speaker; I targeted the Government.

On a serious note, what happens to people who do not turn up for their universal credit appointment? They get their benefits taken off them. I repeat to the Government that they are showing no respect. If they cannot turn up to do their job, they should just move over. We are ready and willing to do the job for them. Let us halt universal credit.

4.6 pm

**James Cartlidge** (South Suffolk) (Con): It is incredible fun to follow the hon. Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney), who seemed to be commenting on whether or not the Speaker was here, as far as I could tell. Last Wednesday, when we had the Opposition day debate, was the first day of the roll-out of universal credit in South Suffolk. I will be keeping a close eye on that. Like everyone else, I am sensitive to what people are saying about the real cases that are out there, as we need to be.

I remind hon. Members that we are here today not just because of process or a parliamentary vote, but because Gordon Brown committed one of the greatest blunders in UK public policy. He extended the means-tested benefits system so that it covered not just the poorest, the incapacitated and those in areas of industrial decay, but every area of the income stream. He nationalised millions of families' incomes and created a massive new era of benefit dependency through the so-called tax credit system, and that was a fundamental error.

I am not speaking theoretically. The Opposition have talked about the real world, so let me talk about my experience. When I ran a small business, I had members of staff who refused to work more than 16 hours a week, because they would lose their tax credits if they did so. I even had someone decline a pay rise because of

the impact it would have on their tax credits. We have to understand that Gordon Brown created the road to serfdom—the idea that everybody should be dependent on the state—and I fundamentally disagree with that.

It is impossible to move from such dependency on the state through a cuddly process. When people have been made dependent, it is difficult to break them away from that in the way that is best for them, but universal credit does so. Of course the process is incredibly tricky, but we need to look at the benefits of universal credit. It encourages people to work more hours and make the most of their talents instead of relying on the state. It includes universal support from work coaches, to help people to make the most of their ability. That is the sort of system we want, and we should remember that principle.

**Ms Rimmer:** The last Labour Government lifted more than 1 million children out of poverty and paid off more debt—all inherited from a Conservative Government—than any previous Administration on record.

**James Cartlidge:** Fundamentally, we asked taxpayers to spend £30 billion a year putting a ceiling on wages and productivity. That is basically what happened, as I saw. Why would people want to earn more or be more productive, if they were so penalised through the benefits system? We ask ourselves why we have had such flat wage growth and such flat productivity. It is because we are paying people not to work harder.

That has a fundamental implication for the years ahead, because Brexit is coming. We need to remember what the country voted for. I campaigned to remain, but in my view the biggest issue was immigration. We want sustainable numbers of people to come into this country, but if that is to happen when we lose access to this almost limitless pool of very hard-working labour, particularly from eastern Europe, we will have to get the work done by people in the United Kingdom.

**Rebecca Pow** (Taunton Deane) (Con): My hon. Friend is making an extremely passionate case. I want to mention an incident in my constituency of Taunton Deane. A vegetable farmer recently said that he could not get people to work for him, and has to use eastern Europeans. He knows that there are unemployed people, but because of the 16-hour rule they simply will not take the jobs.

**Mr Speaker:** Order. May I very gently point out that if Members who have arrived in the Chamber relatively recently intervene, they risk preventing colleagues who have been here for some hours from contributing? I know that the hon. Lady, who is a most courteous person, would not want that to happen.

**James Cartlidge:** It is absolutely right to look at welfare reform in the context of Brexit. My worry, and I say this sincerely, is that—let us look at the seasonal agricultural workers scheme, for example—there is already pressure for a scheme not to get more British workers, but to ask whether we can have workers from Ukraine or Russia. We must think about that, because at the moment unskilled migrants can come to this country only from the EU, not from outside the EU. We have to look at welfare reform through the lens of seeing whether British people will rise to the challenge of stepping into the breach.

[James Cartlidge]

The Work and Pensions Committee—I was a member of it—carried out an investigation and we looked at these issues before the general election, and the truth is that large parts of our economy are dependent on migrant labour. If we are to change that, we must understand that the sorts of reform we are now introducing will be just the start of it. There will have to be a real look at education, training and welfare. None of this stuff may necessarily be easy or palatable, but it should move us to a situation in which, instead of flat wages and flat productivity, British people are given a fair chance: they do their bit, and we back them. We will give them support through the universal credit system and we will give them training, and we will have a competitive post-Brexit economy.

**Andrew Bridgen** (North West Leicestershire) (Con): Does my hon. Friend agree that welfare needs to be a platform to build from, not a ceiling people cannot break through?

**James Cartlidge**: Absolutely. Tax credits created a ceiling.

**Ruth George**: Will the hon. Gentleman give way?

**James Cartlidge**: I will not give way again. I respect the hon. Lady, but I only have a minute left.

As a mortgage broker, I had many cases where an extraordinary amount of a family's income came from the tax credit system. That is not healthy, and it is not sustainable. I give the Government credit for having the courage—yes, the courage—to take these unpopular decisions. Sometimes, we have to back unpopular decisions, because without such decisions the country cannot move forward. We are doing the right thing, and we should be proud to be doing the right thing.

4.13 pm

**Stephen Timms** (East Ham) (Lab): Under universal credit, everybody's monthly pay is automatically sent to Her Majesty's Revenue and Customs through the pay-as-you-earn RTI—real-time information—system, and HMRC then sends that to the DWP so that it can do the universal credit calculation. There have been rumours for some time that the RTI system does not work very well. I have tabled questions about that, but the Minister has flatly denied that there is a problem.

It emerged last month, through a freedom of information request submitted by a member of the public, Mr John Slater, that there is a thing called the “Late, Missing and Incorrect RTI Project”. If RTI is late, missing or incorrect, we have a problem, because it is not possible to do the required universal credit calculation. I therefore tabled a question to the Minister:

“To ask...what the remit and activities of the Late, Missing and Incorrect RTI Project are.”

The Minister sent back an answer telling me that it did not exist and that there was no such thing. Fortunately, Her Majesty's Revenue and Customs was more forthcoming on this point. I got a written answer last week from the Treasury, dated 16 October, to my written question 107309, which stated:

“The vast majority of Real Time Information submissions are accurate and on time. However, a very small number of data quality issues create discrepancies and these can have an effect on an individual's tax and benefits position.”

Indeed they can, because if the information is wrong, people's benefit calculations will also be wrong.

The following day, 17 October, also from the more helpful of these two departments, the Treasury answer to my question 107475 stated that,

“during the 2016/17 tax year approximately 590m payments to individuals were reported via RTI. 5.7% of these were reported late. HMRC does not hold the information in respect of missing and incorrect reports.”

If over 5% of them were just late, never mind the ones that were missing or incorrect, we do have a serious problem.

Looking through all the submissions we received, briefing us ahead of this debate, I was struck by the one from the Child Poverty Action Group, referring to, “difficulty making claims for universal credit, with many online claims seeming to ‘disappear’.

Universal credit being underpaid because ‘real time information’ provided by HMRC regarding income is not always reliable or accurate.

Claimants being paid the wrong amount of universal credit for no apparent reason.”

What is happening is that the IT is not doing what it is supposed to do.

My hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) referred to the anonymous report in *The Independent* a couple of weeks ago by someone working in a jobcentre, who talked about the grim reality of administering universal credit, rather by contrast with the enthusiasm with which Tory Members have told us that people are working on this. That writer made the point that when there is a discrepancy between what people were paid and what HMRC says they were paid—in other words, an RTI problem—it takes ages to sort that problem out. Members representing constituencies where universal credit has been fully rolled out report endless mistakes, delays and errors, which take weeks and weeks to resolve.

Another reason why this project's roll-out should be paused and then fixed is to stop these problems being inflicted on tens of thousands more.

4.17 pm

**Julian Knight** (Solihull) (Con): I am pleased to follow the hon. Member for East Ham (Stephen Timms), who has great experience as a former Pensions Minister. I am sure that he is aware that the idea behind universal credit is to change what has become a very dysfunctional welfare system that not only drains public finances and is very inefficient, but is a huge waste of human potential. Deeply flawed as the old welfare system was and remains, however, it is still a lifeline for many of the poorest and most vulnerable people in our society, and we have to be cognisant of that. Ministers must handle it with extreme care, even when acting with the very best of intentions.

I am sure that by now we are all familiar with the shortcomings of the old system. Not only was it very complex and difficult—both to navigate as a claimant, and for the Government and jobcentres to operate—but it created huge disincentives to work, as my hon. Friend the Member for South Suffolk (James Cartlidge) said. Many would-be jobseekers found themselves facing marginal tax rates not seen in this country since Denis Healey sat in No. 11. The idea of universal credit is that it rewards work: people can work the hours that they want, effectively. It brings in that flexibility and ensures that

people will not face the very difficult decision, which has been mentioned by some hon. Members, of basically turning down work in order to keep benefits.

**Ruth George:** Does not the hon. Gentleman agree that under the last Labour Government's tax credit system, the clawback of wages was 39%, whereas under universal credit it is 63%? The individual keeps only 37% of what they earn. If they pay tax, the clawback rises to 75%—they keep a quarter of it.

**Julian Knight:** I thank the hon. Lady for her intervention. I am about to discuss tax credits and my experience of dealing with that area as a personal finance journalist in 2003, when the credits were launched.

Work is the only long-term route to financial independence. Not only does long-term unemployment sap an individual's self-confidence and erode their employability, but children who grow up in workless households are far more likely never to enter employment themselves. Generations of people do not get into work, and therefore poverty beds down. By acclimatising claimants to the rhythms of working life and being designed to ensure that employment always pays, universal credit not only supports today's claimants, but is helping to steer many of the next generation away from the welfare system altogether, which is a very good thing indeed.

This is, undoubtedly, an enormous change, and Ministers have been wise to choose to proceed cautiously. The full roll-out of universal credit will not be completed until 2020, a whole nine years after the policy was first trialled and enacted. That involves many dry runs, and the process is in very stark contrast to the introduction of tax credits in 2003, when I remember very well that there was huge disruption to millions of people's lives.

**Neil Coyle (Bermondsey and Old Southwark) (Lab):** Is the hon. Gentleman aware that 2017-18 was supposed to be the final year for the roll-out of universal credit under the initial plan, but that the Government had already accepted that they needed to improve the process? Does he wonder why the Government are being so stubborn now?

**Julian Knight:** I applaud the Government for taking the roll-out to 2022—it shows they are listening. They want to get this right so that we do not end up with the situation we saw in 2003 with tax credits when, frankly, there was a dead ear from the then Government.

I will conclude as I am aware that many Members wish to speak. It is only right that we acknowledge the measures that the Government have put into place to protect vulnerable users, to provide an advanced payment system for claimants who cannot afford to wait for six weeks for new payments, and to ensure that people who are transferred on to universal credit see no loss in their entitlement in cash terms. The Government have rightly announced a review of DWP phone lines, which is a welcome and positive development. I hope that all Government Departments are cognisant of such situations and people in need are not charged excessively for using phone lines.

4.22 pm

**Patricia Gibson (North Ayrshire and Arran) (SNP):** We have heard in today's debate, as we heard last week, about the way universal credit has been rolled out and

how it is driving families into desperation and hardship. This House expressed its view, yet still the Government bury their head in the sand, wilfully holding their hands over their ears like an errant child. This roll-out must be halted so that the problems that have been identified—many today and many last week—can be examined and fixed.

The consequence of the hardship we have heard about so clearly in this Chamber is a tearing at the social fabric of our communities in a way that is cruel and completely unnecessary. Some 25% of claimants are waiting even longer than six weeks, according to the DWP's own figures. Six weeks without support is simply not reasonable. The Government cannot use the excuse of innocence or ignorance. The problems with this benefit have been laid bare and Parliament has spoken. Deciding not to listen to the clamour of disapproval, which has been voiced for very legitimate reasons in this House and beyond, does not provide absolution for what is increasingly looking like wilfully causing harm to those in need of support.

I believe that since Parliament has spoken on this issue, there is an ethical imperative on the Government to return to this issue in a reflective manner, offering a positive, meaningful way forward on a matter regarding which we can all agree the principles. What is at issue here is the process—the way the benefit is being rolled out. It is surely not beyond the wit of the Government to revisit and improve it. It now seems clear that the reason for not pausing the benefit, which is riddled with errors, must be and can only be arrogance, and an ideological fixation that is really very difficult to understand.

**Luke Graham:** The SNP has raised three concerns about universal credit: timeliness; direct payments to landlords; and helping those most in need by closing the gap. Now that the Government have addressed all three, including by providing payments within five days—on the same day for those in urgent need—will she welcome those changes and accept that the Government are not being arrogant but actually listening?

**Patricia Gibson:** The three issues that the hon. Gentleman identifies are not our only concerns about the benefit. We are concerned about split payments, the six-week wait, the cut to work allowance and the flexibility of payments—I could go on, but I am constrained by time. There is much wrong with the benefit. Suggesting that fiddling about with three bits is enough, and dancing on the head of a pin about what the motion said last week, does not cover him in glory.

Properly administered, this benefit could really support people, but not unless time is taken to review the problems with it, some of which I have just mentioned. In the meantime, urgent transitional protections can be put in place to protect those who are victims of it right now. There is no doubt that universal credit payments need to be more flexible and adaptable to allow people more say, and that the system needs to be more responsive to how people live their lives and manage their household budgets. We cannot even begin to talk about an online digital roll-out unless we have already tackled digital exclusion.

People in Scotland and across the UK are suffering terribly, and what is heart-breaking is that the suffering is utterly unnecessary. The hardship is the result of how the Government have bungled the benefit. The status

[Patricia Gibson]

quo is no longer tenable. I urge the Government to do the decent thing: pause the roll-out and fix the problems, as the House voted they should do.

4.26 pm

**Stephen Kerr** (Stirling) (Con): One of the aspects of last week's debate—we have seen and heard it again today—was that while Opposition Front Benchers said that they supported the principles of universal credit and that their concerns were about the manner of the roll-out, what we heard from those who sit behind them was abject opposition to universal credit. It appears to me that they do not want so much to pause the roll-out as to completely abandon it.

I speak as someone who not only supports the principle of welfare reform but wishes to see its implementation go forward. Universal credit is so much better at helping people into a position where they can help themselves. I do not add my name to those calling for a pause or halt to the roll-out of universal credit because the roll-out is already planned to take nine years, and it is taking nine years because the Government are taking time to get it right. It is called check and adjust.

**Ruth George** *rose*—

**Stephen Kerr:** It is about learning from experience and adapting. It is about continuous improvement. Calling for a pause or halt does not help that process one jot.

**Ruth George** *rose*—

**Stephen Kerr:** It is important to tackle a change of such magnitude in that way. It is important to take the right amount of time to absorb the lessons being learned.

**Ruth George** *rose*—

**Mr Speaker:** Order. The hon. Gentleman is not giving way at the moment.

**Stephen Kerr:** Let us look at what happened when Labour launched its tax credits with a big bang. I am still helping constituents who got caught up in that mess, which included £2 billion in underpayment and overpayment errors.

It is worth reminding ourselves why universal credit is such an important plank in welfare reform. It is about helping people to prepare for a return to the world of work. It is designed to mirror the world of work. When people return to the world of work, it underpins the promise that people will always be better off in work than on benefits. Under the old system, there was a cliff edge, because it made sense to work for only 16 hours or less, and it cannot be good if we end up penalising people because they chose to do the right thing and go to work. The old system punished work. People could lose more than £9 of every £10 extra they earned. Under Labour, the benefits system was so complicated that some people found that there was no point to working more because they would lose more in benefits than they would earn in work. The old system failed to get young people into work. The old system subsidised low wages by letting the tax credits bill get out of control.

It is also worth remembering what work does for people.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): On the point about low wages, does the hon. Gentleman agree that the Government should pay the real living wage, not the kid-on living wage?

**Stephen Kerr:** I am very proud that the Conservatives have introduced a national living wage. It is worth remembering what work does for people. It instils a sense of confidence and of self-worth. It enables people to manage their own affairs and make their own decisions for themselves and their families, to be independent, and not to depend on anyone or anything. That is what work does, and that is why it is so important to record again today that more people in this country are working than ever before and that unemployment is at a 40-year low. That is a good thing that we should be proud of. Universal credit is helping people to get back into work. Those on universal credit are four percentage points more likely to be in work within six months than jobseeker's allowance claimants in similar circumstances. Universal credit underlines the salient principle that people should always be better off in work than on benefits.

I pay tribute to the Ministers at the Department for Work and Pensions. What I have experienced from them is a genuine willingness to engage and to receive feedback, and that is both positive and constructive. They have been impressively responsive to my concerns, and more especially to the cases of my constituents that have been brought to their attention. I am pleased that there has been a response to the urgent need for payments. Claimants who want advance payments should receive them within five working days, and for those in immediate need there is a fast-track payment that can be received on the same day. I was initially concerned about the payback period for advances, but I am assured that repayments can be delayed for up to six months, and for a further three months if necessary. I have also received reassurances from Ministers about the issues that face rural constituencies.

I repeat that while I accept that no one should have to wait for six months with no money, it should not be beyond our means to make improvements in the system to reduce the time before the first payments are received. However, it would be wholly wrong to pause the universal credit full service roll-out now.

4.31 pm

**Ruth George** (High Peak) (Lab): Let me start by giving credit to Members in all parts of the House who have listened to their constituents and to people who are suffering under the universal credit system and who have called for changes to be made in that system.

As many Conservative Members have pointed out, we have been going through the process of universal credit for six years now, and as the previous Secretary of State said, the system seems to be "fix and learn". I wonder what problems he was seeking to address when his Government cut £5 billion from the annual budget for tax credit, taking it from a system that helped people into work and putting it into a system that will take an average of £2,500 a year from 3 million working families. I urge all Members to look at the Library figures that state how many families in their own constituencies are

currently receiving tax credit and will lose such sums. They should come as a revelation to us all; and to those of us whose constituencies have already experienced the roll-out of full service—not just to unemployed single people, but to families and people who are disabled and seeking to work—they must come as a lesson.

The Government, and other Conservative Members, keep claiming that an extra 250,000 people will move into work under universal credit. I am afraid that that claim is based on figures from 2014-15, based on a small sample of single unemployed claimants before the huge cuts in work allowances were implemented. They do not apply to people who have been claiming employment and support allowance or to families. Analysis of lone parents has shown that their work incentive is reduced by eight percentage points. As for second earners, the huge clawback in universal credit actually reduces their incentive to work and makes it more difficult for families with children to be taken out of poverty. I urge all Members to listen to Citizens Advice and the Child Poverty Action Group, which say that an extra 1 million children will be taken into poverty by universal credit. That must give us all cause for concern.

The six-week wait was not introduced at the outset; it was introduced in August 2015, along with the extra seven days of unpaid waiting time. It does not mirror the world of work. Those who move into work are paid after a month at the most, but mainly within that period, and even those who must wait for a full month can often receive an advance. So this is not mirroring the world of work; it is putting people into debt. Local authorities have found that 31% of people on legacy benefits are in rent arrears, but under universal credit that proportion more than doubles to 73%. Debt is not a way for people to start in the world of work or start on their way in life. All this means that the number of people going to food banks has more than doubled, and they can only do so when they can actually get access to a food bank. In rural areas such as mine and those of many Conservative Members, food banks are not a panacea; they cannot provide food for families across rural areas, and that will mean children going hungry.

We are urging most earnestly the Secretary of State and the Government to listen and make sure this does not affect millions more families, especially as we are coming up to Christmas, and to pause now.

4.35 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): It is a pleasure to follow the hon. Member for High Peak (Ruth George), who has made some sensible points about the Government listening and our not wanting to get people into debt at the start of this difficult time in their lives.

Universal credit was introduced into Thirsk and Malton 15 months ago, and I am in no way ignorant or in denial; nor do I lack compassion about some of the difficulties that have been caused. In my experience, the vast majority of people have not suffered difficulties, but some have. Those difficulties fall into two different categories: technical and structural.

The technical difficulties are to do with mistakes, both by the user entering into the system and the people administering it at the benefits end of the system. There have been difficulties, and I have written to the Minister about them and know he will respond in detail. There are

also structural difficulties with the monthly payment cycle, when many of my constituents, especially at the lower end of the income scale, get paid weekly. That has caused some cash-flow problems for some of my constituents.

Do I want to go back to the old system, or do I want a pause? I absolutely do not. Like many colleagues in this place, I have met staff at my citizens advice bureau, and have sat in on consultations with people accessing benefits, some of whom said before to the introduction of universal credit, "I cannot work more; there is a 16-hour limit on how much I can work." The CAB itself has advised that that is the position. We do not want to return to that situation. We also do not want to return to a situation that is less effective at getting people into work and keeping them in work.

I also make a plea for the taxpayer in this debate. There are two sides to this coin. As the Prime Minister said last week, the Government have no money: all money is simply collected from the taxpayer and redistributed. Since the partial introduction of this basket of reforms, there are now 700,000 fewer workless households, and 40,000 households where people have never previously worked who are now in work. That is a benefit both to the taxpayer and the people in those households, particularly the young people in them. There has therefore been a fundamental improvement in many cases

I made the point earlier that the shadow Minister, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), described the upfront payment as a loan. Will she clarify that point? Is she saying that she does not want to make it a loan, but instead wants to make it an extra payment? That would add a burden on the taxpayer; that will mean more money has to come from the taxpayer. If that is what she wants, she should clearly set out her spending plans and calculate what extra payments she is going to make. Would that be fair, too, to those who do not ask for the upfront payments? We must take the taxpayer into account in our discussions on this matter.

I would unquestionably like to see some changes, particularly to shorten the timescale from six weeks to ease the burden on some of my constituents who are paid weekly and to make sure the upfront payments are available and also publicised to all who apply for universal credit. It would also be sensible to make more people aware that rent can be paid directly to the landlords in the social housing and private rented sectors and to have more training and ownership for the people who work to deliver these benefits. Other than that, I absolutely welcome this change.

4.39 pm

**Ms Marie Rimmer** (St Helens South and Whiston) (Lab): The Government ignored the decision taken during the Opposition day debate in Parliament last week. When will this Government of the fifth richest country in the developed world start to listen and learn to govern for the benefit of all people? They ignored the pleas expressed in the Westminster Hall debate on the north-west roll-out in January 2016. They ignored the warnings about fundamental flaws, public hardship, debt creation, complex systems, payment delays and the loss of client information. They were asked to fix the problems before the roll-out, but the roll-out continued.

[Ms Marie Rimmer]

There has been some improvement since then in the administration and some people have got jobs and got a named adviser—that has been helpful—but we have also seen the savage implementation of sanctions on people attending training provided by the DWP, on people going for interviews and on people who are hospitalised or on a hospital visit, just for being slightly late. I suggest that the Minister start to carry out some exit interviews among the staff.

The Government ignored the warnings from Government-commissioned IT companies on the complexity of the system and on the fact that the development timeframe could not be met. They also ignored warnings from councils and the Local Government Association that they could not develop their systems to fit universal credit in the time allowed. They also ignored the former Secretary of State, who quit days after the 2016 Budget after calling on the Prime Minister to reverse the cuts to universal credit.

The primary aims of universal credit were to simplify the system, to improve work incentives and to tackle poverty among low income families. This was wrecked in the 2016 Budget. Cuts in work allowances and changes to taper allowances resulted in 63% deductions—exactly the same as the tax credit threshold. The incentive to work was gone. Both measures were introduced by statutory instrument, using the negative rather than the positive procedure, so there was no parliamentary scrutiny. That is how they were sneaked through. There will be a £9.6 billion reduction in support to working families over the next five years, and the figure will be £3.2 billion each year by 2020. That illustrates the difference from the initial universal credit, for which there was much support. The incentives have gone, and a lot less money is going to the recipients. A former Prime Minister has described universal credit as

“operationally messy, socially unfair and unforgiving”.

Universal credit has been a universal shambles from the outset. This Tory Government were stopped in their tracks from cutting tax credits by slipping the cuts through via statutory instruments. Things have got worse under universal credit, with the Government deciding to implement further cuts in benefits for vulnerable people by rolling out the system. There was a public outcry on tax credit cuts because we had a debate in this Chamber and the media took up the issue. The results of these changes include increased personal borrowing and soaring debt, hungry children, cold children and schoolchildren suffering mental health issues and long-term damage to their lives. This must not happen in the fifth richest country. It must be stopped. The Government must listen to Parliament and to the Select Committees and make universal credit fit for purpose.

4.43 pm

**Wendy Morton** (Aldridge-Brownhills) (Con): This Standing Order No. 24 debate follows last week's Opposition day debate on universal credit—a debate in which I also spoke, and one in which we heard a number of contributions from both sides of the House offering contrasting views. That debate provided an opportunity for Members on both sides to come to the Chamber and contribute, and they did so. The Opposition motion was debated and heard, and the Minister responded. I know that today's motion is on the pausing of the full-service roll-out of

universal credit, but I am left a little confused about where we are with this. Are we wanting to pause and fix? Are we wanting to pause? Or is it simply a case of the Opposition wanting to stop this really transformational piece of legislation, full stop?

My hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer) hit the nail on the head earlier. Welfare matters, especially when someone relies on it, but improving the system matters, too. We have to ensure that work always pays, so that things are better and fairer for those who need it and for those who pay for it. The old system simply was not working. It was bizarre that it was not worth working more than 16 hours a week. There was no real incentive to work. The system needed change. Evidence shows that universal credit is helping people into work faster and is helping them to stay in work longer.

I do not want to repeat everything I said last week or what was said in many of the contributions today—that is on the record and I do not have much time—but I just want to touch on the issue of pausing, because the Opposition's intention is not to pause the roll-out but to stop it. Universal credit has the potential to change people's lives. To stop a benefit that prepares people for work and helps them get on in work would be wrong. This nine-year programme is designed to enable a gradual move towards universal credit. It is worth remembering that coverage is currently at 8%. Over the next four months, the roll-out will increase coverage from 8% to 10%—just two percentage points by my reckoning. [Interruption.] I am coming to a close now, Mr Speaker; I can sense you speeding me along.

Universal credit is a response to the overcomplicated system that we inherited from the previous Labour Government. Despite what the Opposition say, recent data show that universal credit is transforming the prospects of those who use it. It is important to continue with the programme, and my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) gave us some helpful insight into his constituency, where, yes, there are challenges, but there are positive stories, too.

**Anneliese Dodds** (Oxford East) (Lab/Co-op) *rose*—

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

**Mr Speaker:** Order. The Opposition Front-Bench winding-up speech of three minutes must begin no later than 4.52 pm, so the final two speakers have a maximum of three minutes left—a bit less.

4.47 pm

**Anneliese Dodds** (Oxford East) (Lab/Co-op): I apologise to the House for missing the start of the debate; I had to be at a sitting of the Finance Bill Committee. Colleagues have obviously already detailed many problems with universal credit, so I just want to focus on two: informed consent and data sharing. I mentioned them in last week's debate, but the Minister was sadly unable to respond because he ran out of time. I have since written to him and to the Secretary of State, and I hope that he will be able to respond formally at the end of this debate with what he is going to do on both.

On informed consent, Members will recall the words of the Secretary of State from last week's debate, when he said:

“Very often the CAB needs to call the local jobcentre rather than the national centre, because if it wants to deal with an individual case, dealing with the jobcentre would be more helpful.”—*[Official Report, 18 October 2017; Vol. 629, c. 873.]*

The point is that advice centres cannot directly speak to the jobcentre or to the DWP, because the rules have been changed under universal credit so that advice centres no longer have implied consent. The only individuals who have it now are Members of Parliament. Who is better to deal with a constituent with a head injury, for example, who is trying to work out what their universal credit allocation should be: me, an MP who knows little about it, or a specialist organisation such as Headway? Headway used to be able to provide advice on such issues, but it is no longer allowed to, owing to the new rules on implied consent.

I will provide a quick example from an advice centre, which I have sent to the Minister:

“Our clients are in and out of hospital and often taking heavy duty pain relief drugs. Access to computers and remembering the login details is often impossible.”

I will not provide the rest of the details, but I want to finish with this quote:

“Monitoring whether my clients have been properly paid through universal credit is a nightmare.”

The Minister can end that nightmare immediately today by extending implied consent to advice agencies, just as applied previously. It would be simple to do and would make an enormous difference to some vulnerable people.

On data sharing, there was some discussion last week about the scope and efficacy of the new landlord portal, which is intended to enable data sharing between landlords and the DWP. The DWP clearly accepts the need to share some data, but it is refusing to share data with local authorities. I do not know whether the Minister is ready for this in his constituency, but I have been informed that about 4,000 households in my constituency will have to take screenshots of their DWP entitlement—if they have a computer; many do not—and then email or take it to the local authority so that it can work out whether they are due council tax benefit, all because the DWP will no longer share that data with local authorities. The system could be changed easily, so I ask the Minister to wave his magic wand and change it.

4.49 pm

**Victoria Atkins** (Louth and Horncastle) (Con): I hope to end the debate on a note of agreement. Everyone in this Chamber wants people to have the opportunity to work, if they are able to work, and to be supported in the process of finding work. And when they do find work, we all want them to be paid properly. That, I hope, we can all agree on.

I hope we can also agree that the old system was a nightmare. I do not speak just from my experience of working in this place. In my previous career I worked in criminal courts across the country as a prosecutor for the Department for Work and Pensions. I would work through a whole load of cases when I visited a magistrates court, such as Camberwell Green magistrates court, and I cannot say how many single working mums were being prosecuted by the DWP because they had gone one or two hours over their 16 hours. Members of this House talk about being caring, but I dropped those cases myself—I took the decision that it was not in the public interest to prosecute. When did those cases happen? In the late 1990s and the early 2000s.

When people speak about a caring welfare system, let us not pretend that the old system cared. Let us instead work together to make the new system work better for our constituents. Let us take advantage of the pause in January 2018 to address some of the issues that have been raised in these debates, but please let us not pretend that the old system worked, because it did not. Universal credit is an effort to design a better system for our constituents, and I support it.

4.51 pm

**Debbie Abrahams:** I start by thanking everyone who has spoken in this debate. I cannot express how disappointed I am that the Government do not seem to have heard the concerns raised by our constituents, charities and so many others, including some of their own Members, and how disappointed I am that the Secretary of State for Work and Pensions did not come to the House today. What message does that send? It is profoundly disrespectful to this House and to the people we represent. I sincerely hope that we have not reached a constitutional impasse, as the Government seem to be refusing to act on the will of the House as expressed in last week's vote.

This important constitutional debate is, however, little relief for those living in areas about to be placed under universal credit full service. They face the debt arrears and possible eviction that have occurred elsewhere. In my opening remarks, I made clear the areas on which Labour wishes to see improvement from the Government. Those areas fall under three broad headings: programme design flaws; reversing cuts to funding; and implementation failures. Our criticisms have been confirmed time and again by hon. Members throughout this emergency debate and last week.

What we have here is a rare case in which Members of all parties are agreed on the fundamental principles at stake, and we are willing to work together to ensure that universal credit is a success and supports people into work without fear of a loss of income. The Prime Minister stood on the steps of 10 Downing Street and told the nation that she would help those struggling to get by, that she would build a country for everyone. More than a year has passed now, and no conceivable action has been taken to alleviate the miserable effects of seven years of failing austerity upon those on the lowest incomes.

The House's view is clear: the Government must act. Should they fail to do so, we will keep holding them to account. We will keep fighting on this vital issue, standing up for the 7 million people who will be affected, until change has been realised and we have built social security that is fit for purpose and is there for all of us in our time of need.

**Mr Speaker:** The Question is as on the Order Paper. I will say it again—*[Interruption.]* Order. Some people seem to need help. *[Interruption.]* Order. I do not need harrumphing from a sedentary position from a junior Whip, the hon. Member for South Derbyshire (Mrs Wheeler). It does not avail her, and it does not assist the service of the House.

*Question put and agreed to.*

*Resolved,*

That this House has considered the Government's response to the decision of the House on pausing the Universal Credit full service roll-out.

**Andrew Bridgen** (North West Leicestershire) (Con): On a point of order, Mr Speaker.

**Mr Speaker:** We have a lot of pressure on time. If the hon. Gentleman really thinks it is necessary—I know he thinks everything that concerns him is terribly important—we will hear it.

**Andrew Bridgen:** On a point of order, Mr Speaker. Could you clarify how a Member of this House would raise an issue relating to equality and standards—

**Mr Speaker:** Order. I do not know whether the hon. Gentleman was in his place or not, but there were points of order raised about equality matters and respect issues earlier, with which I dealt. No clarification is required. My guidance was sought and I proffered it. We are short of time, and there is a debate now in which other people wish to take part. If the hon. Gentleman is interested, he can always seek guidance from my office. He does not need to raise a point of order now and it is desperately insensitive to other colleagues who wish to take part in current debates in the Chamber. This is not complicated.

## Smart Meters Bill

*[Relevant documents: The Sixth Report of the Energy and Climate Change Committee of Session 2015-16, Pre-legislative scrutiny of the Government's draft legislation on energy, HC 776, the Fourth Special Report of the Energy and Climate Change Committee of Session 2016-17, Pre-legislative scrutiny of the Government's draft legislation on energy: the Government Response to the Committee's Sixth Report of Session 2015-16, HC 581.]*

*Second Reading*

4.56 pm

**The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark):** I beg to move, That the Bill be now read a Second time.

The Bill, which passed its pre-legislative scrutiny in 2016, is narrow in scope and technical in nature, but it is an important Bill that supports the delivery of the smart metering implementation programme to modernise an outdated part of our energy infrastructure. Smart meters are the next generation of metering technology and are an important element of a smarter energy system. We set out in the recent smart systems and flexibility plan how smart meters will enable technologies such as demand-side response, whereby consumers can gain financially if they lower or shift their electricity use at peak times. The data provided by smart meters will also help improve investment decisions in Britain's energy infrastructure. A smarter, more efficient energy system could drive up to £40 billion in energy cost savings for consumers by 2050. Smart meters will help with that by giving consumers greater control over how and when they use energy. By allowing homes and businesses to better manage their energy use, we open up the possibility of flexible energy tariffs. Taken together with secure smart appliances, consumers will thus be able to benefit from using energy at times when it is cheaper. Shifting demand to match supply may be cheaper than building generation capacity to meet future demand peaks.

This is just the start. New innovative and disruptive business models and systems will be enabled, and will help deliver a cleaner, cheaper and more secure energy future. The smart meter roll-out is, as the Select Committee found, a vital infrastructure upgrade which supports our ambition to make Britain a world leader in energy innovation. Indeed, this is the first step on that journey—exchanging analogue meters for a digital model—and it will in itself deliver savings.

**Alberto Costa** (South Leicestershire) (Con): I congratulate the Government on this Bill. Does my right hon. Friend agree that it is imperative that, in addition to having advertising from Smart Energy GB on the roll-out of these meters, small energy firms that are contacted by consumers, as I have done with my own, promptly respond to them on this matter?

**Greg Clark:** I am grateful to my hon. Friend for that, and he is absolutely right in what he says. If we want to have a fully smart grid, the more people that avail themselves of that the better. When members of the public share his enthusiasm, it is very important that they should be given the chance to have a smart meter.

**Sir Edward Davey** (Kingston and Surbiton) (LD): Will the Secretary of State explain why the roll-out of the second set of smart metering equipment technical

specifications—SMETS 2—has been so delayed? I understand, probably better than most Members, the frustration he will feel about the delays to the smart meter programme. Is not the concern that suppliers are going to fit lots of SMETS 1 meters, which will be a barrier to competition and reduce the benefits of the smart meter programme to consumers?

**Greg Clark:** I am grateful to the right hon. Gentleman for raising that concern. He is absolutely right that in moving towards a fully smart system we want full interoperability, which is what SMETS 2 achieves. It has been tested and will be rolled out from July next year. The key point is that those who have a SMETS 1 smart meter will be able to access the software upgrades that will provide that interoperability. That is an important aspect of the roll-out and I am pleased to confirm it to him.

**Sir Edward Davey:** I am grateful for that clarification, because it may put some minds to rest if they know that the software upgrades will be available. There is a danger that many suppliers, be they one of the big six or others, see the roll-out of as many SMETS 1 meters as possible as a way to stop competition and lock in their consumers. That should really worry everyone in the House. Has the Secretary of State weighed up the benefits of ensuring we have more competition through the roll-out of SMETS 2 meters against the obvious downside of delaying the 2020 deadline?

**Greg Clark:** Yes, I have. Again, I am grateful to the right hon. Gentleman for asking that question. It is essential that the upgrade is available so that the smart meters that are installed under the SMETS 1 standard will be operable under the SMETS 2 standard. That has been a key part of the development and testing for exactly the reason he mentioned.

Smart metering upgrades the interactivity of the energy system in general. One big advantage of it is that if the system is fully interactive, less unneeded generating capacity needs to be invested in, with consequent savings to consumers. Even in the initial operation, it is estimated that by 2020 consumers can make net savings on their household bills to the tune of £300 million. In addition to the bill savings, smart metering will deliver benefits to the energy industry and to the economy more widely. It seems to me to be essential that if we want to plan a prosperous future, building on our strengths, this country should be the place in the world that can best integrate renewable energy and battery storage—not least in electric vehicles—with the consumer. Smart metering is an important element of that.

**Mr Jim Cunningham** (Coventry South) (Lab): Has the Secretary of State considered people in the poorer sections of society who might have difficulty paying?

**Greg Clark:** Yes, and it is important that all consumer groups should be able to access the benefits, including lower bills. That has been an important requirement, and the Bill addresses it by extending the necessary powers to ensure that we have the regulatory ability to insist that the roll-out goes to all consumers and is not restricted to the more affluent.

**Sir Edward Davey:** I am grateful for the Secretary of State's answer to the hon. Member for Coventry South (Mr Cunningham). Is he trying to ensure that suppliers

roll out smart meters to prepayment customers as soon as possible? The benefit of smart meters to those on low incomes who use prepayment is that some of the extra costs associated with prepayment go.

**Greg Clark:** The right hon. Gentleman is right: we especially want to extend smart meters to those on prepayment meters and those who might struggle to afford their energy bills, because the benefits of the savings are disproportionately better for them.

**Amanda Milling** (Cannock Chase) (Con): Does my right hon. Friend agree that one of the biggest issues with the energy market is apathy on the part of consumers? We must try to get consumers to engage so that they understand their energy use and bills and can switch. Smart meters are critical to engaging the public.

**Greg Clark:** My hon. Friend is absolutely right. At the moment, an imbalance in information characterises the energy market. The suppliers know pretty well the consumption patterns of their customers, but those same data are not available to the customers to help them see whether they could make considerable savings either with another supplier or in a different type of tariff that might, for example, reward the use of appliances at off-peak times. It is a very important change.

**Mims Davies** (Eastleigh) (Con): I note that the Bill is just the start in terms of innovation. However, a local college, a training provider for placing these meters, has raised this issue with me. It said that some energy companies have outsourced the placement work and the training and that the installation is not happening because the training courses are not sufficient. Do the energy companies have a question to answer when it comes to really helping consumers?

**Greg Clark:** My hon. Friend raises an important point. I would be very pleased to take up the particular concerns of her college. The energy companies do have an obligation to roll out smart meters. If they subcontract the work, they do not escape their responsibilities. Again, the purpose of the Bill is to extend the current regulatory powers through to the end of the roll-out so that we can ensure that the higher standards apply.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): I thank the Secretary of State for giving way one more time. On projected savings, consumer benefits are estimated in the Government's cost-benefit analysis to be £5.24 billion. How much of that is based on consumers having to switch? In the same cost-benefit analysis, supplier benefits are estimated to be £8.25 billion. How will those supplier benefits be passed onto the consumer?

**Greg Clark:** The hon. Gentleman raises an important point. There are multiple benefits. About a third of the savings come from the possible reductions in the use of energy. Just over 40% comes from the supplier's cost savings, which is a result of not having to read meters—that gets done automatically. We expect those savings to be passed onto consumers as savings in their bill. In the 21st century, it seems absurd that we should have to rely on someone physically coming to inspect, literally, a spinning metal wheel. That is decades out of date.

[Greg Clark]

To have such work done automatically provides important savings. Therefore, there are benefits to consumers and to the whole economy.

**Sir Greg Knight** (East Yorkshire) (Con): Will my right hon. Friend confirm that, if a customer does not want to have a smart meter, they will not be forced to have one installed?

**Greg Clark:** I can certainly confirm that. There is no obligation on the customer whatsoever.

The roll-out is well under way. Some 7.7 million smart meters were installed by June 2017. The current rate of installation is around 350,000 a month, but that is increasing as energy suppliers continue to ramp up their delivery. As the right hon. Member for Kingston and Surbiton (Sir Edward Davey) mentioned, it is right that we should move on to the second generation of smart meters, the so-called SMETS 2 meters. One advantage of doing so is that the next generation of meters are between 20% and 30% less costly than SMETS 1 meters, thereby providing another good reason to upgrade.

In recognition of the importance of this upgrade and the value that it will bring to consumers, we are committed to seeing all homes and small businesses being offered a smart meter—but they are not compelled to have one—by the end of 2020.

**Alan Brown:** To help achieve that 2020 target, the install rate needs to go up from 350,000 a month to 1.25 million a month. How will that happen?

**Greg Clark:** There is a significant increase of the scale that the hon. Gentleman describes. Part of the reason for ensuring that we have these powers is so that the energy companies do not regard this as optional, and have to meet their obligations.

The Government are overseeing the process and that has enabled us to take steps to protect consumers. We have put in place a licensed central data and communications provider, the Data Communications Company. The information will not be held exclusively by the supplier. It is therefore available, with the consumer's consent, to competitors. Through the DCC, energy companies and other authorised parties are able to collect energy data remotely and securely.

Let me take the House through the specifics of the Bill. Clause 1 extends by five years the Government's powers to direct the roll-out of smart meters. Since the first legislation was introduced, the powers have lasted for five years at a time, which seems to be the right approach, rather than having powers in perpetuity. Therefore, it is consistent with our practice to come back to the House in order to renew those powers for five years.

**Alberto Costa:** I am, once again, grateful for the Minister's generosity in giving way. I understand why the Government require the powers to be extended by another five years, but does the Minister agree that it is imperative that all energy companies, including the smaller ones that I mentioned earlier, give consumers information in a timely manner? The message plastered across the underground and in various papers is that consumers should contact energy suppliers, but from

my own experience, those suppliers are not responding in a timely manner. What can the Minister say to assure me that energy companies will respond to consumers now, rather than in two years' time?

**Greg Clark:** My hon. Friend again makes an excellent point. Companies are under an obligation to offer households a smart meter by the end of 2020, and these powers allow the Government and the regulator to hold them to their licence conditions in so doing. If he gives me the details of the particular supplier to which he refers, I would be happy to take up that case.

The powers are due to expire on 1 November 2018, so the Bill extends them for five years. An extension of the powers is necessary in order to ensure the successful roll-out by the end of 2020, and to maximise the benefits accruing to consumers during and after the end of the roll-out.

Clauses 2 to 10 introduce a special administration regime to ensure continuity of the smart meter continuation service currently provided by the DCC. Special administration regimes are common—in fact, typical—in network companies. They are primarily designed to guard against the DCC going insolvent due, for example, to cash-flow problems if one or more of its energy supplier customers were unable to pay its charges.

The DCC licensee is deliberately designed to have limited financial assets of its own to avoid the cost of holding large capital reserves, so it relies on timely and full payments from energy suppliers to meet its own contracted obligations to its subcontractors, which provide the communications network. If, for some reason—we regard this as being very unlikely—one or more of its larger customers did not make payments, there are provisions in the smart energy code to allow it to make emergency charges on other suppliers. If these emergency charges also went unpaid for some reason, there would be a theoretical risk that it could go into administration and cease service, so the special administration regime allows the Secretary of State—or Ofgem, with the Secretary of State's approval—to apply for an administration order to be made in relation to the smart meter communication licensee. Such an order would direct that, while it is in force, the affairs, business and property of the company are to be managed by an administrator appointed by the court.

The aim of the special administration regime is to ensure that the functions of the smart meter communications licensee, under its relevant licences, are performed efficiently and economically, pending the company being rescued or its business being transferred to another company. In the unlikely event of the DCC's insolvency, fundamental services may be disrupted. Therefore, it is prudent to have safeguards in place, as with other network operators, such that its continued operation is protected. This special administration regime is standard practice in the energy sector, and these powers are based on similar regimes that have been introduced—for example, for networks and suppliers.

The Bill allows the Government to continue to progress with the important goal for the national economy of delivering an energy system across the country that is smarter and more flexible.

**Sir Edward Davey:** I am grateful to the Secretary of State for giving way, and I know that he is on his peroration. One big policy issue is the interrelationship

between the smart meter roll-out, with the 2020 deadline, and the energy price cap he has proposed. How does he see those linking together? Does he see the price cap going once all smart meters have been deployed?

**Greg Clark:** The draft Bill the Select Committee is going to scrutinise means that there would be a temporary price cap while the current uncompetitive conditions in the market continue. As we have discussed, one of the major advantages of the smart meter programme is that it corrects the imbalance of information between consumers and suppliers, and that is something Ofgem will want to take into account in deciding when to lift that price cap. So the connection with smart meters is very important.

The Bill is an important step in making sure we have one of the smartest, most flexible energy systems in the world, enabling us to take advantage of new technologies while at the same time delivering benefits for households and small businesses. I commend the Bill to the House.

5.16 pm

**Rebecca Long Bailey** (Salford and Eccles) (Lab): The Secretary of State has articulately outlined the provisions of the Bill, so I will not detain the House for too long on its detail. Essentially, the Bill has two purposes: first, to extend the powers the Government have to implement and direct the roll-out of smart meters from 2018 to 2023; and, secondly, to establish a special administration regime for the national smart meter communication and data service provider—the DCC—in the event of its insolvency. The Opposition are not opposed to those measures in principle and will support the Bill today, but we do have a number of concerns about some of its specific provisions and about the smart meter programme overall.

Clause 1 extends the powers of the Secretary of State in relation to smart metering from 1 November 2018 to 1 November 2023. As the explanatory notes state, this is “so he has the ability to intervene where required to drive the timely completion of the rollout of smart meters by end 2020”.

Extending the time in which the Secretary of State can intervene to ensure timely completion to three years beyond the planned completion date is something of a paradox, but I would not be at all surprised if that was the true intention because, as of June this year, only 7.7 million smart meters had been installed at homes and businesses.

The Government are committed to the installation of an energy smart meter for all domestic and non-domestic customers by the end of 2020—that is 53 million gas and electricity meters at 30 million domestic and small and non-domestic properties. We are almost two years out from the deadline, but there are an awful lot of installations to do—millions, in fact. It is true that the pace of installation has increased in the last two years by over 288%, and that is fantastic, but as research by the Centre on Innovation and Energy Demand at the University of Sussex suggests, meeting the deadline would require 40,000 gas and electricity meters to be installed each day, even on present projections. However, as installation is voluntary, the roll-out thus far has arguably been hindered by poor public awareness, and we have heard comments from hon. Members about that already.

Many would also suggest that there is an obvious lack of consumer confidence in the possible benefits of smart meters. In fact, the Government’s public attitudes

tracking survey recently found that 56% of a sample did not have smart meters installed, while a further 18% had never heard of them. I will pre-empt what the Minister might say in his response: the engagement body Smart Energy GB found that 97% of the population are aware of smart meters. If that is indeed true, despite the figures in the Government’s own tracker, why are not more people having smart meters installed?

**Dr Caroline Johnson** (Sleaford and North Hykeham) (Con): Does the hon. Lady agree that of those people who have had smart meters installed, 80% welcome them and would recommend them strongly to a friend or family member?

**Rebecca Long Bailey:** The hon. Lady makes an interesting point. I am sure that those who have had the meters installed are perfectly happy with them. However, my point is that there does not seem to be sufficient public awareness. Given the scale of installations required, a big push from the Government and energy suppliers will be needed to achieve that objective.

**Kate Green** (Stretford and Urmston) (Lab): One issue that has been raised by my constituents who are wary of the installation of smart meters is that they are unsure whether, if they change suppliers in the future, they would have to bear the cost of their smart meters being replaced by the new supplier. Does my hon. Friend agree that it would be useful to be able to give consumers very strong assurances on that point?

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I remind Members, to help them with their speeches, that after the current speech I will introduce an eight-minute limit.

**Rebecca Long Bailey:** My hon. Friend makes a fantastic point. Perhaps the Minister can confirm how the Government plan to expand public awareness about this. Beyond the availability and the benefits of smart meters, it is imperative to explain the benefits of the data they collect, as well as how consumers can access and use those data to bring their energy bills down.

We have already heard comments about data. I draw to the Minister’s attention the fact that Smart Consumer Alliance has highlighted to me that its research shows that

“several consumers in the UK have contacted their energy suppliers to securely interface to the data provided by the home area network functionality of their smart meter, but...in all cases this has been unsuccessful because energy suppliers often block connection to the meters, quoting technical difficulties and other issues”.

Those consumer requests were professionally assisted by academics and technology innovators in the UK with devices that are certified under the UK smart metering standard. As the Minister and the Secretary of State are aware, this data is very useful for research, enabling market competition through accurate tariff and supplier switching, intelligent heating systems, and consumer education and guidance in energy efficiency, as well as many future innovations in home energy management. However, despite the fact that consumers are struggling to access their own data, it is thought that these devices are being routinely used by the energy companies for their own data collection purposes.

[Rebecca Long Bailey]

On the design of the smart metering regulation and standards, as well as the justification for the cost of smart meters, the House is aware that consumer benefit was at the fore in discussions before implementing the roll-out. Indeed, at condition 49.4 of the energy supplier licence, there is the obligation to support, free of charge, requests for data. The amount of data collected by smart meters is enormous, and has a significant value for customers and those with whom they choose to share the data. It would therefore be encouraging to hear from the Minister what plans he has, in the light of the concerns I have raised, to ensure that consumers have unimpeded access to the data to which they are entitled.

I turn now to the second part of the Bill, on the special administration regime. Given the centrality of the DCC to the successful working of the smart meter system, it is clear that we need a plan in the event of its insolvency. I am therefore concerned by clause 7. As the explanatory notes summarise, the clause includes provision “requiring the holder of the licence to raise the charges imposed on its customers or users so as to raise such amounts as may be determined by the Secretary of State and to pay the amounts raised to specified persons for the purpose of making good a shortfall in the property of a smart meter communication licensee available to meet the expenses of smart meter communication licensee administration.”

They go on to state:

“This will allow the costs of smart meter communication licensee administration to be recouped via the licence mechanism from the industry.”

The DCC is a wholly owned subsidiary of Capita plc, to which the task of providing all the communications and infrastructure for the operation of smart meters has been outsourced. However, it is not clear from the Bill or the explanatory notes why, in the event of this wholly owned subsidiary of Capita going into administration, customers and users, per se, should foot the bill, especially when they have already suffered the cost of the smart meter roll-out in their energy bills.

The Select Committee on Science and Technology estimated that the total consumer benefits of smart meters amount to more than £5 billion from energy saving and microgeneration. However, the benefits for suppliers, which include the big six energy companies and others, total £8 billion. Despite that, as my hon. Friend the Member for Southampton, Test (Dr Whitehead) has said to the Government, customers are estimated to pay somewhere between £130 and £200 on their bills to enable suppliers to recover the installation cost of a smart meter. In fact, when two of the big six energy companies announced price rises in February, they stated that a substantial element of the 10% increase resulted from the smart meter policy. The Government responded that they would monitor the extent to which costs were passed on to customers and intervene to make sure that customers saw the benefits.

When he sums up, will the Minister confirm what recent assessment he has made of the costs that consumers face for smart meter installation? Can he still provide evidence of a clear long-term average energy bill saving for smart meter consumers, despite the sum for installation cost recovery? What assessment has the Minister made of the possible costs involved in making good any shortfall in the property of a smart meter communication

licensee that is available to meet the expenses of such a licensee’s administration? I appreciate that that is a hypothetical question and the answer is difficult to quantify, but if he has not assessed that or attempted to do so, will he confirm whether he has considered setting a limit on the cost that can be passed on to consumers? What safeguards will he put in place to protect consumers against an unfair increase in their energy bills as a result of administration expenses? Why do the costs seem to be borne by customers or users alone? Has he considered levying the recovery of such costs on any other entities that might benefit from smart meter data collection? If not, what is his rationale for not looking at those other entities?

The Minister will no doubt realise that there is invariably a risk that consumers who have smart meters installed could face an increase, rather than a reduction, in their energy bills. It would be helpful if he could provide clear assurances on that matter. Although an insolvency situation is extremely unlikely, if smart meter consumers have hanging over them the possibility that they will have to write a blank cheque for administration costs, many people will be deterred from participating in a smart roll-out.

**Toby Perkins (Chesterfield) (Lab):** I congratulate my hon. Friend on her support for the Bill and the points that she has raised. A concern that has been raised with me is that a huge number of old-style meters are ending up in landfill. There is no need for that, because they still have value in many export markets. An enterprising company in my constituency, Meter Provida, has taken on the role of getting the old-style meters checked out and sold as exports. May I encourage my hon. Friend to put pressure on the Government during the passage of the Bill to consider enforcing compliance with the waste electrical and electronic equipment directives by companies that have old-style meters to ensure that more of them are reused?

**Rebecca Long Bailey:** My hon. Friend makes a valid point, and that is certainly something that the Opposition will take forward. It would be interesting if the Minister elaborated on the Secretary of State’s comments about the updating of SMETS 1. What will it entail, and when will it occur?

The Opposition have been clear about our concern that customers are paying for the roll-out. I fear that without adequate safeguards in the Bill, consumers may end up footing the bill for any mismanagement of the data collection regime resulting from insolvency. If that is the case, the Minister must understand the risk that this will be another example of consumer interests being shunted to one side in favour of others.

Only recently, the Government promised to knock £100 off the bills of 17 million households, but that promise is yet to be delivered on. Admittedly, following pressure, the Secretary of State came back with a legislative proposal a couple of weeks ago, but I am extremely concerned about media reports that surfaced at the weekend in which internal Government sources indicated that they might not implement the draft Bill at all. Indeed, we learned that the Government have allegedly already told energy investors that the Prime Minister’s draft Bill would be ditched if they felt that the big six power firms were doing enough to tackle high bills, and this approach has now also been confirmed by civil servants.

For the avoidance of doubt, will the Minister confirm in his summing up whether these assertions are true? If they are not, will he assure the House that no matter what pressure he, or indeed the Secretary of State, faces to shelve the energy price cap, the draft Domestic Gas and Electricity (Tariff Cap) Bill will be brought before this House and passed as urgently as possible?

5.30 pm

**Mark Pawsey (Rugby) (Con):** I welcome the Secretary of State's speech introducing this Bill. He set out very clearly the benefits of the smart meter programme and what the Bill's two main provisions will do. First, the Bill will extend the Secretary of State's powers by five years, from 2018 to 2023. It is interesting that the legislation gives such powers in five-year batches to ensure that the powers are not unlimited. There would be plenty of objections from the Opposition if there were unlimited powers in the Bill, which takes us to 2023. It is entirely appropriate that it should be brought before us, because the very ambitious pace originally set has not been achieved, and the programme is running rather more slowly than we anticipated.

We also heard, secondly, about the introduction of the special administration regime for the body—the data communications company—managing the communication between the smart meters and the energy companies, as well as about the need for resources and facilities to provide protection and rescue given the rare possibility of financial failure. I was very pleased to hear the hon. Member for Salford and Eccles (Rebecca Long Bailey) say that the Opposition will support the Bill and that they welcome and value its measures.

I want to touch on the status of the data communications company, because the programme is running behind schedule and the company is involved in handling rather bigger sums than previously expected. The costs are now expected to run to £900 million, and the project has become more complex than originally anticipated. The energy companies are under pressure from the regulator to increase the rate of installation, which has led to more of the SMETS 1 meters—the first generation meters—being installed. It would be helpful if the Minister clarified when he sums up what will happen when we move to SMETS 2 meters. There is some concern that SMETS 1 meters may need to be replaced. I think the Secretary of State said that there would be an upgrade, but will the Minister talk the House through that process. I will come back to that concern later.

The cost of proofing the technology against cyber-attack has increased. This place has been affected by such an attack, so we all understand the importance of that. We will need to look at the DCC's cost and revenue. The provisions relating to protection and rescue are very important. Will the Minister comment on the likelihood that those provisions will be needed?

This debate gives us all the opportunity to talk about the aims and objectives of installing smart meters. I am pleased that we have now upped the rate, with 370,000 now being installed per month. The principle of smart meters is fantastic and brilliant: the information about usage is sent to suppliers by the network that is being created. There are real benefits for the utility company. It already knows rates of usage, but this will tell it specifically where the demand is coming from, how much demand there is and at what times of day. All that

will enable utility providers to predict demand better, which will in turn give us all the benefit of security of supply.

There are also real benefits for the consumer. By being informed about their energy usage, the consumer can decide to use energy when it is cheaper. They will have a greater awareness of their usage, and they will be able to manage their bills better and reduce their consumption. I am struck by the analogy with the computers we all find in our cars these days.

Our car's mileage per gallon will vary according to the speed at which we drive on the motorway and how we drive—how much of a hurry we are in. It is possible to modify the mpg. I always find it interesting to note how I might be able to get an extra mile per gallon by modifying my behaviour. I see a real parallel between that and the usefulness of smart meters.

The other principal advantage I see is that of accurate billing. Many people pay for gas and electricity on the basis of what they estimate they may need, so in many instances they pay for more than they use. That is great, because it sometimes allows them to build up a credit and they do not have a debt to the energy provider, but as one person put it to me, that is not great for the family cash flow; so paying their bills on the basis of the amount of energy used rather than an estimate provides a real benefit.

The fourth advantage, which we have not yet seen but is a matter of concern, is that with smart meters, switching between suppliers ought to be easier because anyone looking to switch would have much more accurate data on which to compare suppliers' tariffs. That should enable them to make a more informed decision. The technology within the meter should enable the switch to be made more easily. There is a real link here—the Secretary of State referred to it—between that ability and the need for some control and management of prices.

**Matt Western (Warwick and Leamington) (Lab):** I have not done this before. There is a huge amount of sense in everything that the hon. Gentleman is describing, but I was surprised to hear—and maybe he would be—that more deprived households have not been prioritised for the introduction of smart meters. Given what the hon. Gentleman has been saying, it would be a real advantage to their household economy if they were prioritised. Would he welcome that?

**Mark Pawsey:** I thank my constituency neighbour for his remarks. Of course, the issue is the use of the second generation of meters—the SMETS 2 meters—and we need to get them into as many places with prepayment plans as possible, so that those households too can get the benefits of seeing when their electricity is cheapest and using their appliances when they get maximum advantage.

**Amanda Milling:** My hon. Friend mentioned switching. We need to actively encourage consumers to switch their energy providers to a much greater extent, so I am sure he will join me in welcoming the package of initiatives that are being taken. We talk about smart meters today; we have the energy switch guarantee as well. We should also be looking to make the process easier.

**Mark Pawsey:** I could not agree more. In many ways I regret the need for us to consider a price cap, because I

[Mark Pawsey]

believe the answer to the problem that we are trying to tackle is to make it easier for consumers to understand exactly how much energy they use and how much it would cost from another supplier and to make it possible for them to make an easy, effective switch.

**Sir Edward Davey:** In answer to the hon. Member for Warwick and Leamington (Matt Western), is not the real point that consumers on prepayment meters have to pay more than the rest of the population because of the cost of administering a prepayment meter and a move to a smart meter would remove that cost, so prepayment meter consumers are likely to benefit the most, and that aspect of the roll-out, which I tried to achieve as Secretary of State, should be accelerated?

**Mark Pawsey:** The right hon. Gentleman makes a superb case for getting smart meter roll-out moving as quickly as possible.

There are lots of reasons why we need to move on to SMETS 2 meters, but we have some problems with smart meters and SMETS 1. I had not come across those until this weekend, when I received an email from my constituents Mr and Mrs Lafferty, who are dual-fuel customers of First Utility. They were interested in the idea of a smart meter; they understood the benefits; and they arranged for an installation. In the first instance, that took two to three months, and regrettably the meter was installed in a location that was not particularly accessible to them, as elderly residents. Their daughter has to look at the meter. She also has to look at the meter because, just a few months after the installation of their smart meter, they decided to transfer to another provider, EDF, believing that there would be a better price. They were astonished to find, however, that their smart meter was not compatible. Their smart meter is now being used as a dumb meter, with their daughter having to visit their home to take readings. One concern is that such accounts discourage people from taking advantage of smart meters.

I put a message out on Facebook to my constituents to comment on the issue and, if I may, Madam Deputy Speaker, I would like to read one or two. One said that they

“had smart meter installed by one company. It worked fine, but then I changed company and it doesn’t work for the new company. Ridiculous that there isn’t a standard technology.”

The answer, of course, is that there will be, but we need to crack on with it. Another constituent said:

“good to see how much we were spending but it hasn’t changed the way we do things.”

That is something we need to get across. Another said:

“Not yet changed supplier, but I know when we or if we do, we will need to change the meter. The installer said they are working on a meter which would be easily compatible across all suppliers so wouldn’t need changing. So it might be worth waiting.”

We must not put people off in the short term, because of any issues that are happening right now.

5.41 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): We in the Scottish National party support the roll-out of smart meters, but it is essential that maximising consumer and environmental protections lies at the heart of any strategy to do so.

It is empowering for consumers to have near real-time information on their energy consumption to help them to control and manage their energy use, and in turn save money and reduce emissions. If roll-out is effective and well managed, there are obvious benefits to consumers. Nearly eight in 10 people with a smart meter would recommend one to others, and the same number with a smart meter say they have taken steps to reduce their energy consumption. Those with an in-home display model in particular feel they have a much better idea of what they are spending on energy and check it regularly. If having new technology in their homes helps consumers feel that they can exercise better control over energy consumption and be better informed about their energy use, with greater control over their bills, then of course that must be welcomed.

In previous speeches, we have heard about switching suppliers. I would like to say, right at the outset, that switching suppliers has a limited effect. Research shows that people who switch tend to be those who are better off. They switch and they save money. However, there is not a sufficient impact on the lowest income households, which are in most danger of fuel poverty. They find it much more difficult to switch suppliers.

We often hear that smart meters are free to consumers. They are not. They are paid for through energy bills. Every household will, ultimately, pay for the new meter roll-out via their bills. It is important that consumers understand that having a smart meter is a choice. Trading Standards has expressed concern that data from citizens advice bureaux suggest that consumers are not being told that they can refuse a smart meter, if they so choose.

**Toby Perkins:** There is a really important point here about consumers from the lowest income households. Given that companies have different tariffs, why do the Government or the companies themselves not say, “We’ll stop you having the responsibility of deciding the best tariff for you. We have all the data. At the end of every quarter, we’ll look at your bill, tell you what would have been the best tariff and put you on it, so you always save the money without having to do all the work yourself”? Companies should have the information to be able to do that.

**Patricia Gibson:** What the hon. Gentleman says sounds eminently sensible. The problem is that the better off and most well-informed people are switching and saving. That is being subsidised by the people who are unable to switch and save because they do not feel up to the task. The poorest households are actually subsidising the most affluent households, which have the ability and the expertise to switch and save. That is a real issue that has to be addressed. Similarly, as mentioned before, those on prepayment meters—the poorest households in our communities—must have access to smart meters if they want them.

It is important, as part of this process, that the Government’s regulatory framework clearly establishes the rights and obligations of all aspects of smart metering design, development, installation and operation, as well as monitoring and reporting. Customers must be reassured, and continue to be reassured, that their data and security are robustly protected in the course of the smart meter roll-out. There is concerning evidence, however, that smart meters are being installed before the programme’s

requirements as an internet-connected energy system have been fully determined. The UK Government must do everything in their power to protect consumers during the roll-out. There were disturbing reports last March in the *Financial Times* of GCHQ intervening in smart meter security, claiming to have discovered glaring loopholes in meter design, and causing some alarm. Such concerns must be fully addressed.

The plan to install smart meters in every home by 2020 must not leave consumers out of pocket. It must be asked whether the cost of the roll-out will be borne by all energy consumers. The successful operation of smart meters can also be a postcode lottery. In areas with a poor mobile signal, there is a real chance that smart meters will not work. If we are applauding the merits of smart meters, this has to be borne in mind, because digital inclusion matters.

Almost 100,000 fewer households were in fuel poverty in 2015 than in the previous year in Scotland, but there is still much more to be done. The Scottish Government have commissioned a review, due to be completed next year, of the definition of fuel poverty in order to inform a new fuel poverty strategy that will be followed up by a warm homes Bill. There has to be a focus on those in most need of help to heat their homes.

**Sir Edward Davey:** The last time the Scottish Government reviewed the definition of fuel poverty, they came up with a definition that I did not think was very good, whereas in England and Wales we reviewed it and came up with a policy that secured cross-party consensus. May I urge the hon. Lady to go back to Edinburgh and look at the fuel poverty definition we produced here in Westminster?

**Patricia Gibson:** As the right hon. Gentleman knows, when something is being done well, others should learn from it—I am a great advocate of that approach—and if something is being done well in Westminster, the Scottish Government have no difficulty learning from it. I only wish that that was reciprocal.

We need to be mindful of those most in need of help to heat their homes, and that must involve a joined-up approach, as a wide range of policy areas are encompassed by any attempt to tackle fuel poverty. Citizens Advice has stated that consumers in vulnerable situations could miss out on the potential benefits of the £11 billion smart meter roll-out, which they will be helping to fund through their energy bills. Such risks might relate directly to the installation and/or the ability of these households to benefit from the smart meter system.

Generations of British consumers have been locked into a “risky and expensive” project by the UK’s subsidy deal for a new nuclear power station at Hinkley Point in Somerset. That is not my assessment, but the assessment of the National Audit Office. Under the terms of the 35-year contract, EDF is guaranteed a price of £92.50 per MWh it generates—twice the wholesale price. The subsidy will be paid through energy bills that the Government’s own figures estimate will translate into a £10 to £15 chunk on the average household bill by 2030.

I do not want to revisit last week’s debate, but I should mention at this juncture that the National Audit Office has also pointed out, worryingly, that withdrawal from Euratom

“might be interpreted as a change of law”,

resulting in an adjustment of the £92.50 price promised to EDF, or might even trigger a one-off payment to EDF through a compensation clause in the contract. I shall leave that for the Minister to consider in his own time, but the fact is that EDF has been guaranteed three times today’s price for electricity for 35 years.

Former Conservative Energy Secretary Lord Howell—among many others—has criticised the Hinkley deal, calling it

“one of the worst deals ever”

for British consumers and industry, and has protested against

“endless government guarantees of risk-free returns to the investors”.—[*Official Report, House of Lords, 22 October 2015; Vol. 765, c. 789.*]

We now know that when Hinkley has been completed, several renewable alternatives will be cheaper. When it comes to helping consumers to keep their bills down, it is hard to see how the white elephant that is Hinkley will do so. Perhaps, for that reason, it is easy to understand why I am so concerned about the fact that consumer protection has not always necessarily been at the heart of the Government’s thinking. The price cap is, of course, welcome, but there is still a huge subsidy from the taxpayer for the energy from Hinkley Point. It seems that we are giving with one hand and taking with the other.

Every household needs and deserves a safe, affordable energy supply. The Government strategy must be clear, and what is best for consumers must lie at the heart of the entire process. By contrast, in Scotland minimum energy efficiency standards will be developed and announced in the private rented sector, with consultations on how owner-occupiers can improve the energy efficiency of their homes with financial incentives. Ultimately, the Bill must be about empowering consumers and delivering better, smarter and cheaper ways of heating our homes. Smart meters are part of that, but they must deliver for all, especially our vulnerable consumers, and deliver in a way that enables data to be secure and protected. The environmental benefits are, of course, also important.

We support the Bill, but, as I have said to the Minister, we have reservations. We urge the Government to ensure that the important elements to which I have referred lie at the heart of the legislation.

5.53 pm

**Antoinette Sandbach (Eddisbury) (Con):** I support the Bill, because it will help to ensure that the Government’s roll-out of smart meters achieves its aims. It is an important initiative, allowing consumers to understand their energy consumption better and reduce it accordingly.

Alongside the positive ambitions of the smart meter programme, I urge the Government to push for an agenda of improving energy efficiency, as that is vital to reducing bills and fuel poverty. Smart meters will help to equip us for the future, but we must think about a comprehensive package of measures to reduce consumption. The information and data from smart meters could be used to measure the efficiency of, for example, warm home programmes. Where energy efficiency measures have been installed, the smart meters will effectively register the drop in consumption, which strikes me as a potential additional benefit of the smart meter programme.

[*Antoinette Sandbach*]

I have just had a smart meter installed at home, and it has given me plenty of information, but as we do not currently have half-hourly settlement, there is no incentive for me to set my dishwasher three hours later. Like many other consumers, I have a delay programme on my washing machine. At present, there is no incentive for consumers to make use of the potential saving which would reduce demand on the grid and lower their electricity bills. It would make no difference to me, but at the moment, as a consumer, I am not incentivised.

Smart meters are of huge benefit to consumers and the energy companies, because they allow demand-side management—a technical term, which is rather dry. If it is possible to save 10p or 20p a couple of times a week by delaying starting the washing machine or dishwasher, those amounts start to add up and have a real impact on consumer bills. That is why the roll-out of the programme is so interesting: it has huge potential for the future.

**Caroline Flint** (Don Valley) (Lab): The hon. Lady makes a good point about the use of technology, but does she also accept that some of the poorest families in our communities cannot afford to buy the white goods that are at the cutting-edge of this technology, and we need to address that problem as well?

**Antoinette Sandbach:** I do accept that, although I know there are some very good companies—including one not too far away from me—that recycle white goods, allowing people who are replacing their dishwashers and washing machines to give them to a charity that then sells them on at very low cost. Moreover, most machines now have an A or A-plus rating, and even quite good value machines are quite energy efficient. I think this will therefore become a consideration when people are considering replacing their white goods. I accept that that will involve a higher up-front cost for more vulnerable households, but it will help them make more informed choices about where they can save money in the long term, and of course those on benefits who qualify for the warm home discount or scheme and for greater efficiency measures will be saving on their electricity bills, and they can set aside the money saved and hopefully in due course therefore be able to replace their machines in an energy-efficient way.

There is a responsibility on consumers to be conscious of energy use and to make the most of the benefits of smart meters, but we must also combine the roll-out with an effective campaign raising awareness of the need for responsible and efficient energy use. I acknowledge the work of Smart Energy GB in this respect, but it clearly must do more. It needs to inform consumers further about the benefits of this programme and reach further into homes. I see lots of adverts on the TV, but am uncertain whether they really do explain the benefits to consumers and how they can save on their bills.

This measure not only improves energy security, but also contributes towards meeting our international decarbonisation obligations. The smart meter roll-out has the potential to address the energy trilemma, but concerted action by consumers and, indeed, suppliers is required in order to maximise the benefits.

We must think on a broader scale if we are to address the three issues I have just mentioned. That is why improving energy efficiency, in conjunction with the

smart meter programme, is so important. I have asked the Chancellor to consider having a dedicated infrastructure fund and to incentivise energy efficiency measures in the upcoming Budget, because of the benefits that can be leveraged in conjunction with the smart meter roll-out.

Various concerns need to be addressed, and reassurances need to be provided by the Government on some issues relating to the provision of smart meters. The hon. Member for North Ayrshire and Arran (Patricia Gibson) pointed out the concerns around data; it is important to reassure consumers on that, and that they understand the benefits that data will bring in terms of reducing their bills.

There is also the issue around the 16-bit encryption code for smart meters. EDF and other energy companies have indicated that that smart meter has not yet been developed, but it could have very progressive consequences in terms of protecting data and ensuring there is good interaction to allow easy switching between all the energy companies. One of the concerns about the current roll-out of SMETS 1 is the fact that it does not allow for switching; the consumer is given the information about their energy consumption, but it is a shame that there is this lack of ability to smart-switch. I urge the Government to put a rocket under the energy companies, to make sure they roll out the second generation of meters as soon as possible.

This exciting development by the Government has huge potential benefits, particularly for consumers who fall into the vulnerable category, for whom it could be a complete game changer. I know that some of the newer energy companies, such as OVO, which are particularly active in the pre-payment meter market, are rolling out smart meters. This process is therefore having an impact. I support the Government's aims, but it is clear that some issues will need to be ironed out in Committee if we are to provide the maximum benefits to consumers, as the Bill is designed to do.

6 pm

**Caroline Flint** (Don Valley) (Lab): It is quite clear from the speeches of the hon. Member for Eddisbury (Antoinette Sandbach) and others who have spoken that we all agree that being able to end estimated bills is a good goal to achieve. In fact, an EU directive in 2006 stated that getting rid of estimated bills was the way to go. In 2009, European Union guidance indicated that it was looking to member states to roll out intelligent metering systems to 80% of consumers by 2020. That related just to electricity; no deadline was given for gas. The interesting aspect of all this is that no other European Union member state apart from the UK decided to go through the distribution network operators rather than through the retail suppliers. I think that that was a mistake on our part.

We have gone for the 2020 target and stated that it should be for 100%, but my worry is that across Governments, including the last Labour Government and the coalition, the execution of this programme has been badly managed and consumers have always been given the lowest priority when it comes to effective practical project management of this important scheme. There is now a danger of that happening under the Conservative Government. We have heard that the 2020 target is unlikely to be met, which is probably why clause 1 of the Bill extends the power to amend licensing conditions from 1 November 2018 to 1 November 2023.

In my view, we should have stood back and made a choice about who should be involved in the implementation of this service, rather than having 10 different companies competing to fit smart meters in any one street. I think we would have been better off going down the network operators route, rather than the one that has been chosen.

We know that the cost of this programme, which is being paid for entirely by household bills, is £11 billion and rising. Indeed, as ITV and the Big Deal campaign highlighted, the estimated cost has risen by over £1 billion in the past year alone. The reasons for this involve cross-Government departmental incompetence. They include underestimating the number of properties requiring one meter, not two, and the number of homes that require two visits because they are not dual fuel customers, as well as underestimating by about 10% the number of properties that will require a second visit because the smart meter does not communicate properly.

I have already had individuals telling me that, having had their smart meter fitted, they might end up with a dumb meter if they choose to switch. They are coming to me and saying, “Caroline, what is going on here?” Everything in this debate on energy always gets laid at the door of the consumer. They are told, “It’s your fault for not switching enough. It’s your fault for not acknowledging the adverts on smart meters and getting one fitted.” When are we going to ensure that the energy companies take responsibility for this, and when are we going to ensure that the Government take responsibility for acting on behalf of consumers? All this is adding to the cost burdens on consumers through no fault of their own. When are the Government going to cap the cost to the consumer of this programme? When it tops £12 billion, £13 billion, or £15 billion? This is something that the Government should look at seriously.

It has become clear that there are problems with the first generation of smart meters because they use mobile networks to forward the data from the household, and we do not yet know how many will fail to operate if customers exercise their right to switch supplier. After all the time and cost involved in installing them, many may well become dumb meters once more when moved to a new supplier, which would be unacceptable. This revelation has led to the installation of a new data network, managed by the Data Communications Company, which went live in November 2016, but the new meters, which use the new data network, will not be available until November 2018. The Government required the DCC to produce a delivery plan to rectify the situation. The plan, which was announced last week, will ensure that all first-generation smart meters will be fully functional, but that process will not be completed until July 2019—another cost borne by the taxpayer for mistakes made by the industry.

The House of Commons Library reports a Government claim that the net benefits up to 2030 are an estimated £5.8 billion to be shared between consumers, suppliers and networks, but that estimation has already been downgraded. However, if consumers were to gain all the benefits, that would mean just a £19 a year saving on bills for a decade. To gain even that modest saving from this expensive programme, energy suppliers would have to pass on all their savings to consumers, but I have not heard that from the energy companies. The truth is that the benefits for energy companies’ bottom lines are obvious: no more meter reading, and fewer staff in

customer service centres fielding enquires from angry customers about delayed switching or inaccurate bills. As I asked at the Energy UK conference last week, will the savings be invested into better customer services or just into greater profits?

So far, the benefits of smart meters appear to be stacked in favour of the suppliers unless we make huge assumptions about smart meters boosting switching. One benefit to the networks would be if suppliers provided incentives for consumers to shift their energy usage. A past example is Economy 7, which encouraged people to heat their water overnight at lower unit costs, and that principle could be extended with smart metering. Given what we know, I am sure that consumer groups will be concerned if smart meters lead to proliferation of time-of-use tariffs, which enable companies to charge higher unit costs at peak time—perhaps above any cap imposed by Government.

When smart meters were introduced by the Government of Ontario, they tried to manipulate demand at key times of day and did so by inflating costs at peak times of use. The result was not a shift in demand to off-peak hours and a reduction in energy bills; the pattern of demand barely moved, so consumers simply ended up paying more for the energy they received. We should also be mindful of the concerns of the fire service and the Fire Brigades Union about people putting their washing machines and dishwashers on overnight, because if something malfunctions when people are asleep in their beds, that presents the greatest fire risk.

I do not want to see UK consumers’ energy bills rise or the energy price cap circumvented because consumers have opted into a complicated tariff that appears to offer savings they cannot fully work out. I had hoped to amend the Bill to include a price cap, because this is about customers saving on their bills, but I hope the Government will ensure that new time-of-use tariffs, aided by smart meter monitoring, will not lead to the energy price cap being circumvented by an industry that, let us face it, has run rings around the Government for seven years and has not acted in consumers’ best interests.

6.8 pm

**Bill Grant** (Ayr, Carrick and Cumnock) (Con): I welcome the Bill’s Second Reading. Installing some 53 million smart meters in some 30 million domestic and small business premises, with an anticipated completion date of 2020, is an ambitious programme and, as the right hon. Member for Don Valley (Caroline Flint) said, companies clearly need to up their game and increase the installation rate to achieve the target. On a more positive note, there is an 80% satisfaction rating for the 7 million or so SMETS 1 meters that have been installed, but that rate also needs to be improved.

The harnessing of new and improved technologies will allow energy customers to be made aware in real time of their energy consumption and its cost, which is equally as important. Smart meters will also transform the experience of prepayment customers, which has to be welcomed. Somebody said earlier that prepayment customers could be prioritised to take them out of receiving excessive bills, and if that is possible through the installation process, I would welcome it. Smart meters will benefit both consumers and suppliers by allowing customers to budget better for energy bills, and enabling suppliers to avoid estimated bills and to provide accurate billing without a premises visit.

[Bill Grant]

Switching suppliers should, and I believe will, be made easier, which will benefit the consumer. There are issues, however. Energy suppliers need to harmonise that transition to avoid any confusion with smart metering.

Recent research by British Gas involving some 200,000 customers using SMETS 1 meters—the older technology—has been positive in showing an energy reduction of some 4%, and eight out of 10 users would recommend smart meters. As the hon. Member for Stretford and Urmston (Kate Green) said, some people are wary of smart meters, and it would be good if we could allay that fear. I hope the public will come with us on this ambitious programme. The roll-out of SMETS 2 meters will benefit consumers, suppliers, the distribution network and the United Kingdom as a whole. I am delighted to support the Bill.

6.10 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): I do not argue with plans for a special administration regime in the event of a failure of the DCC, but I have a number of questions about the programme's roll-out, extension, monitoring and costs. The current smart meter programme is at stage 2, alternatively referred to as the main roll-out, and that is scheduled to end in 2020.

As we have heard, the vast majority of energy companies are still installing the earlier generation of smart meters rather than the more efficient, cheaper and longer-lasting second generation. The Government have announced that, as of July 2018, SMETS 1 will no longer count towards the 2020 target. As that phase was due to be completed in 2016, what are the reasons for allowing the installation of those less efficient meters until 2018? Has the Minister received any representations from energy companies urging it and, if so, what reasons have they given?

Lord Bourne told the Energy and Climate Change Committee that there were 2 million smart meters in store. Could that have anything to do with the decision? If so, is there a risk that the Minister might be accused of massaging the figures with what is essentially an inferior meter?

I know from information supplied in answer to parliamentary questions that by December 2016 some 330,000 smart meters were operating in dumb mode—not operating as smart meters—and that by March 2017, that figure had risen to 460,000, involving a cost of between £30 million and £50 million. Who is responsible for keeping tabs on the costs of this programme?

I asked in a parliamentary question how much had been spent on the installation of SMETS 1 meters to date, and the answer was

“the Government does not hold data on expenditure on smart meter installations”.

EDF Energy has also questioned the extension proposed in the Bill and argues that

“if these powers are to be extended a clearer rationale should be provided for the need, and length, of any extension.”

The Minister will be aware that the Energy and Climate Change Committee raised questions about the 2020 target, and he will know that both the Institute of

Directors and some in the industry have suggested that the purpose of the extension might be to give the Government wriggle room.

The Minister will also be aware that, in May 2015, the Energy and Climate Change Committee warned that problems with smart meters are

“symptomatic of a national programme that the Government has left largely to suppliers and failed to drive forward effectively.”

The Committee also warned that, without significant changes,

“it could prove to be a costly failure.”

Part of the justification for this programme is that it should mean that consumers benefit because they are able to shop around for the best deals, but if a SMETS 1 meter can no longer function as a smart meter when a customer switches, is that not a barrier to switching rather than an encouragement? As this is a voluntary programme, would someone not be well advised to wait until they are offered a SMETS 2 meter, or indeed to demand one? MoneySavingExpert.com, the UK's biggest consumer website, is advising its readers to do just that.

As we have heard, the Government's cost-benefit analysis estimates that by 2030 smart meters will have delivered £5.8 billion of net benefits. Those benefits, which are to energy suppliers, networks and consumers, are offset by a cost of £11 billion paid for by consumers. According to answers to parliamentary questions I submitted, the net benefit was reduced by a further £1.5 billion between 2014 and 2016. Can the Minister explain that reduction? Although the Government have said in answer to a parliamentary question that there is no link between this reduction and the issue of the interoperability of SMETS 1 meters, they also say that the 2016 cost-benefit analysis has already made allowance for the plan to enrol and adopt SEMTS 1 into the DCC. I understand that the cost of the DCC has already risen by a further half a billion pounds since it was first proposed. Who is responsible for monitoring and containing these costs?

In September 2016, the House of Commons Science and Technology Committee suggested that the essential aims of the smart meter programme are likely to fail without

“a programme of user engagement before, during and after installation.”

It is becoming clear that there is a lack of consumer trust and confidence in, and understanding of, the smart meter roll-out. As we have heard, the Department for Business, Energy and Industrial Strategy's most recent public attitudes tracker found that people were less than convinced about smart meters, and a recent article in *The Daily Telegraph* claimed that only one in five consumers is accepting the offer of a smart meter. I know the Minister is eager to promote customer satisfaction, but without a renewed campaign to increase public awareness and improve perceptions of smart meters, there must be a concern that the benefits will not be realised.

I also want to ask about evidence that has emerged about the behaviour of energy suppliers and those they engage to promote their plans. They are required to take reasonable steps to offer smart meters, so why are people receiving cold calls claiming that accepting one is a legal requirement? I understand that the Minister might have already referred this to Ofgem, but can he

confirm that that is the case? If so, will he indicate when we might expect to hear some response? There are also some safety concerns, as highlighted by—

**Caroline Flint:** On that last point about what happens when our constituents hit those sort of buffers—when they are faced with inaccurate information—they say to me that they just do not know who to approach to complain about it. That is a fundamental weakness in the system—where should people go?

**Steve McCabe:** I absolutely agree. I understand that there is a code of practice, but who is making sure that it is being enforced?

I understand that there are also some question marks about the safety of the installations, as was highlighted in a BBC “Watchdog” programme, which showed that some gas and electricity meters have led to safety issues in homes. So what I really want to ask the Minister is: what checks are carried out on the behaviour of energy suppliers to ensure that they are complying with the smart metering installation code of practice? As my right hon. Friend asks, what redress do the public have when they are clearly being misled by people who are supposed to be giving them the best possible information?

6.19 pm

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): As my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) pointed out earlier, the SNP welcomes the progress on smart meters. The Scottish Government have set out developments for the roll-out in their Scottish energy strategy, which will obviously encourage uptake.

As we have heard from many Members, the benefits of smart metering technology are more accurate bills, more convenience and better energy. The technology can enable customers to better manage their energy, so consumers will be able to get a better deal, and could help consumers with more competitive tariffs. There are, though, serious concerns that must be dealt with before we can welcome everything in the Bill or, indeed, the whole roll-out of smart meters.

The first concern is on data and privacy. As we heard from my hon. Friend the Member for North Ayrshire and Arran, GCHQ did some work on the vulnerability of smart meters and found “glaring loopholes” that would allow access to meters. There is not only the potential for the abuse of customer information, but a security concern. If smart meters can be accessed in that way, it is potentially dangerous for national security. It is incumbent on the Government to ensure that proper controls are in place to make sure that that cannot happen.

It is important that consumers know that their data will be safe. I urge the Government to look into measures that allow the consumer to have more control over and ownership of their own data. They should have the right to look after their own information. There are clearly issues of connectivity and reliability, particularly with respect to customers’ concerns about whether units will work when they switch energy suppliers.

**Stephen Kerr** (Stirling) (Con): Does the hon. Gentleman agree that the issues with the first generation of smart meters could easily give rise to frustration among consumers?

They are encouraged to monitor their energy usage and costs and to shop around, but when they do shop around, they discover that their smart meter is no more and has deceased.

**Drew Hendry:** The hon. Gentleman makes a pertinent point. The Government need to put the consumer confidence issue front and centre and deal with it.

We must consider the costs and the potential increase in bills to pay for those costs. The right hon. Member for Don Valley (Caroline Flint) mentioned the fact that the consumer is not necessarily put first in the process. Surely, it would be appropriate for the outcome of a cheaper bill—a better deal for the consumer—to be put right at the heart of the delivery of the smart meter programme. I am not convinced that it is currently, so I suggest the Minister come back with some reassurances on how it will be.

With respect to the serious problems with consumers’ bills, the smart meter roll-out does not deliver on some of the big elephants in the room. My hon. Friend the Member for North Ayrshire and Arran mentioned Hinkley Point, one of the biggest white elephants around. The cost-benefits will be negated by the costs of Hinkley and the strike price that has been agreed, which nearly doubles the cost to consumers.

Smart metering does not tackle other issues for consumers in the different parts of the nations of the UK. For example, in my constituency and others in the highlands, we still have the inequity of consumers paying up to 6p more per unit than consumers in other parts of the UK. That cannot be right. When the Minister looks into measures to reduce costs for people in their homes, I urge him to consider some of the more pressing issues that are adding to fuel poverty.

There is, perhaps, one issue that the Minister could consider in taking forward smart meters, particularly when we get to the next generation of smart meters. We have talked a lot about the ability to switch tariffs and to monitor how much is being spent, but how easy would it be to allow consumers the ability to switch suppliers at the touch of a button in the next generation of smart meters? That is within the gift of the technology. Why is it not within the scope of the measures that we are taking forward?

I will not take up the full time that is available to me. I will just finish with a few questions. Will the Minister come back and state clearly, today and in future meetings as the roll-out goes forward, what will be done in practical terms to ensure that vulnerable people will not miss out in the roll-out of the smart meters programme? When will we see details on the next generation of meters, and will the Government consider those payment and switching options that I mentioned? When will we see the detailed roll-out of the strategy to understand how everyone will be included in this by 2020?

6.25 pm

**Alan Brown** (Kilmarnock and Loudoun) (SNP): I start with a slight confession: I sometimes wonder whether I am easily confused. I ask that because I have been looking at the information that the Government have put out in the briefings associated with this Bill. I have to ask myself, “Are the Government easily confused, or are the Government trying to confuse us?” I want to highlight some of the issues that I have picked up.

[Alan Brown]

First, it is claimed that the extension of the Secretary of State's powers to intervene until 2023 does not extend the actual period of the smart meter roll-out beyond the 2020 target date. The Government claim that they are on target to hit their deadline, but analysis shows that 53 million smart meters need to be installed but that only 7.7 million meters have been installed since 2011. That leaves 45 million smart meters to be installed in just a three-year period.

**Stephen Kerr:** Is there not an upside to this? The meters that have been installed so far have fairly limited functionality and interoperability. The upside is that the second generation of meters, which will be fully functional, will allow the Government to put their foot to the floor and move ahead with these meters.

**Alan Brown:** I understand the hon. Gentleman's point, and I thank him for it. It is a bit like saying that the long-drawn-out introduction of universal credit is good, when the roll-out was a shambles. It is not enough to say, well, this roll-out is a shambles but that is good because better technology is coming further down the line.

**Steve McCabe:** Surely, if the hon. Member for Stirling (Stephen Kerr) was right in his assertion, he was making a perfect argument for not installing any more of these inferior meters.

**Alan Brown:** I thank the hon. Gentleman for his point. I know that that was alluded to in the previous intervention. Yes, if there is better technology, it makes sense to work towards installing that better functionality. There is another consideration when it comes to extending the deadline. If we are going to be honest about things, extending the deadline will actually make the installation process much more efficient. How much will it cost to ramp up and supply the additional labour that is needed to go from 350,000 meters a month to 1.25 million meters a month? It will take extra labour, extra training, a massive recruitment exercise, and then, lo and behold, all these people are out of a job because the installation period has gone by. There is actually some merit in considering doing this over a longer period, as it could work better for consumers in the long run.

**Douglas Ross (Moray) (Con):** Just while we are still on installation, does the hon. Gentleman agree that the three big suppliers in Scotland—SSE, Scottish Gas and Scottish Power—seem to be focusing much of their work on the urban areas rather than on the more rural and remote areas, where fuel poverty is a bigger issue? Does he agree that the roll-out should be equidistant across the country, and that that is something we could achieve in Scotland?

**Alan Brown:** I thank the hon. Gentleman for that intervention. I agree with his point. There are also other logistical installation problems, which tie in with concern about how practical this 2020 deadline is. For example, at the moment, many properties in Scotland have gas meters installed in their external walls. Right now, smart meters cannot be installed in external walls. Last week, my office manager agreed to get a smart meter installed. Someone from the company came out and said, "I can't actually give you a gas meter."

**Stephen Kerr:** The other issue is connectivity. There is not the broadband or mobile telephony coverage that these rural areas need to sustain the functionality of the meters.

**Alan Brown:** I agree. There is an issue with connectivity, and a problem with gas meters on external walls. Flats and tenements quite often have banks of meters installed in communal areas, and there is not yet a solution for the installation of smart meters in those cases. Frankly, the 2020 deadline is dead in the water.

As I said, the consumer pays for any increase in labour costs and recruitment to try to hit a deadline, so that is an additional cost that eats into savings and is probably not yet projected. I am a wee bit unsure about the Government's estimate of the financial benefits of the smart meter roll-out. I am not saying that the roll-out is not a good thing, but I do question some of the figures attributed to it. The only guarantee that consumers have is that they will have to pay for the £11 billion installation costs. As we have already heard, those costs are increasing.

There is an estimated direct consumption saving of £5.3 billion, which is only half the installation cost. There is also an assumption about long-term behaviour—that customers will continue to operate a reduced energy usage. I have a concern about human behaviour. It may be the natural instinct of many customers to modify their behaviour and turn down their electricity usage when they get smart meters, but bad habits may creep in over a long period and the savings might not be realised at the same level.

There are other estimated savings in the Government's cost-benefit analysis that are, frankly, quite spurious. The Government estimate £8 billion of supplier benefits, but there is absolutely no guarantee that the £8 billion that suppliers are predicted to save will be passed on to consumers. The Secretary of State intervened earlier to suggest that the market will dictate that these savings will rightly be passed on to consumers, but I draw the Minister's attention to the fact that market failure is the whole reason that we agree on energy price caps. There is no way that we can guarantee that future savings for suppliers will be passed on to consumers.

Other spurious savings estimates include carbon-related benefits of £1.3 billion and £98 million in air quality savings. Now, reducing carbon emissions is a good thing, but I question how we can quantify those reductions as savings that will go direct to the consumer. The Government estimate savings for each household of £11 per annum by 2020 and £47 per annum by 2030, and £16 billion of savings were estimated overall. However, as my colleagues have touched on, the bottom line is that these estimated savings of £16 million are completely dwarfed by the £30 billion project that is called Hinkley Point C. That wipes out any projected savings from this programme.

Other hon. Members have mentioned that all consumers are paying for this programme, so surely the fuel poor and prepayment customers should be targeted first and given assistance. We should ensure that these vulnerable customers get the smart meters they deserve. Smart meters are supposed to end estimated billing, but it is acknowledged in the Government's own factsheet that accompanied some briefings that if somebody with a first generation meter changes supplier, it is quite possible

that they will lose the functionality of the smart meter. Even if they retain some functionality, they will end up back with estimated meter readings. That is counter-productive and the opposite of what the smart meter roll-out is supposed to achieve.

It was said that the second generation roll-out will start in July 2018. Well, we need the Minister to confirm how certain that is. Will the energy suppliers be forced to move on to the second generation meters, or will they be able to use up the backlog of 2 million first generation meters or whatever the number is? What if the initial companies are doing cheap deals on the first generation meters to get them out the door? Are we still going to be stuck with them?

**Matt Western:** I have spoken to a major energy supplier in my constituency, and it is clear that suppliers are seeking clarity from the Government on not only the timescale in which they are supposed to install these meters but what are deemed to be all reasonable attempts to get them installed. So, overall, there seems to be a lack of clarity, even for the suppliers.

**Alan Brown:** Yes, I agree, and I hope we will get more clarity when the Minister sums up.

I agree that properly functioning smart meters can bring consumer benefits, but it is clear that they are not a silver bullet in reducing bills for energy users. To properly reduce costs, the Government need to look at their wider strategy. Nuclear commitments need to be scrapped. All renewables need to be able to bid in future contract for difference auctions. Much more also needs to be done to manage the smart meter process, and I look for confirmation on that when the Minister sums up. At the moment, the Bill will not achieve that, but it will extend the Government's powers, and I hope we will hear how those will be used to better implement the roll-out of smart meters.

Finally, the Secretary of State mentioned the smart grid and the use of smart meters for demand management. If we are going to get to that, the future upgrades need to be much more efficient, and I look forward to that happening in due course.

6.35 pm

**Dr Alan Whitehead** (Southampton, Test) (Lab): We have had a very good debate this afternoon, with informed and engaged contributions from hon. Members on both sides of the House on a wide range of issues relating to smart meter roll-out and, in some instances, going a little beyond that. However, the contributions have all been relevant to a debate about a Bill with some very specific and relatively narrow elements.

Two of the clauses are very specific. One relates to the extension of the termination period during which the Secretary of State has powers over activities connected to smart meters from an end date in 2018 to an end date in 2023. The second addresses the lack in legislation of a smart meter communication and licensing administration regime by establishing one.

If we look very narrowly at the Bill, we might ask two important questions: why did the Government decide in 2014 that there should be a 2018 termination date for Government control over the smart meter roll-out, and why is that date now being extended to 2023? Is it being extended because, as hon. Members have said,

the Government do not think the smart meter roll-out will in fact be completed in 2020, or are there other reasons for the extension? We might ask why, if there is a real risk of the roll-out being delayed by the Government's inability hitherto to wrestle the operation of the DCC from possible paralysis—should it, or presumably the company to which it has been outsourced and of which it is now a wholly owned subsidiary, go bust, or should payments not come in to that company—these operations have apparently been conducted with no such safeguard written into legislation for almost four years since the establishment of the DCC in 2014.

Both questions, unless they have particularly good answers attached to them, demonstrate a certain, shall we say, laxity in the Government's approach to the oversight of the roll-out of smart meters, and might prompt further questions: what else is possibly in the woodwork that may be impeding the progress of the smart meter roll-out to a successful conclusion, and are there further things we might do to ensure that the process works well in moving towards that goal?

Hon. Members have raised a number of those possible issues this afternoon. In an intervention, my hon. Friend the Member for Chesterfield (Toby Perkins) talked about dumb meters being replaced by smart meters and about what would happen to them. The hon. Member for Eddisbury (Antoinette Sandbach), in a very thoughtful contribution, raised the issue of what we should do about energy efficiency in conjunction with smart meters, and talked about how those two issues might go hand in hand. My right hon. Friend the Member for Doncaster North—

**Caroline Flint:** Don Valley.

**Dr Whitehead:** I am very sorry—it's Don Valley now, isn't it?

My right hon. Friend talked about the continuing imbalance of benefit in the roll-out of smart meters, with the benefit appearing to be accruing to energy companies, as opposed to customers. For our part, we support the idea of introducing smart meters across the country to replace the dumb meter system that serves the customer very badly and has historically done so, and is certainly not fit for purpose for the requirements of the different ways of supplying, using and measuring power that are coming our way with the energy revolution that is upon us.

The gain not only to customers but to our energy systems as a whole of having collectively installed, sufficient smart meters across the country to bring in new ways of measuring and predicting use of associating smart meters with smarter grids, thereby saving enormous amounts of further future expenditure in grid strengthening and capacity additions—all to the benefit of a smarter, more resilient, more efficient energy system for the future—suggests that supporting smart meters is right thing to do.

But then we come to the process by which smart meters are rolled out, and there is much to raise an eyebrow about. First, there is the Government's original choice of who should undertake the roll-out—the energy companies: a model not adopted by any other country managing a smart meter roll-out programme, as my right hon. Friend the Member for Don Valley (Caroline Flint) pointed out. Secondly, there is, as a number of hon. Members have mentioned, the high overall costs

[Dr Whitehead]

built into the roll-out—costs that will eventually land on consumers in the shape of bills on their doormats. Thirdly, there is the truly lamentable performance so far in getting the DCC—the communications company responsible for making smart meters communicate well and on an interoperable basis—up and running so that smart meters, once installed, really can communicate with other and with the system. That communications company has now only just gone live, at the very end of the window for doing so before serious repercussions arise. Fourthly, there was the decision, halfway through the roll-out, to transition from one type of smart meter to another—a process akin to trying to change the wheel of a car while it is driving along the road.

All these issues raise legitimate and far-reaching questions about whether the goal of having a critical mass of smart meters in place by the end of 2020 is likely to be achieved and whether, in the short time available to us, moves can be made to get us back to that goal. The recent reports in the 2016 impact assessment suggest that we are not doing very well on installation—that we are set for an almighty bunching of installations in late 2018 and 2019 that is very daunting, even if vans of installers are not starved of meters to put up because they have been told not to install the old ones and are awaiting supplies of the new ones to install. I welcome the consultation on methods of resolving the possible hiatus in supply during the changeover from SMETS 1 to SMETS 2 meters. However, I am minded—I think the Government will have some difficult decisions to make in this regard—of what we need to do by 2020 in populating the country with smart meters to the extent that we can really make these changes possible, for our collective good, given the sheer number of smart meters that have been installed across the country.

We need to judge the very modest changes to the smart meter roll-out regime in this Bill against that wider background of decisions and progress made in the roll-out itself, and of how far away we are from the goal of having a national smart meter presence that makes all the other energy innovations—and cheaper energy and gas—possible, and to decide whether we should take the opportunity to add further elements of “getting on with it” into the Bill as it progresses through Committee.

We will not oppose this Bill on Second Reading. However, I place the Minister and the Government on notice that in Committee we will closely scrutinise the roll-out provisions currently in place to look at ways in which we can make amends for some of the frankly sloppy decision making that has occurred in the progress of the roll-out, and stiffen the sinews of the programme so that it works as well as it can. It is perhaps no coincidence that the—

**Greg Clark:** Will the hon. Gentleman confirm that the programme motion is generous in providing time for consideration of the Bill?

**Dr Whitehead:** The last time I heard about the progress of the programme motion, there was no agreement on the number of days that could be set out for the Committee stage, so it may well be the case that that concern will be reflected tonight. However, I would emphasise that as far as the main purpose of the Bill—

**Simon Hoare** (North Dorset) (Con): As I understand it, there are six days in the programme motion—[*Interruption.*] Forgive me; there are eight days in the programme motion for a Bill on which the Labour party will not divide the House. It seems bizarre to divide the House on the programme motion.

**Dr Whitehead:** I repeat that according to my latest information, the discussions about what should be in the programme have not concluded. That may be reflected in what we do tonight.

I have with me plastic models of Leccy and Gaz, the characters from the advertisements for the smart meter roll-out. Hon. Members can see that as far as Leccy is concerned, the model does not stand up; perhaps that is no coincidence. We want the process to stand up as well as it can, and we will work hard to ensure that it does.

6.45 pm

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington):** Earlier this year when I decided I was going to switch my supplier, I found myself on my hands and knees with a torch and a duster, clearing cobwebs away. That is no way to go on. The purpose of this Bill is to give us all a way of changing supplier and put us in control of our destiny when it comes to our power.

I thank hon. Members from both sides of the House for their contributions, none of which I take lightly. I look forward to the Bill Committee, and I will be delighted when we have agreed with the Opposition the time needed to go through the Bill in great detail. I will not go into as much detail in this speech as I will do in the Committee, because I am delighted that everything has been agreed. I remind Members on both sides of the House that the Bill is not about money saving, modernisation for the sake of it or replacing old kit; it is the platform for a new smart and flexible energy system that gives control to all customers—vulnerable customers and others alike. That is absolutely necessary, which is why we are doing it.

Of all the points made by hon. Members on both sides of the House, I particularly want to clear up one first made by my hon. Friend the Member for Rugby (Mark Pawsey). The SMETS 1 and SMETS 2 meters have been much discussed, and I can confirm that a software programme is being developed that will allow full conversion between the two. That will be done remotely, so customers who have had the meters installed will not have to worry about people coming to their house and changing them again. That conversion programme will start within a year.

**Caroline Flint:** Will the hon. Gentleman give way?

**Richard Harrington:** I am very sorry, but there is not time. The smart meter programme is the foundation of this whole system of freedom. It is one of the most significant engineering projects that has been undertaken in our country, and I am delighted to report that about 370,000 smart meters are being installed each month. I have met the suppliers, and they have all made arrangements to double or triple that in the next few months. I thank hon. Members on both sides of the House for their contributions today, and I look forward to the agreed scrutiny of this Bill. I commend it to the House.

*Question put and agreed to.*

*Bill accordingly read a Second time.*

### SMART METERS BILL (PROGRAMME)

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

That the following provisions shall apply to the Smart Meters Bill:

#### *Committal*

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

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 30 November.

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

*Proceedings on Consideration and up to and including Third Reading*

(4) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

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

#### *Other proceedings*

(7) Any other proceedings on the Bill may be programmed.—  
(*Rebecca Harris.*)

*The House divided: Ayes 314, Noes 228.*

**Division No. 26]**

**[6.48 pm**

### AYES

Adams, Nigel	Bruce, Fiona
Afolami, Bim	Buckland, Robert
Afriyie, Adam	Burghart, Alex
Aldous, Peter	Burns, Conor
Allan, Lucy	Burt, rh Alistair
Allen, Heidi	Cairns, rh Alun
Amess, Sir David	Campbell, Mr Gregory
Argar, Edward	Cartlidge, James
Atkins, Victoria	Cash, Sir William
Bacon, Mr Richard	Caulfield, Maria
Badenoch, Mrs Kemi	Chalk, Alex
Baker, Mr Steve	Chishty, Rehman
Baldwin, Harriett	Chope, Mr Christopher
Barclay, Stephen	Churchill, Jo
Baron, Mr John	Clark, Colin
Bebb, Guto	Clark, rh Greg
Bellingham, Sir Henry	Clarke, rh Mr Kenneth
Benyon, rh Richard	Clarke, Mr Simon
Beresford, Sir Paul	Cleverly, James
Berry, Jake	Clifton-Brown, Geoffrey
Blackman, Bob	Coffey, Dr Thérèse
Blunt, Crispin	Collins, Damian
Boles, Nick	Costa, Alberto
Bone, Mr Peter	Courts, Robert
Bottomley, Sir Peter	Cox, Mr Geoffrey
Bowie, Andrew	Crabb, rh Stephen
Bradley, Ben	Crouch, Tracey
Bradley, rh Karen	Davies, Chris
Brady, Mr Graham	Davies, David T. C.
Brereton, Jack	Davies, Glyn
Bridgen, Andrew	Davies, Mims
Brine, Steve	Davies, Philip

Davis, rh Mr David	Henderson, Gordon
Dinenage, Caroline	Herbert, rh Nick
Djanogly, Mr Jonathan	Hinds, Damian
Docherty, Leo	Hoare, Simon
Dodds, rh Nigel	Hollingbery, George
Donaldson, rh Sir Jeffrey M.	Hollinrake, Kevin
Donelan, Michelle	Hollobone, Mr Philip
Dorries, Ms Nadine	Holloway, Adam
Double, Steve	Howell, John
Dowden, Oliver	Huddleston, Nigel
Doyle-Price, Jackie	Hughes, Eddie
Duddridge, James	Hunt, rh Mr Jeremy
Duguid, David	Hurd, Mr Nick
Duncan Smith, rh Mr Iain	Jack, Mr Alister
Dunne, Mr Philip	James, Margot
Ellis, Michael	Javid, rh Sajid
Ellwood, rh Mr Tobias	Jayawardena, Mr Ranil
Elphicke, Charlie	Jenkin, Mr Bernard
Eustice, George	Jenrick, Robert
Evans, Mr Nigel	Johnson, rh Boris
Evennett, rh David	Johnson, Dr Caroline
Fabricant, Michael	Johnson, Gareth
Fallon, rh Sir Michael	Johnson, Joseph
Fernandes, Suella	Jones, Andrew
Field, rh Mark	Jones, rh Mr David
Ford, Vicky	Jones, Mr Marcus
Foster, Kevin	Kawczynski, Daniel
Francois, rh Mr Mark	Keegan, Gillian
Frazer, Lucy	Kennedy, Seema
Freeman, George	Kerr, Stephen
Freer, Mike	Knight, rh Sir Greg
Fysh, Mr Marcus	Knight, Julian
Gale, Sir Roger	Kwarteng, Kwasi
Garnier, Mark	Lamont, John
Gauke, rh Mr David	Lancaster, Mark
Ghani, Ms Nusrat	Latham, Mrs Pauline
Gibb, rh Nick	Leadsom, rh Andrea
Gillan, rh Mrs Cheryl	Lee, Dr Phillip
Girvan, Paul	Lefroy, Jeremy
Glen, John	Leigh, Sir Edward
Goldsmith, Zac	Letwin, rh Sir Oliver
Goodwill, Mr Robert	Lewer, Andrew
Gove, rh Michael	Lewis, rh Brandon
Graham, Luke	Lewis, rh Dr Julian
Graham, Richard	Liddell-Grainger, Mr Ian
Grant, Bill	Lidington, rh Mr David
Grant, Mrs Helen	Little Pengelly, Emma
Gray, James	Lopez, Julia
Grayling, rh Chris	Lopresti, Jack
Green, Chris	Loughton, Tim
Green, rh Damian	Mackinlay, Craig
Greening, rh Justine	Maclean, Rachel
Grieve, rh Mr Dominic	Main, Mrs Anne
Griffiths, Andrew	Mak, Alan
Gyimah, Mr Sam	Malthouse, Kit
Hair, Kirstene	Mann, Scott
Halfon, rh Robert	Masterton, Paul
Hall, Luke	May, rh Mrs Theresa
Hammond, rh Mr Philip	Maynard, Paul
Hammond, Stephen	McLoughlin, rh Sir Patrick
Hancock, rh Matt	McVey, rh Ms Esther
Hands, rh Greg	Menzies, Mark
Harper, rh Mr Mark	Mercer, Johnny
Harrington, Richard	Merriman, Huw
Harris, Rebecca	Metcalfe, Stephen
Harrison, Trudy	Miller, rh Mrs Maria
Hart, Simon	Milling, Amanda
Hayes, rh Mr John	Mills, Nigel
Heald, rh Sir Oliver	Milton, rh Anne
Heappey, James	Mitchell, rh Mr Andrew
Heaton-Harris, Chris	Moore, Damien
Heaton-Jones, Peter	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 Sir Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Philp, Chris  
 Pincher, Christopher  
 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  
 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, Sir 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  
 Villiers, rh Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, rh Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watling, Giles  
 Whately, Helen  
 Wheeler, Mrs Heather  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williamson, rh Gavin  
 Wilson, Sammy  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, Mr William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

#### Tellers for the Ayes:

**Stuart Andrew and  
 Andrew Stephenson**

#### NOES

Abbott, rh Ms Diane  
 Abrahams, Debbie  
 Ali, Rushanara  
 Amesbury, Mike  
 Antoniazzi, Tonia  
 Ashworth, Jonathan  
 Austin, Ian  
 Bailey, Mr Adrian  
 Bardell, Hannah  
 Barron, rh Sir Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Betts, Mr Clive  
 Blackford, rh 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  
 Burgon, Richard  
 Byrne, rh Liam

Cable, rh Sir Vince  
 Cadbury, Ruth  
 Cameron, Dr Lisa  
 Campbell, rh Mr Alan  
 Carden, Dan  
 Carmichael, rh Mr Alistair  
 Champion, Sarah  
 Charalambous, Bambos  
 Cherry, Joanna  
 Clwyd, rh Ann  
 Coaker, Vernon  
 Cooper, Julie  
 Cooper, Rosie  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Coyle, Neil  
 Creasy, Stella  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Mr Jim  
 Dakin, Nic  
 David, Wayne  
 Davies, Geraint  
 Day, Martyn  
 De Cordova, Marsha  
 De Piero, Gloria  
 Dent Coad, Emma  
 Dhesi, Mr Tanmanjeet Singh  
 Dodds, Anneliese  
 Doughty, Stephen  
 Dowd, Peter  
 Drew, Dr David  
 Dromey, Jack  
 Duffield, Rosie  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Mrs Louise  
 Elmore, Chris  
 Esterson, Bill  
 Evans, Chris  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Frith, James  
 Furniss, Gill  
 Gaffney, Hugh  
 Gardiner, Barry  
 George, Ruth  
 Gethins, Stephen  
 Gill, Preet Kaur  
 Giindon, Mary  
 Godsiff, Mr Roger  
 Goodman, Helen  
 Grady, Patrick  
 Grant, Peter  
 Gray, Neil  
 Green, Kate  
 Greenwood, Margaret  
 Griffith, Nia  
 Grogan, John  
 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  
 Hermon, Lady  
 Hill, Mike  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hodgson, Mrs Sharon  
 Hoey, Kate  
 Hollern, Kate  
 Hopkins, Kelvin  
 Hosie, Stewart  
 Howarth, rh Mr George  
 Hussain, Imran  
 Jardine, Christine  
 Jarvis, Dan  
 Jones, Darren  
 Jones, Gerald  
 Jones, Graham P.  
 Jones, Mr Kevan  
 Jones, Sarah  
 Jones, Susan Elan  
 Keeley, Barbara  
 Kendall, Liz  
 Khan, Afzal  
 Killen, Gerard  
 Kinnock, Stephen  
 Kyle, Peter  
 Laird, Lesley  
 Lake, Ben  
 Lammy, rh Mr David  
 Law, Chris  
 Leslie, Mr Chris  
 Lewis, Clive  
 Lewis, Mr Ivan  
 Linden, David  
 Lloyd, Tony  
 Long Bailey, Rebecca  
 Lucas, Ian C.  
 Lynch, Holly  
 MacNeil, Angus Brendan  
 Madders, Justin  
 Mahmood, Mr Khalid  
 Malhotra, Seema  
 Mann, John  
 Marsden, Gordon  
 Martin, Sandy  
 Maskell, Rachael  
 Matheson, Christian  
 Mc Nally, John  
 McCabe, Steve  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonald, Stuart C.  
 McDonnell, rh John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McInnes, Liz  
 McMahan, Jim  
 Mearns, Ian  
 Morgan, Stephen  
 Morris, Grahame  
 Murray, Ian  
 Norris, Alex  
 O'Hara, Brendan  
 Onwurah, Chi  
 Owen, Albert  
 Peacock, Stephanie  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillipson, Bridget

Platt, Jo  
 Pollard, Luke  
 Pound, Stephen  
 Qureshi, Yasmin  
 Rashid, Faisal  
 Reed, Mr Steve  
 Reeves, Ellie  
 Reynolds, Jonathan  
 Rimmer, Ms Marie  
 Robinson, Mr Geoffrey  
 Rodda, Matt  
 Rowley, Danielle  
 Ruane, Chris  
 Russell-Moyle, Lloyd  
 Saville Roberts, Liz  
 Sheppard, Tommy  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, Angela  
 Smith, Cat  
 Smith, Eleanor  
 Smith, Jeff  
 Smith, Laura  
 Snell, Gareth  
 Sobel, Alex  
 Spellar, rh John  
 Starmer, rh Keir

Stephens, Chris  
 Stevens, Jo  
 Streeting, Wes  
 Sweeney, Mr Paul J.  
 Tami, Mark  
 Thewliss, Alison  
 Thomas, Gareth  
 Thomas-Symonds, Nick  
 Thornberry, rh Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Twigg, Stephen  
 Twist, Liz  
 Umunna, Chuka  
 Walker, Thelma  
 West, Catherine  
 Western, Matt  
 Whitehead, Dr Alan  
 Whitfield, Martin  
 Whitford, Dr Philippa  
 Williams, Hywel  
 Williamson, Chris  
 Wilson, Phil  
 Wishart, Pete  
 Yasin, Mohammad  
 Zeichner, Daniel

**Tellers for the Noes:**  
 Nick Smith and  
 Thangam Debbonaire

*Question accordingly agreed to.*

### SMART METERS BILL (MONEY)

*Queen's recommendation signified.*

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

That, for the purposes of any Act resulting from the Smart Meters Bill, it is expedient to authorise the payment out of money provided by Parliament of grants, loans, indemnities and guarantees by the Secretary of State in connection with smart meter communication licensee administrations.—(*Rebecca Harris.*)

*Question agreed to.*

### SMART METERS BILL (WAYS AND MEANS)

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

That, for the purposes of any Act resulting from the Smart Meters Bill, it is expedient to authorise:

(1) the imposition, by virtue of the Act, of charges under licences issued under the Gas Act 1986 or Electricity Act 1989; and

(2) the payment of sums into the Consolidated Fund.—(*Rebecca Harris*)

*Question agreed to.*

## Business without Debate

### DELEGATED LEGISLATION

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

#### DANGEROUS DRUGS

That the draft Misuse of Drugs Act 1971 (Amendment) (No. 2) Order 2017, which was laid before this House on 19 July, be approved.—(*Rebecca Harris.*)

*Question agreed to.*

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

#### VALUE ADDED TAX

That the Value Added Tax (Place of Supply of Services) (Telecommunications Services) Order 2017 (S.I., 2017, No. 778), which was laid before this House on 20 July, be approved.—(*Rebecca Harris.*)

*Question agreed to.*

**Madam Deputy Speaker (Mrs Eleanor Laing):** We now come to the presentation of public petitions. I call Mr Martyn Day. [*Interruption.*] Order. Let us be fair to Mr Day, who wishes to present his petition. Will people leaving the Chamber please do so quietly?

### PETITIONS

#### PIP Assessment Criteria and Process

7.7 pm

**Martyn Day** (Linlithgow and East Falkirk) (SNP): I rise to present a petition relating to the personal independence payments assessment criteria and process. Before I read it, I would like to add that this issue is the single greatest source of requests for home visits from my constituents. Many are disabled with degenerative conditions and are totally stressed out by the process.

The petition states:

The petition of the residents of Linlithgow and Falkirk East,

Declares that the petitioners believe that Personal Independent Payment (PIP) forms are extremely complex; further that assessors do not fully understand the impacts of all disabilities; and further that the current rules are leading to many recipients unfairly losing their benefits and thus having to go through a very stressful appeal process which worsens their condition.

The petitioners therefore request that the House of Commons urges the Government to undertake a full review of the PIP claims process and in particular to ensure that the assessment criteria are fit for purpose; further that PIP claim forms are simplified; further that staff training and guidance are improved to ensure better decisions; and further that lifetime PIP awards be made to people with the most severe conditions and deteriorating condition.

And the Petitioners remain, etc.

[P002066]

#### Funding for Young People in Devon

7.9 pm

**Anne Marie Morris** (Newton Abbot) (Ind): I rise to present a petition asking for fairer funding for Devon pupils, on behalf of the residents of my constituency. This petition, signed by a number of my constituents, and a similar petition signed by a further 900 of them, expresses concern about the funding situation in which our schools find themselves. It states:

The petition of residents of the constituency of Newton Abbot,

Declares that each pupil in Devon received £290 less than the national average; further that Conservatives in Devon believe this is not right; and further that the recent Government consultation was flawed and did not improve the situation.

[Anne Marie Morris]

The petitioners therefore request that the House of Commons urges the Government to increase the funding for the young people of Devon.

And the petitioners remain, etc.

[P002067]

## Leaving the EU

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

7.11 pm

**Charlie Elphicke** (Dover) (Con): I rise to address the preparedness of the United Kingdom to leave the European Union with no agreement.

Brussels warns that the talks on a Brexit deal are taking longer than they should. The IMF issues cautions about risks to the global economy. Only today, it was reported in *The Times* that one of the European Union's many presidents, Donald Tusk, has warned of the risk that the talks will collapse. Planning for no deal is not simply a negotiation point; increasingly, it is the responsible thing to do in the national interest.

This is not due to lack of effort on the part of the Prime Minister, who set out a positive and forward-looking proposal in her Florence speech. She even made a bold financial offer to move the talks forward. Last week she flew to Brussels ahead of the European Council to underline the positive case that we make. What was the response of the European Council? It said that we must agree the so-called Brexit divorce bill, and it will not talk trade until we sign on the dotted line. That does not look promising. How can we agree a price until we know what we are paying for? Even if we overcome the impasse on money, the trade talks may not go easily either.

Moreover, there is a serious risk of our being offered a bad deal which is worse than no deal. The risk is that we shall be asked to pay £50 billion as a settlement for a trade deal that requires us to adhere to EU rules. If that happened, we might as well never have left. We would be run by remote control, without a seat—or a say—at the table. Our ambition to seek the opportunities that are open to us around the world would be lost, as we would not have the flexibility to change our rules as we might wish to. That would be the worst of all worlds. It is a deal we should not take, and it is a deal that we will not have to take if we make sure we are ready on day one, deal or no deal.

Let us remember that we all want a deal. The EU would benefit from a deal every bit as much as we would. The EU is already the winner in free trade with the United Kingdom: we buy £100 billion more in goods from the EU than we sell to it.

**Henry Smith** (Crawley) (Con): That is precisely the point. The intransigence of the EU27's negotiating position will ultimately be detrimental to their own economic interests. It is therefore absolutely right for us to prepare for no deal, because this country will thrive regardless.

**Charlie Elphicke:** My hon. Friend has made a powerful point. He is absolutely right. If we lived in a world of tariffs, they would hit EU exports to the UK to the tune of £13 billion, but our exports to the European Union would be hit by only £6 billion. Tariffs would hurt the European Union twice as much as they would hurt the UK, and that is why a deal is in the interests of everyone. What is more, the lawyers are clear that the EU has no legally valid claim for its divorce bill. As a matter of international law, no deal will mean no money for the EU. Frankly, we could just say, "See you in court;

we'll test your case," and take it to an independent court or international arbitration, because we know what the position is. That is another reason why a deal is in the interests of the EU.

The UK is also an important part of the security guarantee for the entire European continent. We are not just a defence umbrella; we also have a great treasure-trove of information and expertise, as well as being a bridge to the "Five Eyes". That is why a deal that includes data and information sharing is needed by all, and why the Home Secretary is right to say that no deal on security would be unthinkable because it would be crazy for the EU not to want to continue to share information and data after we leave the EU. We might not want to be controlled by Brussels, but that does not mean we do not want to co-operate and have a positive relationship with all the remaining EU27 member states.

What about the view of the British people? This is yet another case where the people are way ahead of our political system. Here we hear voices, particularly from the Labour party, about how we should just write a blank cheque and fold on a deal whatever the terms, yet the British people say, "No, we didn't vote to leave the EU only to pay out vast oceans of cash and be run by remote control." So it is little surprise that a recent Sky News poll found that 74% of people think that no deal is better than a bad deal, and it appears that patience is starting to wear thin with the EU because a poll by Opinium last Friday found that 37% of people want the UK to leave the EU without a deal if by March 2019 no satisfactory deal has been reached.

**Mr Marcus Fysh (Yeovil) (Con):** Does my hon. Friend agree that if we do not set the agenda for the circumstances of both having a deal and not, the EU will do it for us, and that is the antithesis of what the people voted for in the EU referendum?

**Charlie Elphicke:** My hon. Friend, who is a powerful advocate and champion for his constituency, makes a powerful point, and he is absolutely right, because the British people believe that the future is global, not regional or continental. They are right to do so: 90% of future world economic growth will come from outside the EU. Moreover, the EU has been in relative decline for the past 40 years: 40 years ago the EU accounted for 30% of global GDP; today the figure is just 15%. That is a massive relative decline, and it is hard to fathom why the OECD would want us to continue to be involved in an organisation whose share of GDP seems to be pointing in a southerly direction.

As the wider world grows, we can grow with it. The figures powerfully underline that, as did the Governor of the Bank of England in a powerful speech to the International Monetary Fund just last month, in which he said that the British people had taken a decision to step back in order to jump forward. He said that there will be short-term economic turbulence, but in the longer term Britain could be doing really quite well, and there was massive rationality in the decision taken.

**Jim Shannon (Strangford) (DUP):** We will have many debates on this issue, and I congratulate the hon. Gentleman on securing this debate. First, we should congratulate the Brexit team which is working very hard on our behalf to try to accomplish a deal. A deal would be

preferable, but Brussels must be very careful about what it wishes for, as a bad deal or no deal would be a bad deal for them.

**Charlie Elphicke:** I completely agree with the hon. Gentleman, particularly on his generous remarks on the Secretary of State for Exiting the European Union and his ministerial team, who work day and night in our national interest, seeking to get the best deal for us.

That brings me neatly to the case for being ready on day one: why should we be ready on day one? Already establishment figures are saying that this would be wasted spending. I say it is in the national interest and is the best investment we can make. There are three key reasons for that.

The first reason is for insurance. We buy house insurance before we are burgled. In the same way, we should insure against the risk of error in the current negotiations, or things going wrong at the last minute. We should insure against the risk that there is not a meeting of minds by making sure we are ready on day one, and prepared for every eventuality. Secondly, we should be ready on day one in order to get the best deal. Any experienced negotiator knows that if you have the other side stuck to the table, they will have to do a deal. You can then hit them with a higher price and worse terms.

**David Linden (Glasgow East) (SNP):** Is not one of the UK's major problems the fact that Her Majesty's Government are approaching this issue with multiple voices, with the Foreign Secretary giving his vision of Brexit in the pages of *The Daily Telegraph* and the Prime Minister, who is hardly hanging on to power, giving another? Is that not the reason why there is no deal coming forward and no compromise being offered from Brussels?

**Charlie Elphicke:** A deal is in everyone's interests, and that is what we hope to get. The British internal market is the best deal for all the country, including the people of Scotland.

**Mr Iain Duncan Smith (Chingford and Woodford Green) (Con):** I congratulate my hon. Friend on securing this debate. With all this talk about the Government speaking with different voices, let me remind the House that Germany does not have a Government yet, Spain is in total chaos, the Netherlands has only just managed to get a Government and Mr Juncker seems to spend an awful lot of time in bars getting 28 pints of beer and not being able to figure out who is with him. Also, they are all now giving out separate messages about what their future relationship with the UK would be. Does that sound like speaking with one voice?

**Charlie Elphicke:** As ever, my right hon. Friend makes a powerful point.

My third point is that this would be no-regrets spending. We should have made this investment long ago. Our customs systems are creaking, our border systems are ageing and our roads are not resilient. In other words, this is investment that we ought to make anyway. There are strong reasons for us to invest now to have world-class systems. Singapore manages customs clearances in seconds, and Australia has cutting-edge border controls. We could have systems like that—systems that keep murderers out of the country and ensure that we can track down

[Charlie Elphicke]

visa overstayers swiftly and help them home—yet it takes years to build the simplest road, and our airports and ports suffer from long-term underinvestment. This has cost our economy billions of pounds already.

Being ready on day one is not simply about Brexit; it is in the national interest to ensure that we have fast, efficient networks that will help to drive our economy forward. It is not just my own constituency of Dover that is affected. Gridlock at Dover will mean gridlock for the British economy. The midlands engine will conk out if it cannot get vital components, and the northern powerhouse will cease to whirr if it cannot get parts on time. Tailbacks are not new on the roads to the channel ports, and this underlines why we should be committing to this spending, irrespective of a no-deal scenario. A no-deal scenario without planning could also cause delays, damaging the economy and preventing Britain from taking advantage of Brexit's opportunities. Even if a deal is struck, Britain will be hampered if we do not have world-class infrastructure. That is why we ought to be investing in it now. In order to enable the greatest opportunities of Brexit to be grasped, we must start preparing for a no-deal scenario right away. This would be responsible, no-regrets spending.

I have a response to the naysayers who say that it would be wrong to invest now. I say that it would be wrong to wait until the last moment, and that it is in the national interest that we invest now. At least £1 billion should be allocated in the November Budget to invest in upgrading our systems and infrastructure so that we will be ready on day one to forge ahead on day two. Will the Minister tell the House what discussions are happening on this, and whether such investment might be forthcoming? Some will say that however ready we are, those across the English channel will not be ready and that we should therefore not even bother. They say that we should simply run up the white flag. Can the Minister confirm that ports on the other side of the channel will be required to upgrade their systems in line with the World Trade Organisation global trade facilitation agreement that came into force last February? That agreement was warmly welcomed by the European Union. Can he also confirm that article 7 of that agreement makes detailed provision for fast customs clearances, electronic payment systems and trusted trader regimes? Does he agree that if we start preparing now, there will be no need for queues of lorries on either side of the channel? Will Britain take the case to Geneva and start insisting that EU member states spend money now to facilitate trade in a non-discriminatory way, as required under the WTO trade facilitation agreement?

There are those who say that our systems cannot possibly be ready in time, and that our systems of administration and Government organisation simply cannot cope with all this. Those are not people who believe in Britain. Nor are they people who have studied our history. The history of our island story is that when there is a need, there is no obstacle that we cannot overcome and no challenge that we cannot meet. That is true. Sometimes we are a bit late to the party and a bit late to realise the pressing issues facing our nation, but we always get there in the end. Our history books are clear on that. We can do this, and we must do it to deliver the greatest opportunities to our future generations by seeking a global future.

**Craig Mackinlay** (South Thanet) (Con): In addition to the infrastructure costs of customs and borders, which are the right things to plan for, is it not incumbent on parliamentarians and Departments to speak to businesses and say, "This is what WTO means"? As the days progress and as the intransigence of our EU partners sadly does the same, it is looking more and more likely that WTO rules will apply, and that is nothing to be fearful of.

**Charlie Elphicke:** My hon. Friend makes a powerful point. Half our trade is conducted under WTO rules, and we manage that quite successfully.

We have spent long enough waiting for the EU to get its act together. Three quarters of the country agrees that we should be prepared to walk away if progress cannot be made, and it is vital that we have the option to do so and that we are fully prepared. That is why we must be ready on day one to forge ahead on day two—deal or no deal.

7.25 pm

**The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Steve Baker):** I congratulate my hon. Friend the Member for Dover (Charlie Elphicke) on securing this debate and the expertise that he demonstrated in leading it. I also put on record how pleased I am that my right hon. Friend the Secretary of State for Exiting the European Union is in the Chamber for this important debate.

In this House, and on the indispensable ConservativeHome website, my hon. Friend has shown that he is a great and true champion of Dover and, by extension, our country. No one is any doubt about the key strategic importance of the port of Dover, which he represents with such insight and determination. As I listened to his speech, I was reminded that his voice is that of a person who campaigned to remain, but has wholeheartedly accepted the democratic decision of the UK. He referred to recent polling, and I am in no doubt that he speaks for the majority of the British people who expect the Government to be ready on day one in all circumstances. With that in mind, I am glad to confirm that while we are working for a good deal—we are confident that we will obtain one—the Government are making extensive preparations to exit the EU even in the unlikely event that no agreement is reached between us.

The Government respect the vote of the people to leave the EU in a referendum authorised by our Parliament. The Government triggered article 50, and we are negotiating for a good outcome that works both for the people and businesses of the UK, and for those in the EU. The tone and assurance of the Prime Minister's speech in Florence added new momentum to the negotiations. It made it clear that we are a nation that meets our financial commitments, and it reiterated our desire for a time-limited implementation period that is in the interests of both the UK and the EU. Both sides are agreed that subsequent discussions have been conducted with a new spirit and we are determined to work together to reach agreement. We are ambitious and positive for Britain's future and for these negotiations but, as my right hon. Friend the Secretary of State made clear in the Queen's Speech debate, the Government will be proceeding in the only responsible way possible: preparing plans for a range of possible outcomes.

I wholeheartedly agree with my hon. Friend that while it is in the mutual interests of the EU and UK to negotiate a deep and special partnership, we also have a duty to plan for a scenario in which we leave the EU without a deal. People should not be alarmed by our contingency planning, nor read into it any pessimism. Rather, I hope that the public will be reassured that we are taking the actions of a responsible Government who are determined to ensure a smooth exit under a range of scenarios. It is our ambition to continue and enhance our status as a great global trading nation that is respected around the world as a beacon of free trade.

I agree with my hon. Friend that being prepared for a smooth exit in all scenarios will ensure that we are in the best position to seize new opportunities as we leave the EU and begin to operate our own independent commercial policy within the framework of the WTO. We will be outside the customs union, at liberty to embrace free trade, and outside the European economic area. Our intention is to work with our EU partners as we lead the race to the top on global standards and pro-competitive regulation, driving up productivity and, with it, living standards.

I am happy to tell my hon. Friend that we have been working across Government for over a year on detailed delivery arrangements for a range of scenarios. Plans are well developed. Each Department has a clear understanding of how withdrawing from the EU may affect its existing policies and services under a wide range of outcomes. I agree with him that it is responsible to spend in preparation for that range of outcomes.

The Treasury has committed more than £250 million of new money to support 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 exit preparations, including under no deal. My Treasury colleagues are talking to all Departments about their funding requirements in 2018-19.

**Charlie Elphicke:** I thank my hon. Friend for his typically outstanding response to the debate. Does he agree that to rule out no deal in all circumstances, as the Labour party wishes to do, would be not only foolish and against the national interest, but would invite a truly appalling offer from across the channel?

**Mr Baker:** I am grateful to my hon. Friend for that invention, which gives me the opportunity to reiterate that we are, of course, striving with all our resolve to secure a mutually beneficial deal. He is absolutely right that on sitting down at the negotiation table, one must be willing to step up and walk away. Her Majesty's loyal Opposition—ably represented by their one Member here, I am sure—have taken the view that they would accept any deal.

**Chris Law (Dundee West) (SNP):** I remind the House that Scotland in the UK actually voted 62% to remain, and recent polls show that more than 70% of people now want to remain in the EU, so this is not going too well in Scotland.

Returning to the preparation, figures that came out today from the London School of Economics show that every part of the UK will be devastated—the LSE used the phrase “devastating blow”—as a result of Brexit.

The LSE suggests that a soft Brexit would cost Britain £235 billion, whereas no deal would cost £435 billion. What is the Government's response?

**Mr Baker:** First, if memory serves, about 1 million people in Scotland voted to leave the European Union.

**The Secretary of State for Exiting the European Union (Mr David Davis):** More than voted SNP.

**Mr Baker:** Yes, and we are seeking a deal that works for all parts of the United Kingdom.

We are conducting a wide range of analysis of not only our strengths and interests, but those of our negotiating partners. We will continue that analysis, and it will continue to inform our negotiating position.

Our plans have been carefully developed to provide the flexibility to respond to a range of negotiated outcomes and to prepare us for the unlikely eventuality of not securing a deal. Some of our planning has already become evident, and more planning will become public over the coming months.

**Mr Duncan Smith:** Does my hon. Friend agree that we should not persist with the idea of a “deal or no deal” scenario? These are simple variations of a deal. The reality is that a free trade deal may or may not be secured, but there is a deal to be done under WTO rules that may, in a sense, subsequently include free trade, but not be a specialist free trade deal. Can we stop talking about no deal and start talking about a deal that the European Union will have to meet with the UK?

**Mr Baker:** I am grateful for the clarity with which my right hon. Friend makes his point, but I hope he will not mind if I say that, in the time available, I perhaps ought to leave that particular point for a debate on the negotiation, if such a thing were to arise.

In addition to the European Union (Withdrawal) Bill, which will ensure that we have a fully functioning statute book on the day we leave, the Government are already bringing forward other legislation as required. Our trade Bill will give the UK the foundation for an independent trade strategy. We will create a world-class international sanctions regime through the sanctions and anti-money laundering Bill. We will deliver an effective customs regime through the customs Bill. Our Nuclear Safeguards Bill will ensure that we can deliver a domestic nuclear safeguards regime. This legislation will support the future of the UK in a wide variety of outcomes, including one where we leave the EU without a negotiated outcome.

Alongside bringing forward necessary legislation, we will be procuring new systems and recruiting new staff when necessary to ensure that we deliver a smooth exit, regardless of the outcome of the negotiations. Secretaries of State have already begun to set out their plans to Parliament. For instance, in last week's Transport questions, the Secretary of State for Transport explained that his priority was to seek

“new aviation arrangements—both with the EU and with those states where we currently rely on EU-negotiated arrangements for market access”.

He went on to say that he was seeing

[Mr Baker]

“nothing but good will and constructive discussion between us and those countries in ensuring that there is no interruption in flying.”—[*Official Report*, 19 October 2017; Vol. 629, c. 976.]

We also understand that we need to prepare and deliver as a whole country. That is why we have been having positive and productive engagement with the devolved Administrations in Scotland, Wales and Northern Ireland, which is essential to our success as a country. We have been engaging with, and will continue to engage with, the devolved Administrations on issues where joint action is required across the UK to ensure that we are prepared for a smooth and orderly exit from the EU.

**Charlie Elphicke:** We all want a smooth and orderly exit from the EU. Will the Minister just address my point about trade facilitation and the requirement for the facilitation of trade under the WTO?

**Mr Baker:** I am grateful to my hon. Friend for drawing me on to that point of detail. I am happy to say that I am very proud of the UK’s customs authority, which already works hard to ensure that trade is as fast and frictionless as possible. We were ranked fifth globally in the World Bank’s 2016 logistics performance index on customs, and I know from my time serving on the Treasury Committee that our excellent officials are working to take us higher up that index.

My hon. Friend mentioned the WTO trade facilitation agreement. It might be going too far to expect our trading partners to be compelled to upgrade, but he is right to say that the agreement came into force on 22 February. It affects all contracting parties to the WTO, of which the EU is one.

In both his speech today and his report that we discussed in July, my hon. Friend rightly focused on the importance of having a functioning border on day one. We are confident that we will have the resources that we need to continue to run an effective borders and immigration system in the future, with or without a negotiated agreement on our future arrangements. We recognise that businesses want clarity, and we want to reduce uncertainty during the negotiation wherever we can. That was why we set out our thinking in papers over the summer, and it is why we stand ready to discuss our future relationship. We want to provide stability throughout the UK and for our partners in Europe to ensure that the economy, services and infrastructure are protected in a range of scenarios, for all parties. However, we are in a negotiation, and we will need to manage information carefully to protect the UK’s interests and secure the best possible outcome for UK businesses and citizens. The House has voted not to disclose material that could damage the United Kingdom’s position in its negotiations with the European Union.

We now look forward to the December European Council. The EU has agreed to start internal discussions on our future relationship and an implementation period. We look forward to progressing the negotiations in the mutual interest of both the UK and the EU. Preparing for a range of exit scenarios is an approach that has been endorsed by the Foreign Affairs Committee, which recently said that not preparing for all outcomes would be a “dereliction of duty”. The Government are rising to that duty, even as we approach the negotiations anticipating success. We do not want or expect a no-deal outcome, but we will be ready in any event.

*Question put and agreed to.*

7.39 pm

*House adjourned.*

# Westminster Hall

Tuesday 24 October 2017

[IAN PAISLEY *in the Chair*]

## UK Relations with Taiwan

9.30 am

**Bob Blackman** (Harrow East) (Con): I beg to move,  
That this House has considered UK relations with Taiwan.

It is a pleasure to serve under your chairmanship for the first time in Westminster Hall, Mr Paisley. I place on record my entry in the Register of Members' Financial Interests: along with many colleagues, I took part in the all-party parliamentary group visit last month to Taiwan, where we were hosted by the Government and businesses from across Taiwan. That is one of the great values of all-party parliamentary groups; we can visit countries and states around the world, report back to Parliament and brief Ministers and members of the Government who, despite the extremely hard work that they undertake, cannot be everywhere all the time. It is a vital part of our parliamentary work.

To set the scene, Taiwan is the 22nd largest economy in the world, with a gross domestic product of close to \$530 billion. It is a growing country with a population of 24 million, concentrated around the coast of a volcanic island, and its industry is growing dramatically. It is a vibrant democracy and an open society, with opportunities to share our values of freedom, democracy, the rule of law and human rights. The UK and Taiwan have many shared interests in maintaining peace and stability not only in Asia but in the Asia-Pacific region in general.

Taiwan is also, of course, well known around the world for its high-tech information and communications technology industry. Its target of increasing and strengthening five key industries—the Asian silicon valley, biomedicine, green energy, smart machinery and defence—means ample opportunities for free trade between us and Taiwan. I am one of those who believe that in the Brexit era, we have an opportunity to be internationalist and broaden our horizons in terms of the countries with which we trade and opportunities to set up new arrangements around the world. Taiwan is one country where we have a huge opportunity, because we have such a strong base to build on.

Taiwan has been a World Trade Organisation member since 2002. Who knows where we will be after March 2019, but I suspect that given our involvement with countries such as Taiwan, we will have an opportunity to forge closer links and possibly a free trade deal and further co-operation with Taiwan post-Brexit. As our economic relationship is central, further improvements have been made. More than 300 UK companies have business operations in Taiwan already. I ask not only the Foreign and Commonwealth Office but the Department for International Trade to encourage more UK companies to set up trading links with Taiwan.

At the last count, Taiwan was the UK's 39th largest export market and 28th largest source of imports overall. We exported £1.8 billion in goods to Taiwan in 2015,

but imported £3.5 billion, giving a trade deficit of £1.7 billion. We have had a trade deficit in each of the last 10 years. It is important, in the post-Brexit world, to look to improve the importance and levels of our exports. Our exports to Taiwan peaked as long ago as 2010, so there is a lot of potential to improve on the position.

To give a brief history of Taiwan and our trade involvement, in 1950 we ended unofficial relations with the Republic of China following the Chinese civil war and recognised the People's Republic of China, but we maintained our relations in Taipei and continued to conduct trade-related activities. In September 1963, a Government office was established in the UK by the name of the Free Chinese Centre, becoming the Taipei Representative Office in 2015. Obviously, there is a lot of opportunity there.

In 1976, we established the Anglo-Taiwan Trade Committee in Taipei, which ended up increasing our involvement with Taiwan overall. In 1993, the Anglo-Taiwan Trade Committee and the UK Education Centre merged to become the British Trade and Cultural Office, which became the British Office Taipei in 2015, to ensure that we extended the full scope of the work.

The Government's position on Taiwan has been summarised in written evidence to the Select Committee on Foreign Affairs:

“Under the terms of the 1972 agreement with China,”

the Government

“acknowledged the position of the government of the PRC that Taiwan was a province of the PRC and recognised the PRC Government as the sole legal Government of China. This remains the basis of our relations with Taiwan.”

Will my right hon. Friend the Minister clarify, when he replies to this debate, our relations with China?

**Sir Desmond Swayne** (New Forest West) (Con): I, too, have an entry in the register. Early in my ministerial career, it became abundantly clear to me what huge importance our principal ally, the United States, attaches to free movement within the South China sea. Does my hon. Friend agree that we must bear in mind in all our future relations with China the importance that our principal ally attaches to the South China sea?

**Bob Blackman:** The military position with respect to Taiwan and the statements made by the People's Republic of China—not least this week, as representatives have met to determine their future strategy and reconfirm their view that Taiwan is a province of China—strengthens my view that we must stand steadfast with our allies in the United States and in Taiwan to ensure Taiwan's future economic prosperity and independence.

**Mr Nigel Evans** (Ribble Valley) (Con): I declare my interests as contained in the Register of Members' Financial Interests. I am also chairman of the British-Taiwanese all-party parliamentary group. Does my hon. Friend agree that it is a great shame that relations between Taiwan and China have deteriorated since the democratic elections in which Tsai Ing-wen was elected President of Taiwan? We can see from the number of flights between Taiwan and China every week—more than 800—that if only both sides could sit down and see

[Mr Nigel Evans]

how many mutual interests they have, the prosperity that would pour from that would be beneficial to the peoples of both countries.

**Bob Blackman:** Opportunities will arise with the recommencement of direct flights from the UK to Taipei on 1 December. That is a welcome move, which will encourage the development of trading relations and tourism between the UK and Taiwan. As my hon. Friend says, it is right that given the number of flights and the relationship between Taiwan and the People's Republic of China, there are opportunities for greater trade and co-operation.

As a result of the political situation in Taiwan, the people have exercised their democratic right to a vote—we all understand that in a democracy, we do not always get the results we would like—and have elected a President and a party that are far more independent of the People's Republic of China than the Chinese might like. On our visit to Taiwan, the great impression that I gained, as I am sure other colleagues did, was that the people of Taiwan see themselves as Taiwanese, not Chinese. That is very important for our future relations.

My right hon. Friend the Member for New Forest West (Sir Desmond Swayne) referred to defence links. Although the UK does not have any military ties with Taiwan, we should press the Government to promote Taiwanese participation in international organisations, so that we can normalise relations and gain from its expertise.

**Bob Stewart** (Beckenham) (Con): It would be great if we had more military links with Taiwan—for example, if Royal Navy ships visited. The United States does not visit Taiwan because of Chinese pressure, but perhaps we should be looking at that sort of activity. I ask the Minister to consider that. Royal Navy vessels are in the South China sea and it would be great for them to visit Taiwan. That may upset the Chinese, but frankly—tough.

**Bob Blackman:** I thank my hon. Friend for that intervention, I think. My view is that as a country we should not be going round trying to upset people across the world.

**Sir Desmond Swayne:** Can I take my hon. Friend back to his assertion that the Taiwanese people do not see themselves as Chinese? Part of the complexity of the issue is that some do. The tragedy was that Chiang Kai-shek saw precisely that identity, and it was that put him in the position of refusing the possibility of remaining in the United Nations when the People's Republic of China became the proper representative of China and the Chinese.

**Bob Blackman:** My right hon. Friend tempts me to talk through the history. As he knows, the people of Taiwan have transferred from Japanese and Chinese rule to independence. They fiercely defend their independence from both Japan and China.

**Mr Nigel Evans:** I apologise for intervening again; sadly, I have to leave soon on Select Committee business. As well as being chairman of the British-Taiwanese

all-party group, I am vice-chair of the all-party group on China. This is a complex issue. When I say that I am a friend of China and a friend of Taiwan, some people cannot get their head around that, but we want to have good relations with Taiwan and China. We need to promote that and get both sides working together.

**Bob Blackman:** My hon. Friend gets to the meat of the issue. We need to use our soft power, particularly in the post-Brexit era, to harness co-operation from individuals and individual countries around the world. The opportunities for co-operation will allow the economies of the People's Republic of China and Taiwan to grow, to the mutual benefit of all citizens. We should encourage that.

I return to the British Government's role. In 2009, Taiwan became part of the visa waiver programme. It was decided, after assessing different regimes around the world, that Taiwan was a low-risk country. During the first year of the programme, the number of visitors to the UK from Taiwan increased from 26,100 to 54,200. The estimated figure last year was 82,900, and with the introduction of direct flights, the numbers will increase yet further.

The Taiwan-UK youth mobility scheme, which provides 1,000 UK visas each year to Taiwanese people between the ages of 18 and 30, was launched in 2012. It also gives UK young people the opportunity to visit Taiwan each year and interrelate with young people from Taiwan. That needs to be part and parcel of the future of our relationship. Those on the scheme are encouraged to work full or part time, to carry out voluntary activities or study, and to understand the mutual benefits of the culture, society and lifestyles of our two countries. In 2016, the UK Government opened the registered traveller service to Taiwan, which has improved the convenience of travel for Taiwanese citizens who visit the UK frequently. We have built stronger relations between our two nations as a result.

There are clearly many opportunities. In the past year alone, visits to Taiwan have been made by the Minister for Trade Policy; by the Prime Minister's trade envoy, Lord Faulkner; and by three UK parliamentary delegations. In February, a number of UK cities participated in the first ever UK-Taiwan smart city forum in Taiwan. In March, Sir David King, our special representative on climate change, visited Taiwan. In June, Taiwan's Deputy Minister of Economic Affairs met the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Watford (Richard Harrington), to promote co-operation on renewable energy. In September, Lord Faulkner visited Taiwan again, to witness the signing of a letter of intent for co-operation on railway heritage between Taiwan and the UK. Direct flights will resume on 1 December; I trust many colleagues will be present to witness the first flight arriving at Gatwick. Clearly, we will need to expand Gatwick to accommodate all the extra flights coming to our great city of London.

We need to build on our strong relationship and promote regular dialogue between our two countries.

**Ian Murray** (Edinburgh South) (Lab): I draw the House's attention to my entry on the Register of Members' Financial Interests; I was on one of the delegations to

Taiwan. The hon. Gentleman is making a very good speech on our relations with Taiwan. Given all the delegations that take place and all the ministerial support that the UK and Taiwan give each other, will he encourage the Minister to encourage his Chinese counterparts to allow Taiwan observer status in international bodies? That status has been stripped from Taiwan recently, which has set back its whole economic development and strategy. The best way of improving Taiwan's relations across the world is to allow it to have observer status in international bodies.

**Bob Blackman:** I am coming on to what needs to happen. First, we need to facilitate industry collaborations. Smart city initiatives give UK cities outside London the opportunity to participate in promoting business with Taiwan. With smart cities and industries such as renewable energy and railways, the UK and Taiwan can look forward to greater co-operation. We need to build on our successful links.

Secondly, we need to promote and support Taiwan's participation in international organisations, as the hon. Member for Edinburgh South (Ian Murray) says. One is the World Health Assembly. Taiwan was a key contributor to the WHA for eight consecutive years and dedicated itself to international medical work and disease prevention, so it was a great shame that it was excluded from the WHA this year, at the behest of the PRC. In my view, the PRC is adopting a short-sighted approach in continuing to want to exclude Taiwan, and I note that Lord Ahmad of Wimbledon and my right hon. Friend the Minister have directly raised concerns about this issue with the PRC.

The severe acute respiratory syndrome, SARS, epidemic of 2002-03 clearly showed what can happen if we exclude people and countries from participating in the promotion of good health. At that time, researchers in Taiwan did not receive the data they needed to combat that virus, and it continued to spread in both Taiwan and China. So we have a part to play in encouraging the PRC and other countries and organisations to promote Taiwan as a member.

**Bob Stewart:** I, too, have visited Taiwan and been influenced by what I saw there. The Taiwanese provide world-class emergency teams when something goes seriously wrong in any country worldwide and they should be hugely applauded for that. There is never a restriction; Taiwan sends its teams wherever it can, although sometimes China blocks them. Nevertheless, it is a fantastic thing that Taiwan does for the world.

**Bob Blackman:** I thank my hon. Friend for that intervention and I agree completely.

To continue with my short list of international organisations, another is the United Nations framework convention on climate change. We know that we cannot combat climate change by ourselves; we have to co-operate with all others across the world. Taiwan has set a very ambitious target for reducing greenhouse gas emissions and it is therefore absolutely right, even though it is a small island state, that Taiwan should have a key role in helping and encouraging others to participate in this process. It is a great shame that Taiwan has not been invited to do so since 2016, so I firmly believe that our Government should encourage others to allow Taiwan to participate in the process again.

Similarly, there is the International Civil Aviation Organisation. Back in 2013, Taiwan was invited to attend the ICAO assembly as a guest, but since the assembly in 2016 it has been excluded. That is complete nonsense. My hon. Friend the Member for Ribble Valley (Mr Evans) referred to the number of flights between Taiwan and China, and now of course international flights go from all over the world into Taipei, which means that Taiwan needs to be represented in the ICAO, even if just as a guest.

**Iain Stewart (Milton Keynes South) (Con):** I also declare my interest in the Register of Members' Financial Interests. My hon. Friend has touched on a very important issue—air safety. I sit on the Select Committee on Transport and air safety should not be a bargaining chip in international relations; it is paramount. No one country has a monopoly on the wisdom of what makes it safer for us to fly around the world, so I find it unexplainable that Taiwan—a major air carrier—should be excluded from deliberations on that issue.

**Bob Blackman:** I thank my hon. Friend for that intervention. Quite clearly, international air safety should trump all other issues. Irrespective of diplomatic relations, it does not make sense to fail to seek the co-operation of countries to ensure that international airspace is safeguarded.

The final item on my list of asks concerns the International Criminal Police Organisation, or Interpol. Cross-border crime is becoming a more serious issue year by year, and as we seek to contribute to the global efforts against organised crime, cyber-crime and terrorism, it is quite clear that in the coming years we should support Taiwan's participation in Interpol as an observer so that further progress can be made. We can see that Taiwan has already made a great contribution towards Interpol, and quite clearly it is unfair and ridiculous that it is excluded from that organisation, especially given the levels of cyber-crime emanating from south-east Asia.

I return now to what I regard as the value of the British-Taiwanese all-party group. The group has more than 150 members from Parliament, which makes it one of the largest groups in Parliament. My hon. Friend the Member for Ribble Valley and Lord Steele are the two co-chairs of the group, which shows it not only has a cross-party view but speaks with a strong voice on behalf of the UK Parliament on relations with Taiwan. We should also remember that in October 2014 the Lord Speaker, Baroness D'Souza, became the first ever Lord Speaker to visit Taiwan, which demonstrates the positive development that is taking place between our two countries.

I look forward to hearing further contributions from colleagues. I also ask my right hon. Friend the Minister to emphasise in his response to the debate the importance of UK-Taiwan relations and to say how we can further the development of those relations, economically, diplomatically and possibly militarily, if that is appropriate. Even more significantly, given the increased focus and increasingly outward-looking nature of the PRC, it will be important in the future that we stand by our allies and friends in the South China sea region, to ensure that that region is not destabilised.

**Ian Paisley (in the Chair):** I should inform Members that I intend to call the first opposition spokesperson at approximately 10.30 am. Given the number of people who have stood up this morning or who are down to speak, I do not need to put a time restriction on contributions. However, I ask Members to bear in mind that speeches should be about six minutes long, as I am sure there will be other interventions.

9.56 am

**Jim Shannon (Strangford) (DUP):** It is a pleasure to be called by you, Mr Paisley, to speak in Westminster Hall. I also congratulate the hon. Member for Harrow East (Bob Blackman) on making such a good case in this debate, which he secured.

The statistics about this issue are very important. In 2016, the UK exported some £1.8 billion worth of goods and services to Taiwan, and we imported goods from Taiwan that were worth some £3.5 billion. So we have a trade deficit with Taiwan, but we are very happy to have had such a trade deficit with Taiwan in each of the last 10 years.

UK imports from Taiwan peaked at £4.2 billion in 2012, and in 2015 the UK's exports to Taiwan represented about 0.4% of all UK exports. In 2015, Taiwan was the UK's 39th largest export market and the 28th largest source of UK imports. It is clear from those statistics and from the presentation by the hon. Member for Harrow East that there are links with Taiwan and that there is a desire for those links to be enhanced. That was also demonstrated by the work carried out by our esteemed Minister for Trade Policy, who visited the island last September, shortly after the Brexit vote; he secured a flight from Gatwick to Taiwan for the first time in five years. We hope to build upon such links over the next period of time, which would benefit both our countries.

However, as with any issue that involves a politician, things are rarely black and white. It is not so simple just to enhance trade with Taiwan, as we must also continue to respect our other trading partners, which in this case includes China. It is about getting the balance right.

From the outset, I have believed that my experience of hailing from Northern Ireland helps with this situation, as it shows that a border dispute must not signal the death of mutually beneficial trading deals. The Republic of Ireland is essential to our trade, as it is a big importer of our goods, and vice versa. Even if the British mainland makes it abundantly clear that Northern Ireland remains British and continues to do so, that will not stop trade with the Republic of Ireland. That can and should be the approach for dealing with the China-Taiwan issue. We can and must enhance trade links without further alienating the two nations, so it is a case of getting the balance right, as the hon. Member for Harrow East said when he introduced this debate.

Recently, I read an article that highlighted the fact that persecution of people on the grounds of their faith had increased over recent years in the Asia-Pacific region. Indeed, that article was set at the first Asia-Pacific Religious Freedom Forum, which this year was held from 18 to 21 February in Taiwan. That conference, which was hosted by the former Vice-President of Taiwan, Annette Lu, was timed to coincide with the Chinese new year celebrations and to come right after the general

elections in Taiwan. It showed the passion in Taiwan for moving away from the Chinese enforcement of religion and for moving towards religious freedom. I believe that we have a duty to support Taiwan in that regard. China is guilty of many human rights and religious persecution issues, and we must acknowledge that. However, the fact that the conference was held in Taiwan sends out a clear message about the ethos of those who are elected in Taiwan. They want true co-operation, to allow people the freedom to believe as they choose, without fear of persecution. ChinaAid's president, Bob Fu, a former Chinese dissident himself, said that the conference declaration was a road map

"for those who wish for a free world".

People from 26 countries took part in the forum, from Pakistan, China, Cambodia, Indonesia, Malaysia, Thailand, Myanmar and others. They included representatives of charities and international non-governmental organisations that focus on freedom of religion, such as Open Doors International, which works with minority Christians worldwide. No one nation or organisation can work alone to fight the rising tide of hatred, so there is a need for greater co-operation between those who want a peaceful world. It is not too much to hope for the faith, hope, charity, love, mercy, liberty and peace that can help to preserve those people.

During the conference, Pakistan-born Swedish politician Nasim Malik said that nations across the world had realised that peace and stability were needed for development. Off the back of that peace and stability comes the opportunity for economic development. We have done it with China; we can do it with Taiwan, and we should work towards that. With prosperity and growth we can do that; Malik said that the countries in the Asia-Pacific region should also realise that reality for their economic growth and prosperity.

A similar viewpoint was held by Brian J. Grim, president of the Religious Freedom & Business Foundation, who said that the global economy had become religiously diverse, so protecting religious freedom would strengthen the global economy as well. How true that could be, if we put that ethos clearly at the core of what we do. I believe that those two things can, and must, be intrinsically linked, and that we have a role to play. While strengthening our trading ties, we can and must offer the support for that freedom that will help people to grow an economically viable nation, whatever nationality is attributed to them.

Hailing, as we do, from a nation where many people often confuse the nationalities, it goes straight to my heart when people question whether I am Irish or British. Let me make it clear: I am an Ulster Scot, from Northern Ireland, and I am proud to be part of the United Kingdom of Great Britain and Northern Ireland. I am very proud to put that on record; I am proud to be British. However, I must also say that to see my children with no food on their plates or no job to go would also go straight to my heart. There must be the ability to involve ourselves with economic issues without involving ourselves in nationality ones. That is a fine line, but I believe we possess the ability to walk it.

10.2 am

**John Lamont (Berwickshire, Roxburgh and Selkirk) (Con):** I am delighted to be able to speak in the debate—I am grateful to you, Mr Paisley, for allowing that—and I

congratulate my hon. Friend the Member for Harrow East (Bob Blackman) on securing it. I am particularly pleased to follow the hon. Member for Strangford (Jim Shannon).

Taiwan's place in the world remains uncertain, and that is regrettable. Taiwan is the most populous state and the largest economy that is not a member of the United Nations. It has undergone a transformation since the 1960s, from a relatively unprosperous dictatorship to a stable advanced economy and democratic state. Taiwan is one of the most democratic and liberal parts of Asia; that was most clearly illustrated by the ruling of the council of grand justices earlier this year that will pave the way for same-sex marriages. Human rights and the rule of law are generally respected in Taiwan, in contrast to many of its neighbours.

On the face of it, Taiwan is a state we should seek to promote as far as we can, so I have some sympathy with the 22,000 people who signed the petition calling for the UK to recognise Taiwan as a country. However, the issue is far from simple. The UK Government's position on Taiwan is that the disagreement between the island and the People's Republic of China is a matter for the two sides to agree between themselves by diplomatic means. That is a sensible approach to what is a complex international dispute, but it means that our links to Taiwan are not as close as they could be, which is unfortunate. It is disappointing, for example, that Taiwan has been unnecessarily excluded from some international organisations. Where Taiwan can contribute to the global good and there is no nationhood requirement, it should be allowed to participate, particularly as it is keen to do so. I see little reason why Taiwan cannot be accommodated in the assembly of the World Health Organisation or in the International Civil Aviation Organisation, for example.

Putting aside the international dispute surrounding Taiwan, the focus of our relationship with the state is to build on the strong economic links that we already have. Taiwan is a major economy, larger than Sweden, Thailand or Hong Kong, and it is a significant trading partner with the UK. We export nearly £2 billion-worth of goods and services to Taiwan, and it is good to see the UK Government building on that with their recent mission to promote UK renewable energy technology. With the first distilleries in 200 years set to open in my own area in the Scottish borders, it would be remiss of me not to mention that Taiwan is the third-largest overseas market for Scottish whisky. I was pleased that last year the UK Government worked with the Scotch Whisky Association to secure trademark certification for the product in Taiwan.

**Bob Stewart:** On the subject of whisky, I wake up. Taiwan has, for three years running, produced what people say is the best whisky in the world. It is great that Scottish whisky goes in there, but I think whisky will be coming the other way soon.

**John Lamont:** I have had the pleasure of enjoying that Taiwanese whisky, but I dispute that it will be able to compete with the finest Scottish brands.

About 38,000 British nationals visit Taiwan every year, and a few years ago I was lucky enough to be one of that number. I visited Taiwan as part of a delegation from the Scottish Parliament's cross-party group on Taiwan. Taiwan is an incredibly beautiful and varied

country. I found the Taiwanese people extremely friendly and accommodating, and was struck both by the economic development of the area and by its natural beauty. It is good that direct flights are set to resume between the UK and Taiwan. I would truly recommend Taiwan to tourists; it must be one of the most overlooked and underrated Asian destinations. I hope that other airlines will follow suit and provide a service to Taiwan from the UK, perhaps even from a Scottish airport.

10.6 am

**Mrs Sheryll Murray** (South East Cornwall) (Con): I, too, refer Members to my entry in the Register of Members' Financial Interests.

I would like to speak about my relationship with Taiwan. I visited Taiwan at the invitation of the country in 2011 and, more recently, in 2015, in cross-party delegations on both occasions. I am really surprised to see that the shadow Minister is alone on the Opposition Benches today. I am surprised that the Opposition Members who enjoyed those visits with me have not wanted to share their ideas about our relationship with Taiwan.

In Taiwan, I was fortunate enough to meet talented politicians and dynamic businesses and to learn more about their cultural heritage. I also saw for myself what a beautiful island it is, especially around Sun Moon lake. If Members have the opportunity to visit Taiwan, I encourage them to do so, because it truly is a beautiful place.

A true relationship between two countries goes two ways, and I am absolutely delighted to announce that the Taiwanese ambassador is due to visit Cornwall next month. Along with my hon. Friend the Member for North Cornwall (Scott Mann), I hope to introduce him to local politicians and to our creative and diverse home-grown businesses throughout Cornwall. I hope also to show him some of our heritage—after all, we have a world heritage site for our mining—and I hope that the ambassador and his team will be able to see the beautiful landscape that Cornwall is known for, so that, with the new direct flights, we might encourage tourism both from Cornwall to Taiwan and from Taiwan to Cornwall.

It is through such friendships, and a true working knowledge of each other's country, that we can build the true, positive relationship we need with Taiwan as we leave the European Union and start building trading relationships around the world. I look forward to continuing to build that relationship with Taiwan. Taiwan deserves it and the United Kingdom can provide it through friendship.

10.9 am

**Martin Vickers** (Cleethorpes) (Con): It is a pleasure to speak under your chairmanship, Mr Paisley. I congratulate my hon. Friend the Member for Harrow East (Bob Blackman) on securing this timely debate. I, too, visited Taiwan on a delegation earlier this year; as with others, that is recorded in the Register of Members' Financial Interests. We saw a dynamic and go-ahead country eager to extend both cultural and economic relations with the UK. Some 7,000 or 8,000 students come from Taiwan each year to study here in the UK, and we should encourage and support that.

[*Martin Vickers*]

One area of particular interest where our two countries can work more closely is renewable energy. A delegation from Taiwan has already visited the Grimsby-Cleethorpes area. Dr Lin, the very active UK representative, will visit both Cornwall and Cleethorpes in the next few weeks, and we look forward to that. We also have a particular relationship with Taiwan because Catherine Nettleton, our UK representative there, spent part of her childhood in Cleethorpes, attending Thrunscoc School. That is another help in cementing the relationship between our two countries. I note that a trade and industry delegation visited Taiwan earlier this month, so relationships are clearly developing.

My hon. Friend the Member for Harrow East mentioned numerous statistics in connection with Taiwan. Indeed, 98% of Taiwan's energy needs are imported, so renewable energy is something we can develop. The North sea, as we know, is a hub for wind turbines, and the port of Grimsby services many of the turbines in the North sea. Grimsby, of course, is neighbour to Cleethorpes, and many of my constituents are involved in the renewable energy sector. I hope that when Dr Lin visits we can develop the relationship further.

**Iain Stewart:** My hon. Friend rightly points out that Taiwan is fast developing its renewable energy sector. It has also made the decision to decommission many of its nuclear power stations. That is a further source of trade co-operation between our two countries, because this country has considerable expertise in that field. Does he agree that we should be doing all we can to encourage that sector in this country to make contact with Taiwan to share our expertise in the field?

**Martin Vickers:** I entirely agree with my hon. Friend. That is another area of co-operation that we can develop further. Referring to the renewables sector in my own constituency, marine operations are particularly strong in the Grimsby and Cleethorpes area, and the installation, operation and maintenance vessels that sail from there will be vital to Taiwan as it develops its offshore wind sector.

My hon. Friend mentioned transport. As I am a member of the Transport Committee, I refer to the situation on participation in the International Civil Aviation Organisation, which is particularly important if Taiwan is to develop further its communications and transport connections with the wider world. I know that the UK representative has written to Transport Ministers about the importance of that, because to participate in the carbon offsetting arrangements Taiwan must be a member of that organisation. It benefits us all if Taiwan is involved to that extent.

Speaking in my capacity as chairman of the all-party parliamentary rail group, may I refer to the co-operation between the UK and Taiwan on rail matters, which was raised by my hon. Friend the Member for Harrow East? He referred to the heritage railway agreement between the Alishan forest railway and the UK's Welshpool and Llanfair railway. I am not sure whether my Welsh pronunciation is correct; it is about as good as my Taiwanese pronunciation. Nevertheless, Lord Faulkner, who is also an officer of the all-party rail group, and our trade envoy, played a key part in bringing that

together. I know that the Taiwanese would like to develop further co-operation in the rail industry, and I hope it can be advanced.

Taiwan is an example of an independent, democratic nation, with a population of around 24 million. Its wealth is increasing considerably. Think what a nation of more than 60 million, which happens to be democratic and the world's fifth largest economy, can do once it becomes a free nation again.

10.16 am

**Scott Mann** (North Cornwall) (Con): It is a pleasure to serve under your chairmanship today, Mr Paisley. I think this is the first time that I have spoken in a Westminster Hall debate under your chairmanship, and you are doing a sterling job. I congratulate my hon. Friend the Member for Harrow East (Bob Blackman) on securing this fantastic debate. I refer Members to my declaration in the Register of Members' Financial Interests; I made a visit to Taiwan hosted by the Taiwanese Government last year.

I will keep my contribution brief. Taiwan and the UK share a love of free markets, aspiration and cutting-edge technology. In 2016, the UK and Taiwan did £5.85 billion of trade, and we hope to see that getting bigger and bigger in our post-Brexit era. We share a love of fine wine, fine food, whisky, cutting-edge technology, good bicycles and good cars. The UK also has 300 businesses that are based in and operating out of Taiwan, and we are keen to see that expand and two-way trade between Taiwan and the UK continue.

Some of the exciting technologies on which we could collaborate include biotechnology, renewable energy development, as my hon. Friend the Member for Cleethorpes (Martin Vickers) mentioned, electric cars, smart technology and using technology to help with social care needs. There is also, of course, tourism, where Taiwan and Cornwall share an intrinsic connection. My hon. Friend the Member for South East Cornwall (Mrs Murray) mentioned the forthcoming visit of the Taiwanese ambassador to the UK in November, and I look forward to welcoming him, with my hon. Friend and my hon. Friend the Member for St Austell and Newquay (Steve Double), to Cornwall. I hope to talk to him about renewable energy technologies in Cornwall.

Moving on to the food industry—Taiwan and Cornwall share a love of food—in my North Cornwall constituency we have three Michelin-starred restaurants. When I went to Taiwan with the delegation, the food was fantastic, and I look forward to reciprocating that when Taiwanese representatives visit Cornwall.

**Chris Davies** (Brecon and Radnorshire) (Con): Does my hon. Friend welcome the investment by Han Dian, the first Taiwanese food company to invest in this country, which is creating more than 100 jobs? Would he like to see further investment from Taiwan, as I would?

**Scott Mann:** My hon. Friend makes an exceptionally good point. A huge number of opportunities present themselves, and it is nice to hear of the investment that Taiwan is making in his constituency. It is a pleasure to speak today. Taiwan has a friend in Cornwall, and long may we stand together to promote free trade, free markets and good friendship.

**Ian Paisley (in the Chair):** I do not see any other hon. Members standing, so I will call the first Front-Bench spokesman.

10.18 am

**Peter Grant (Glenrothes) (SNP):** I am grateful for the chance to begin summing up the debate. I also welcome you to what I believe is your first outing as Chair here—

**Ian Paisley (in the Chair):** *indicated dissent.*

**Peter Grant:** You are shaking your head. I apologise. I must have misheard. I should have realised that you were showing an extremely experienced hand throughout proceedings; I congratulate you on that.

**Ian Paisley (in the Chair):** That's better.

**Peter Grant:** We do not have to be here long to realise that we have to learn to think quickly on our feet.

Mention has been made of the important place that Taiwan has as a trading partner for the United Kingdom. That applies in particular to Scotland. Taiwan is our third or fourth biggest export partner. I heard one hon. Member say "third", so I will say "fourth". Perhaps it depends on what we count as exports, but they are about 10% of the UK's total exports to Taiwan. Beverages are the single biggest export from the UK to Taiwan. The vast majority, of course, is proper whisky made in the only place in the world that has the right to call anything whisky. We allow them to import some cheap imitations from other parts of the United Kingdom, but we make sure that quality and quantity go together.

**Mrs Sheryll Murray:** Will the hon. Gentleman confirm that Scotland provided equipment to Taiwan so that it could produce its own whisky? Perhaps that is why Taiwanese whisky is of such good quality.

**Peter Grant:** Imitation is, of course, the sincerest form of flattery. I have no doubt at all that the expertise both in designing the plant and in including the secret magic ingredients can be exported—methods can be taught—but it is still simply not possible to make proper whisky anywhere outside of Scotland. Those who believe that the Taiwan whisky is the best in the world also think you can make whisky in places such as Ireland, and I believe even Cornwall has had a go.

The economic ties that we have with Taiwan are important not simply because of the export business. Interestingly, I note that for the past 10 years the UK has had a substantial trade deficit with Taiwan. Given that a trade deficit with some countries in Europe is used as an excuse for severing ties with them, it seems strange that the big trade deficit that we have with Taiwan should somehow have the opposite effect. We want to increase and strengthen those links. There seems to be a contradiction or an inconsistency.

As far as the Government of Taiwan are concerned, the Scottish National party welcomes, as we all do, the progress that has been made. It is hard to believe it is only 30 years since Taiwan was under full martial law. It has made a lot of progress since then, which has not always been easy. You cannot change from dictatorship to full democracy in a generation without encountering difficulties along the way. We must recognise that for a lot of the time the Government of mainland China have

allowed Taiwan to develop in its own way, although at times they have interfered to an extent that I think is unacceptable. I hope the Minister will agree with that.

Nobody has yet mentioned the arrest and detention of Lee Ming-che, a human rights activist from Taiwan who disappeared in March when he entered China. Within the past four or five weeks Chinese television has broadcast him confessing to sedition and endangering the security of the Chinese state. After six months' secret detention by the Chinese authorities, most of us would confess to almost anything. We can only wonder what pressure was put on him. He has confessed to planning a website and encouraging people to oppose some of the policies of the Chinese Government, and to distributing literature that criticised the Chinese Government. In other words, he confessed to doing things that all of us do every day of our lives and that people in Taiwan are used to being allowed to do.

Perhaps we should ask the Chinese Government to take note of the fact that economic development in Taiwan has gone on at the same time as the increase in democracy and increasing liberalisation of society. As has been mentioned, Taiwan is the first place in Asia officially to accept the principle of same-sex marriage. I hope that is an example that will go forward elsewhere in Asia.

It was suggested in an intervention that we should look to export arms to Taiwan and look for more military involvement, but I think that would be a disaster just now. The last thing the United Kingdom needs is to find more places for military adventures and more places to sell weapons, when we have no idea how and when and against whom they might be used in future.

For obvious reasons, I can identify with the idea that Taiwan is recognised as a country that is not yet a country. It is a nation, but it does not quite have full state recognition in the United Nations, for example. On the future status of Taiwan, it is important to consider the wishes and the will of the Taiwanese people. Far too often in such circumstances—we can certainly see it from the Chinese Government—it becomes all about what is in the strategic interests of China, which would like to integrate Taiwan more fully into China and to use it as a military base, for example. Whether we are talking about the long-term constitutional status of Taiwan, Gibraltar, the Falkland Islands or anywhere else, the ultimate question should always be: what is the will of the people? It is clear that for the time being, the will of the people of Taiwan is that it should not be further integrated into the People's Republic of China.

**Bob Stewart:** On the status of Taiwan in the United Nations, there are 23 million people living in Taiwan—that is 35% of the size of our own population—and they are not represented at the United Nations. China blocks it and is very effective at blocking it. The United Nations and our Government should consider supporting moves to give proper observer status to Taiwan in the United Nations.

**Peter Grant:** I certainly would not object to that. I can think of other places that should be afforded the same opportunity, because the United Nations wants to be as inclusive as possible and should look for ways to bring people in as observers, rather than to keep

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them out. For the record, I am not a great fan of the way in which the United Nations Security Council works. It seems to be about making sure that the big military superpowers prevent anything from happening that might go against their interests, rather than to make sure that the world develops in the best interests of most of the peoples of the world.

I will conclude now because I am keen to hear the Minister and the Opposition spokesperson. Taiwan is unique, as far as I know, among all the countries of the world. On its constitutional status and its status as a significant economic power, although it does not have official recognition as a part of the United Nations, as has been mentioned, it is a good example to us that sometimes we need to be prepared to look at answers that are slightly different from the norm and whether it is possible to recognise the sovereignty of people before, during or after the transition to full statehood and to full recognition on the world stage.

I hope that the Minister will continue to rule out military involvement through sales of arms or an actual military presence in Taiwan. I can understand from one point of view why that has been suggested, but I really do not think that that would be the right way to deal with a situation that in many ways is encouraging. As I have said, there has been a lot of progress in Taiwan in the past 30 years. However, there are still dangers and there is significant tension between Taiwan and China. One false or unwise move by the United Kingdom or other powers could make things a lot worse not only for the strategic security of the United Kingdom but particularly for the 23 million people who live in Taiwan.

10.27 am

**Helen Goodman** (Bishop Auckland) (Lab): It is a pleasure to serve under your chairmanship this morning, Mr Paisley. I congratulate the hon. Member for Harrow East (Bob Blackman), who gave us a really good overview of the current state of modern Taiwan and our relations with it. He asked the Minister a good question about the current situation in the South China sea. I hope the Minister will be able to say something about the British Government's position on that.

My ears really pricked up when heritage rail and Lord Richard Faulkner, a Labour peer, were mentioned. In my constituency in 1825 we built the first passenger train, so we are keen to strengthen links with all countries to whom we have exported trains over the years.

The hon. Member for Strangford (Jim Shannon) made a good and important point when he spoke about religious freedom and the conference that was held in Taiwan. That is an indication of the good human rights record in Taiwan, which is an extremely important issue. I know he cares a lot about that.

We heard from two Cornish Members of Parliament. Like the hon. Member for Berwickshire, Roxburgh and Selkirk (John Lamont), I think that the recent court judgments on same-sex marriage are another indication of the significant progress on human rights in Taiwan. In terms of economic possibilities for trade and development, the hon. Member for Cleethorpes (Martin Vickers) was right to point out the importance of developing our relations on renewable energy.

Her Majesty's Opposition fully accept the One China policy, as we did in government. After being elected, President Trump made a telephone call to the President of Taiwan—probably the first time that there had been a direct conversation between presidents since Chiang Kai-shek was in America in the middle of the second world war. President Trump said:

“I fully understand the One China policy, but I don't know why we have to be bound by the One China policy, unless we make a deal with China having to do with other things, including trade.”

Will the Minister tell us the Foreign Office's response to that?

At the same time as accepting the One China policy, we recognise the significant progress that Taiwan has made in the last few decades in implementing an effective democracy and in human rights. We should acknowledge the role of civil society organisations, which have often been at the forefront of that progress on human rights.

Hon. Members have spoken about the involvement of Taiwan in international organisations. Taiwan is a successful and important member of the World Trade Organisation, and a good case was made for its membership of the World Health Organisation and the UN climate change body. The suggestion made by my hon. Friend the Member for Edinburgh South (Ian Murray) that Taiwan could have observer status in some international organisations should be explored. I would like to hear from the Minister about that as well.

Obviously, relations between China and Taiwan are a matter for China and Taiwan. We want to see the continuation of dialogue between those countries, because that is ultimately the best way of securing peace and stability, which is in their interests, and those of the region and the wider world. The remarks by the Scottish National party's Front-Bench spokesman, the hon. Member for Glenrothes (Peter Grant), about not ramping up military pressure and stress were wise, and I share those sentiments.

From the United Kingdom's point of view, trading relations and cultural exchange are clearly important, and the Opposition feel that they should be developed. That development does not have anything to do with Brexit; Taiwan is an important country—it is particularly advanced in modern electronics—and there is obviously a lot of scope for mutual benefit.

10.33 am

**The Minister for Asia and the Pacific (Mark Field):** I truly thank my hon. Friend the Member for Harrow East (Bob Blackman) for introducing the debate, and I am relieved that he recognises that it is not in the interests of Parliament—let alone the Foreign and Commonwealth Office—to upset other nations. However, I also recognise the early bid by my hon. Friend the Member for Beckenham (Bob Stewart) to join the diplomatic corps—perhaps as a Taiwanese whisky ambassador to somewhere like Antarctica. That might be the way forward.

I thank all members of the British-Taiwanese all-party parliamentary group for their valuable contributions to this vibrant and important debate. I am also grateful to the hon. Member for Strangford (Jim Shannon) and my

hon. Friends the Members for Cleethorpes (Martin Vickers), North Cornwall (Scott Mann), North East Cornwall—

**Mrs Sheryll Murray:** Will my right hon. Friend give way?

**Mark Field:** Would my hon. Friend bear with me for two seconds? I just wanted to praise my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (John Lamont)—the new boy in our midst. He is a Freshfields alumnus, as am I, and I think his wise words on the legal matters were well received by the House.

**Mrs Murray:** It is not for me to correct the Minister, but my constituency is South East Cornwall.

**Mark Field:** I am sure that battles in Bodmin and elsewhere were fought over such matters. I thank my hon. Friend for that intervention. I actually know her constituency rather well; close friends of mine have lived in Lostwithiel over the years. It is a very beautiful part of the world. Whether one is from Taiwan or any other part of the world, it is well worth visiting. It is not quite as beautiful as my constituency of course, but that is another matter.

Before I address the UK-Taiwanese relationship directly, I remind hon. Members of the British Government's policy on Taiwan, as was set out by the Opposition, and will summarise where things stand with regard to Taiwan's relationship with China and, indeed, the rest of the world. The British Government's long-standing policy is that the issue of Taiwan should be settled by the people on both sides of the Taiwan strait. We therefore call on both sides to continue to engage in as constructive a dialogue as possible.

**Bob Stewart:** I may not be diplomatic, but I understand that in international law, national self-determination is a hugely important factor in determining a country's future. Were the Government of Taiwan to ask the Taiwanese people whether they want to be independent, I suspect we know what the answer would be. The United Nations must wake up and understand that there are 23 million people who are largely unrepresented in the United Nations, but should be.

**Mark Field:** In fairness, I should point out that Taiwan acts independently—no one would dispute that—and the issue is that Taiwan is in a rather anomalous, unique situation in international affairs, which I shall try to touch on in my remarks.

There has been no official contact between the authorities in Taiwan and the Chinese Government since last year's elections in Taiwan. However, both China and Taiwan's leaders have recently noted that cross-strait relations have thickened substantially in the past decade; President Xi Jinping said so as recently as the 19th party conference, which comes to an end today. Economic ties have grown and continue to grow, and there has been more interaction between the people of China and Taiwan.

Turning to the relationship between Taiwan and the wider international community—something close to the heart of many hon. Members who have spoken today—the British Government believe that the people of Taiwan have a valuable contribution to make towards international co-operation on global issues such as aviation

safety, climate change and organised crime. Their involvement would, in my view, reduce co-operation black spots, which pose a risk to the international community, including the United Kingdom and our own people.

However, I also accept that Taiwan's ability to play the fullest possible role in addressing global challenges is restricted and has been under increased pressure over the past 18 months. As a number of Members have observed, Taiwan's observer status in international organisations has come under closer scrutiny, and it was not permitted to observe the World Health Assembly as recently as May this year. The UK Government continue to support, and will continue to speak up for, Taiwan's participation in international organisations where there is precedent for its involvement, where it can contribute to the global good, and where there is no prerequisite of nationhood for participation. We will uphold that nationhood issue and the one nation policy.

**Helen Goodman:** Will the Minister explain what he means by “where there is precedent”? For example, the climate change body is new, so there cannot be a precedent because we have only just set it up.

**Mark Field:** I appreciate that. It has been set up for quite some time, actually. Climate change has been a major global issue for 30 years, and I guess that Taiwan has had some involvement in international organisations of that ilk. It plays a useful and active role in, for example, the World Trade Organisation and the OECD, and I would like it to have the role that hon. Members referred to in Interpol and the International Civil Aviation Organisation. We meet Taiwanese delegations at the margins of such international meetings, and we will continue to do so. I accept the view of my hon. Friend the Member for Harrow East, and I will do my best to raise that issue. Many of the issues to which hon. Members referred, including aviation safety, international terrorism and climate change, are global and clearly apply as much to the 24 million people of Taiwan as to the other 7 billion inhabitants of the world.

The subject of this debate is the UK's relations with Taiwan. Taiwan is a thriving economy, which enjoys the same democratic norms and values as the UK, including a free media and a vocal and active civil society. The UK and Taiwan enjoy strong, albeit unofficial, relations, which deliver significant benefits to us all. Taiwan continues to behave as a *de facto* state, but the UK does not recognise it as an independent state. Therefore, with great respect to all of my hon. Friends who referred to the ambassador, the truth is that the gentleman concerned, who is in the Public Gallery, is the unofficial representative to this country, not an ambassador in any official way. That is obviously a position we maintain, with our policy on China. That is an issue not just for this Government but for successive Governments over many decades. The relationship between us is strong and delivers significant benefits. That collaboration is built upon dynamic commercial, educational and cultural ties, facilitated by the Taipei Representative Office in London and the British Office in Taipei.

Taiwan and the UK are both open to foreign investment. We share a belief—much diminished, I fear, in international affairs today—that free trade and open markets are the very best ways to grow our economies and enhance our

[Mark Field]

prosperity. That means that trade is the cornerstone of the relationship between Taiwan and the UK. Taiwan is the UK's sixth-largest trading partner in the Asia-Pacific region and our 33rd-largest globally. I suspect we will move up in those rankings rapidly in the years to come. Bilateral trade reached £5.3 billion in 2015. Although business and financial services were our largest export sector, two thirds of the UK's exports to Taiwan were goods—notably vehicles and state-of-the-art pharmaceuticals. Taiwan is also our fourth-largest export market, as was pointed out, for Scotch whisky, taking in £175 million-worth of it in 2016—they obviously enjoy it. Of course, our trade flows both ways. The UK is Taiwan's third-largest investment destination in Europe, ahead of France and Germany, and Taiwanese investment in this country totalled some \$115 million in 2016.

A number of Members discussed Brexit. As we prepare to leave the EU, the British Government are working closely with all our major partners and investors in the Asia-Pacific region, including Taiwan, to grow those economic links.

**Jim Shannon:** The Minister will be well aware of the importance of the agri-food sector to Northern Ireland. We have been trying to increase our exports of pork products to Taiwan and China, and we have been somewhat successful. Will the Minister indicate what more can be done to help the agri-food sector in Northern Ireland develop those exports even more?

**Mark Field:** As the hon. Gentleman will appreciate, I will have to get back to him on some of the specifics. More broadly, the UK and Taiwan are committed to continuing to take practical steps to enhance trade and investment between us and within the region. As has been mentioned, we have identified that live poultry and Scotch whisky are potential growth areas. We have also made great progress with our application to export pork products, paving the way for a Taiwanese delegation to conclude an inspection of UK facilities just last week. We hope that will lead to markets opening to UK exports very soon.

We want significantly to increase trade between the UK and Taiwan by improving reciprocal market access and helping our companies to do business on a level playing field. There are genuinely great opportunities for UK industries in sectors such as renewable energy, railways and transport infrastructure. As my hon. Friend the Member for Milton Keynes South (Iain Stewart) rightly pointed out, nuclear decommissioning is very important, not just in Taiwan but in the region as a whole.

The digital economy continues to offer opportunities for British companies. Taiwan is already looking to adapt UK standards to regulate its own digital economy, its fintech industry and driverless vehicles. We are keen to engage with the Taiwanese authorities on broad economic reforms to improve the business environment, which I hope will lead to greater returns on investment and increased trade in both directions.

**Nigel Dodds (Belfast North) (DUP):** Will the Minister join me in praising the work of Taiwan NI—an organisation set up by, among others, a colleague of mine in the

Northern Ireland Assembly, William Humphrey? It does great work among Taiwanese students and citizens living in Northern Ireland to promote Taiwan-Northern Ireland relations. That kind of interaction between students who come from Taiwan to places such as Queen's University and Ulster University advances tremendously the understanding between Taiwan and the United Kingdom.

**Mark Field:** I am very glad the right hon. Gentleman pointed that out. It is greatly to the credit of the Northern Ireland Assembly, and it advances the relationship between the UK and Taiwan. I would not want the focus of this debate to be just on trade and investment co-operation—important though that is. We need co-operation to tackle crime and to promote educational connections and judicial and cultural exchanges, and those links will only be strengthened when direct China Airlines flights between London and Taipei resume in December.

I want to touch on a few issues that were brought up during the debate. On the issue of naval visits to Taiwan, I must stress that the UK's policy is non-recognition, which means that Ministry of Defence Ministers, Foreign and Commonwealth Office Ministers and military assets cannot visit Taiwan. Doing so would imply recognition of Taiwan, which is not Government policy. However, we continue to develop strong links with Taiwan on Government priorities such as prosperity and the low-carbon agenda.

The UK's position on the South China sea is long-standing and has not changed. We have very deep concerns about tensions and are committed to maintaining a peaceful maritime order under international law. We do not take sides, but we urge all parties in the region to settle disputes peacefully—ideally diplomatically but, if necessary, through arbitration. The UK Government remain committed to freedom of navigation and overflight.

The hon. Member for Bishop Auckland (Helen Goodman) asked about President Trump's now-notorious call to the Taiwanese Head of State. Our position on Taiwan has not changed since the call to President Tsai. The UK's long-standing policy on the status of Taiwan has not changed at all. We enjoy strong but unofficial commercial and cultural ties. The long-standing policy is that the status of Taiwan has to be settled by the people on both sides of the Taiwanese straits. We call on all sides to continue to engage in constructive dialogue. There has been no change, either from within or as a result of external causes.

I will conclude in a moment or two. We have a bit more time—do not worry, I am not going to delay the House for too long, Mr Paisley—so I will let everyone into a little secret. Like a lot of MPs, I have connections with Taiwan and although I have not visited myself, I was about to do so when the election was called.

In the previous Parliament, I was vice-chairman for international affairs for the Conservative party, and like my hon. Friend the Member for Ribblesdale (Mr Evans), I took the view that, as well as being a friend of China—Chinatown is in my constituency, and I have long-standing connections with the People's Republic of China as a result—I should visit Taiwan. I was due to visit in September, but the election was called and I was thrust into a different office. I have had the chance in the past to meet the representative of the Taipei office

in London and his team, and I have a great deal of respect for them. They also recognise that, unfortunately, our acquaintance has to go into cold storage for as long as I am a Minister—

**Helen Goodman:** Don't worry, it won't be long.

**Mark Field:** Yes, it may not be very long at all—honestly, it is nice to get support on a cross-party basis on such important matters, isn't it?

There is a lot of support here and—to be fair it is worth pointing out for the record—I have spoken with a couple of Labour MPs who wanted to come to the debate but had other engagements. They had been in Taiwan in the past. My hon. Friend the Member for South East Cornwall (Mrs Murray) made a robust point, but I think it is fair to say that there are friends across the House, and having that cross-party connection in place is a positive state of affairs for the relationship between the Taiwan and the UK.

**Chris Davies:** Earlier, I omitted to say that a little earlier in the year, before the election, I visited Taiwan—it has been declared appropriately in the register—so may I recommend a visit to the Minister? It is one of the most fabulous countries to go to and my eyes were certainly opened. Conservative Members and perhaps all other Members hope that he will one day be able to visit officially as a Minister.

**Mark Field:** It is kind of my hon. Friend to tempt me in that direction. I could of course argue that I have already been to the country to which he refers—we recognise the People's Republic of China—but perhaps that would be a bit mischievous.

In conclusion, Taiwan has—as has been pointed out—a thriving democratic system and a healthy economy. Its authorities are eager to play a responsible role in continuing to tackle global challenges. I hope that within the context of our restricting but certain policy we will be able to play our part to ensure that Taiwan's voice is heard, in particular in those global bodies where its co-operation is important, transcending many of the other international disputes. The British Government

will continue to strengthen our already close ties with the people of Taiwan, because so doing will best serve the interests of the United Kingdom.

**Ian Paisley (in the Chair):** I call Bob Blackman to wind up but, before I do, I remind him that I will want to put the Question, rather than letting the debate just peter out. If you could bear that in mind, Mr Blackman, you have a few minutes.

10.52 am

**Bob Blackman:** Thank you, Mr Paisley, and I thank the Minister for his constructive remarks in response to the debate. I welcome the views of the official Opposition and the Scottish National party, and I welcome my hon. colleagues from across the House putting the case for strengthening relations economically, commercially and on security between the UK and Taiwan.

The reality is that Asia faces a challenge over the next few years, and has done so on security, economic and cultural interaction. With China assertive and looking outward far more, the future of all countries in Asia is paramount. Today we have rightly concentrated on our relations with Taiwan. We have had an excellent debate on how to strengthen our relations in future and on how to assist our friends in Taiwan to fulfil their place in the world, whether in the United Nations or through other roles.

There is clearly very strong support from across the House, in all parties, for strengthening relations between the UK and Taiwan, which means that, regardless of who is in government, we will see our friendship and our commercial relationship growing ever stronger. That is very important. We may have differences of opinion about our views on defence and other things, or indeed about our recognition of Taiwan as a country, but what we can build on is the shared values—and shared progress—not only across parties but between the UK and Taiwan.

I therefore invite you, Mr Paisley, to put the Question. We can look forward to further development of excellent relations between the UK and Taiwan in the future.

*Question put and agreed to.*

*Resolved,*

That this House has considered UK relations with Taiwan.

## **Illegal Gypsy and Traveller Encampments: Bedfordshire**

10.56 am

**Ms Nadine Dorries** (Mid Bedfordshire) (Con): I beg to move,

That this House has considered illegal Gypsy and Traveller encampments in Bedfordshire.

It is a pleasure to be on the Benches in Westminster Hall for a change, rather than in the Chair, and a greater pleasure to serve under your chairmanship, Mr Paisley.

Having reached the ripe old age of 60 and spent a good deal of my formative years on the west coast of Ireland, in one of the most rural parts, including attending school there, I am very familiar with Gypsy and Traveller culture, probably in a truer sense of the word than today. Before this is perceived as some attack on that community, I also want to make the point that I am very aware of the health and educational outcomes for Gypsies and Travellers, and of some of the problems they face as a result of prejudice and anger in some of the other communities that they travel into. That being said, I am the MP for Mid Bedfordshire and I have a responsibility to my settled community to face some of the concerns expressed, which have become acute in my constituency over the past year, in particular this summer, when the situation was very difficult.

The village of Marston Moretaine experienced persistent unauthorised encampments of Gypsies and Travellers. The camps moved between various sites in the village, with ever growing numbers, before their eventual eviction. Recorded crime in the village increased, primarily instances of theft, burglary and vandalism. We have all heard this before, but cases included tradesmen such as plumbers having their equipment stolen overnight out of the back of their van, preventing them from continuing with their employment the next day.

The police force felt very much under siege at the time and although Bedfordshire police did their best with some of the complaints and crimes reported to them, they were unable to respond properly because so many were reported. The events in Marston formed part of a significant increase in encampments this year in Central Bedfordshire alone, although the problem that my constituents faced affected many across the county—I see my hon. Friend the Member for South West Bedfordshire (Andrew Selous) in the Chamber; the problem was not just in my constituency—and across the country.

In 2016 there were 45 encampments on Central Bedfordshire Council land, but this year there have already been 99 encampments, 58 of them on CBC land. CBC took eviction action on 26 of those encampments. Three were removed by the police using the powers granted under section 61 of the Criminal Justice and Public Order Act 1994. In 25 cases, the people left of their own accord before the eviction process began, the majority within one or two days of arriving, over the weekend, which I think is the pattern across the country. The conclusion of the events in Marston Moretaine demonstrated that the system can work well eventually, but the time that it took for that to happen is unacceptable to local residents in Marston Moretaine and across Bedfordshire, and therefore to me as their Member of Parliament.

CBC has made several requests for changes to the system of managing unauthorised encampments, and I promised that I would raise its concerns again today. Currently, the council uses the powers available under sections 77 and 78 of the 1994 Act, although those powers are better described as a process leading towards eviction. The process is slow and often results in large clean-up costs—repairs to gates, fences and other preventive measures that were put in place previously. Furthermore, the process has a number of loopholes that are being exploited. I would like the Minister to pay particular attention to those loopholes.

The three-month prohibition on returning to a site following eviction applies only to individual vehicles or identified persons. That means that traveller groups simply swap unauthorised camps with one another. The section 77 powers are also focused on a very narrow geographical area, which means that the Gypsies and Travellers move on to a camp 100 yards down the road and the villages and towns suffer the same problems—just the faces and the vehicles change.

On that basis, Central Bedfordshire Council and I would like to ask the Minister to make section 77 an actual power granted to councils whereby after a determined period, the council has the right to use bailiffs to evict. That determined period needs to be short. The court process is generally a rubber stamp process, so as long as a council follows strict, laid-out guidelines that it documents, it should be trusted as a group of elected representatives to make that decision and to follow that process. The section 77 notice should not only prevent the current occupiers from returning within three months but protect that location from other groups setting up there in that three-month period. That would break the cycle of Traveller groups swapping locations. The three-month period is to allow the location to regenerate; we need to protect locations, particularly when they are on soft ground, not just to bar certain persons from being there.

We had a problem in Marston Moretaine when a Gypsy and Traveller camp went on to the village's sports facility where local schools play football, cricket is played and which is used as a community facility. The Gypsy and Traveller caravans completely churned up the ground, which meant that it could not be used in the peak summer months and the community was deprived of that facility.

Section 77 should allow the council to widen the area in which reoccupation is not permitted, so that occupants cannot just move 100 yards down the road to another verge. That would have to be done reasonably, and the council would have to document its rationale in the case of persistent breaches of section 77, as people would expect. Councils should have the power to seize vehicles, including caravans, that illegally occupy land. I would add that they should have the power to seize those vehicles permanently and do with them as they wish.

Central Bedfordshire Council also believes that the local authorities and police forces would benefit from updated and standardised guidance on the use of police powers under section 61 of the 1994 Act. National guidelines are poor and the last advice document was issued back in 2011. The guidance needs to be updated with the proposed legislative changes. I say “proposed changes”, but the work has already been done for us; there have been changes in Ireland. It should not be too

difficult to change the legislation; all we need to do is to look at what has happened in Ireland and to lift and adapt the legislation that is already in place there.

The use of section 61 currently varies among police forces, depending on their interpretation of the Human Rights Act, under which Gypsies and Travellers have entirely proper protection against discrimination, which no-one doubts. However, I had difficulties when I reported a crime to my local police force at a public meeting in my constituency. Gypsies and Travellers had been hawking goods to houses from the backs of vans that had no number plates and no road tax. If I came round to your house, Mr Paisley, with an unmarked car with no number plates and no tax and tried to sell you things out of the back of it, you would be straight on to the police. However, the police basically told me that they could not respond to that crime, despite the fact that the Gypsy and Traveller community were reporting crimes against them to the police.

Quite rightly, the police had to respond to those reports in the same way that they would respond to reports by anyone in the village, but one can understand the perception of my constituents. They are reported for hate crimes when they show their anger on Facebook and other social media platforms. They have displayed their anger at the police not even issuing crime reference numbers at that point. Constituents have even had the phone put down on them by the police, which I complained about. My constituents reported crimes—so many were being reported.

One can understand why anger comes into communities in such situations. I understand that the Human Rights Act has to be interpreted, but my constituents saw other councils taking different action, which they perceived to be more efficient and slightly more ruthless, and to better protect people's environment, businesses and way of life. That simply was not happening in Bedfordshire because of the way Bedfordshire police interpreted its responsibilities under the Human Rights Act.

**Andrew Selous** (South West Bedfordshire) (Con): I am extremely grateful to my hon. Friend for the case that she is making. She is illustrating that the current policy architecture does not work well for the settled community; I would argue that it does not work well for Travellers either. She mentioned human rights. What about the right of Traveller children to an education? Are we not elevating the right to travel over the right of children to an education? Does that issue not need to be addressed as well as the rights that our settled constituents deserve?

**Ms Dorries:** My hon. Friend and constituency neighbour is absolutely right. I was not going to make that point, but as I began by saying, the education, health and life expectancy outcomes for Traveller children are well known. However, Travellers have a right to choose their way of life. They have a right to choose how they wish to live and, as I said, I have a responsibility to put forward the case of my constituents. I thank my hon. Friend for his point.

The different treatment of unauthorised encampments in different counties and council areas and by different police forces is particularly difficult for my constituents—and I must admit for me—to understand. That is what led to comments that one group's rights are being

gold-plated at the expense of the rights of others. It is a fact—it is perceived by my constituents—that Bedfordshire suffers so badly with Gypsy and Traveller encampments because the police and councils in other places, such as Reading and Buckinghamshire, interpret the Human Rights Act differently. That is why we have been particularly under siege in the past year.

Given what I saw happen in my constituency this summer, I believe that my requests and those of Central Bedfordshire Council are reasonable and proportionate. As I said, there is already provision in Irish law. Somebody else has already done all the work and faced all these problems for us. It is time for this Government—my Government—finally to do something. These issues have been debated for years. This is not the first time I have raised them in Westminster Hall; I have been doing so since 2005. I have argued both publicly and privately with Ministers—with Labour Ministers from 2005 to 2010 and with coalition Ministers from 2010 to 2015—for 12 and a half years. I am getting to the end of my tether with being given the same reasons for why something cannot be done. It is now time. We have to do something, because I know that many MPs from all parts of the House are also coming to the end of their tether. We have to be seen to act on the rights of Travellers and Traveller children, as my hon. Friend said, but most importantly on the rights of our constituents and what they have to deal with day to day.

No one should have to go to their garage in the morning to put their key in the car to start their day's work as a plumber and find that the contents of the back of their car and their shed are gone. That is happening not only in one house but in a number of houses. The crimes and crime wave—the spike in crime in a community—when the Traveller community arrives cannot be denied. Too often, too many people say, “We need to be careful what we say about this.” We do not need to be careful; we need to say it exactly as it is, as it happens, because our communities need to be protected.

I hope that the Minister will provide some succour for my constituents in his response. I hope he will be the one Minister I have spoken to—I have spoken to many over the years—who takes this issue away and says, “I'm going to do something about this. Once and for all, we're going to provide councils with the powers that they need and communities with the protections they deserve, and we're going to do something to make life better for people in the UK who repeatedly suffer from being besieged by Gypsy and Traveller communities.”

11.11 am

**The Minister for Housing and Planning (Alok Sharma):** It is a pleasure to serve under your chairmanship, Mr Paisley, for what I think is the first time in this Parliament. Let me begin by congratulating my hon. Friend the Member for Mid Bedfordshire (Ms Dorries) on securing the debate and making a really powerful case for change. She pointed out that she is at the end of her tether; she has been focused on this issue for over 12 years, and I know from the debates we have had—the general debate I took part in on Gypsies, Travellers and local communities in the main Chamber a couple of weeks ago and the Westminster Hall debate led by my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton)—that this issue matters to many Members of Parliament from all parts of the House, and it matters to our constituents.

[Alok Sharma]

I pay tribute to my hon. Friend the Member for South West Bedfordshire (Andrew Selous), who has also been pursuing this issue over a long period of time. He made a characteristically thoughtful intervention, thinking not just about the settled communities but about fairness in the system for the life chances of those from the Traveller and Gypsy communities.

I heard the recommendations made in the previous debates and those made by my hon. Friend the Member for Mid Bedfordshire about how we can improve the way in which we deal with illegal incursions. I share her view that there is a hugely negative impact from unauthorised encampments on all our constituents. She mentioned Reading, and I know from my constituency of Reading West that there have been numerous incursions on public and private land in recent months, which causes a huge amount of heartache to those law-abiding citizens in the settled community who have to deal with it daily, weekly and sometimes monthly. That is not good enough.

I said this in the previous debate, but there is a perception among the settled communities in our constituencies that there is not equity under the law right now and that, if they behaved in the same manner as some of those undertaking illegal encampments and associated antisocial behaviour, they would be treated more harshly by the law. We need to change that perception.

Not only do unauthorised encampments deny law-abiding citizens access to cherished open spaces—parks and so on—but, as we have heard, there are associated problems such as antisocial behaviour and crime. On top of that, there is the real cost of dealing with the clear-up that comes after an illegal encampment is exited, which falls on hard-working taxpayers—our constituents—up and down the country. We are absolutely in listening mode, which is why, during the debate on 9 October, I announced that the Government intend to consult on the way in which existing powers are enforced to understand what more can be done to tackle many of the issues that my hon. Friend raised today and which other hon. Members have raised in previous debates.

**Andrew Selous:** I am grateful to the Minister for what he has said. Will he give the House an idea of the timescale for when change might happen as a result of the consultation he has announced?

**Alok Sharma:** That is a perfectly fair question. I hope that in a matter of weeks we will seek to consult on this matter. I understand, as my hon. Friend the Member for Mid Bedfordshire said, that this is something we have been debating for years and the time has now come for action.

**Ms Dorries:** May I also say that there have been a number of consultations over the years? I hope this consultation will be the final one.

**Alok Sharma:** I hope that, as a result of the work we do in government, these debates will be more of a rare occurrence in future. Ultimately, it will be for colleagues and others to feed in their views when we move forward with this work.

As I said, my hon. Friend the Member for Mid Bedfordshire spoke powerfully about her constituents' concerns about unauthorised encampments. She made a number of recommendations about how existing powers could be strengthened, which I have noted, including ensuring that local authorities and the police are allowed to do more to tackle unauthorised encampments. We will consider those proposals carefully alongside all the others we receive when we consult on this matter.

I want to touch briefly on site provision and its role in helping authorities to enforce the law. Sufficient site provision not only reduces the number of unauthorised encampments but enables the police to use the strongest enforcement powers. My hon. Friend talked about sections 61 and 62 of the Criminal Justice and Public Order Act 1994, and it is the case that under that Act the police can direct people from unauthorised encampments to appropriate local sites. Failure to comply with such an order is an offence and offenders are prohibited from entering any land in the local authority area for a period of three months. By comparison—my hon. Friend alluded to this—where no sites are available, the prohibition extends only to the area of the encampment. By providing sufficient transit and permanent sites, local authorities can help to protect communities from the nuisance that unauthorised encampments can cause.

As my hon. Friend set out, we recognise that there are problems in her area. Bedfordshire has had numerous unauthorised incursions. As she pointed out, in some cases an authority's response was helpful to local residents, but there were instances where more could have been done. I take on board what she said about improving legislation.

**Ms Dorries:** I make the point that even though more could have been done by Central Bedfordshire Council during some of these incursions, it is a fact—I think my hon. Friend the Member for South West Bedfordshire (Andrew Selous) will back me up on this—that the council's Gypsy and Traveller encampment team are at their maximum. They got to the point where they could not respond to any more emails or take any more telephone calls. They were working flat out and could not cope with the amount of public anger and representation they received. There is a limit to what each council can do.

There is also the perception that the Minister's own council deals with this issue much quicker. Perhaps that is because he is the Minister and Reading Council feels that it would be more answerable—I have no idea—but it deals with these issues much more efficiently. That inequality and lack of equity about the response is part of the problem.

**Alok Sharma:** Of course we have frustrations in Reading as well; but we want councils and police to act using the powers that they currently have. I would point out that local authorities can apply to the courts for pre-emptive injunctions that would prevent unauthorised camping in a defined area and, where they see an illegal encampment, they can advise the court in advance, without waiting for all the paperwork to be completed before they go to court, so that a hearing date can be expedited. I have noted my hon. Friend's points.

A multi-agency approach is vital if we are to deal with incidents successfully. Local authorities, the police and other agencies such as the Driver and Vehicle

Licensing Agency should work together to find appropriate solutions. I know that that happens in some areas. I want to make it clear, as I did in the general debate on this matter in the House, that the awful incidents in question are the actions of a minority, and that we should not allow them to tarnish the whole community. However, I also recognise that every illegal incursion is one too many, and that those incursions have a direct impact on law-abiding citizens in the settled community.

As I have said, I hope that the House will be reassured by my announcement of 9 October. We want to move forward quickly on that. The Government are committed to ensuring that Gypsies and Travellers are integrated in society, and enjoy the same rights and responsibilities as everyone else. My hon. Friends the Members for Mid Bedfordshire and for South West Bedfordshire both talked about the life chances and health outcomes for people in Gypsy and Traveller communities. Of course we want those to improve. I think that both sides of the House will agree that more needs to be done to ensure harmonious relations between communities.

I welcome the debate, which has reinforced my determination to look for ways to improve our response to such matters. As I have said, the Government will set out further details about the consultation shortly, and I invite all Members of the House to engage with that process.

11.21 am

**Ms Dorries:** I noted that the last couple of sentences of the Minister's speech, to the effect that the Government are looking at the matter, were perhaps not as reassuring as the bulk of his speech. I know that the consultation has been announced, and that the Minister cannot pre-empt that; but it is time for everyone to stop being, for want of a better term, politically correct about this matter, because that is to diminish our constituents' suffering. I hope that our colleagues will not hold back when they respond to the consultation, because if that happens and we do not tell it as it is and make the Minister understand the real pain, suffering and inconvenience that our communities experience, we are not doing our constituents justice.

*Question put and agreed to.*

11.22 am

*Sitting suspended.*

## Rail Links: South-west England

[MR NIGEL EVANS *in the Chair*]

2.30 pm

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): I beg to move,

That this House has considered improving rail links in south-west England.

It is a pleasure to serve under your chairmanship, Mr Evans. I am proud to secure my first debate as an MP on the urgent need to improve the train line in the south-west of England. I am grateful for the cross-party support I have received ahead of the debate, and I will try to make my remarks as cross party as I can because I know the sentiments are shared by Labour Conservative Members.

I am proud to be a Janner—someone from Plymouth. Having been born there and as we live there, we all know that there is one thing in which we can instinctively believe: our train line is not good enough, and other regions get more money. As a region we have been given, and have accepted, a poor deal from Government for too long. Across nearly all areas of Government spending, the south-west, particularly the far south-west, receives below-average spend. In education, health, housing, road and rail the south-west lags at the bottom of the spending league tables. We need to change that, and we need to do it together. I am pleased that so many hon. Members from all parts of the House are here to debate the topic, and I hope the Minister will recognise that these are not just my concerns, nor those of my constituents or my party, but those of our region as a whole, presented on a cross-party basis.

I have three simple objectives that I encourage the Minister to take on board to help us in the south-west. We must realise the vision contained in the excellent recommendations of the peninsula rail taskforce, so we can have a railway to be proud of—an economic asset and not a liability. I encourage the Minister to help us to cut journey times from Plymouth to London from an average of three hours and 30 minutes to two hours and 15 minutes. Journey times are quicker to those regions lucky enough to have snazzy monikers such as northern powerhouse and midlands engine; I am afraid that the far south-west gets no such snazzy moniker, nor the spending that normally accompanies it. I encourage the Minister to help us to achieve our third objective: a railway that is resilient, with connectivity that will survive storms, and wi-fi and mobile connectivity enabling business to be done on the train.

With those objectives in mind, I have three simple asks of the Minister, his colleagues in the Department for Transport and those in the Treasury. First, will they look at how we can invest in quicker journeys and shorter journey times? The Minister will know that there is an opportunity to look at speeds on the Devon banks, the parts of the track between Plymouth and Exeter that are being repaired next year. While that work is going on, for a bargain price of £30 million, the track can be straightened, rails replaced and the speed limit lifted from 60 to 75 miles per hour. That would cut the journey from Plymouth to Exeter by three minutes; Great Western Railway trains would do it in just under an hour, and CrossCountry trains would do it in around 55 minutes. That would be a huge improvement on

[*Luke Pollard*]

where we are now, and considering the billions being spent on High Speed 2 to cut journey times to the midlands for those in London, it is a bargain.

Secondly, I ask the Minister's support for a pilot project in Devon and Cornwall, using Network Rail's global system for mobile communications-railway, or GSM-R, masts for public mobile signal to power calls on trains and proper, full-distance wi-fi. I hope that my neighbour, the hon. Member for South West Devon (Mr Streeter), will pick up on that later. Finally, I ask the Minister to recognise the enormous amount of work put in by the peninsula rail taskforce, the councils, Network Rail, businesses and hon. Members, and to look again at his Department's decision not to respond formally to the report. It is a first-class piece of work and deserves the benefit of a considered response from the Department.

Mr Evans, you will be aware that the far south-west is a beautiful part of the world, full of ingenious businesses, a superb tourism economy and the potential to deliver much more, but we need greater investment in transport. Plymouth has neither an airport nor a motorway—that ends in Exeter—and despite being the largest city on the south coast, larger than either Portsmouth or Southampton, our journey times to the capital are slower and our transport spend smaller. Post-Brexit Britain must not ignore the talent and potential of the regions. The far south-west is a region eager to deliver, but it requires strategic investment, especially in transport, to really motor.

The funding gap for transport in the south-west is real. The Treasury's country and regional analysis publication shows that, in 2015-16, the total identified Government expenditure on transport in the south-west was £277 per head. In London, the figure was £973 per head. Spending in London is three and a half times that in the south-west, relative to population size. Spending in the south-west is the second lowest of all English regions, with only the east midlands being lower at £260 per head. These figures are greater when spending on transport infrastructure is factored in.

The Treasury's figures on public expenditure on rail by year and region from 2015-16 state that the figure for London is £5.16 billion, while the south-west gets £357 million. That implies that, per head, people in the south-west are worth less than those in London. Let me be clear: people in the south-west are not worth less than those in the capital. As a member of the Select Committee on Transport, I asked the Secretary of State for Transport about these figures during our session last week. He encouraged me not to look at the figures. I am afraid that the figures are what I look at, because they tell a story about investment and political priority.

In 2014, as many hon. Members will remember, our poorly equipped train line suffered immensely during the UK storms, which literally washed away and left hanging parts of the track at Dawlish. A short distance down the track, the cliffs failed and fell on to the tracks, as has been happening for decades. The train line through Dawlish was closed for a number of months, costing the economy more than £1 billion. In the wake of the storms, the then Prime Minister David Cameron came to the south-west to visit Dawlish and see the damage for himself. In a press conference afterward, he said that

“money is no object...Whatever money is needed...will be spent. We will take whatever steps are necessary.”

Those are fine words, but the reality has often been quite different.

The problems were not just in 2014, when the precarious train line at Dawlish gave out. Each time there are storms, CrossCountry, which runs Voyager trains, must cancel the last leg of the journey from Scotland to Penzance at Exeter, because its trains short-circuit at Dawlish if they are hit by waves, blocking the track and requiring removal, effectively closing our rail line. It is not a historical injustice, but a regular occurrence. The recent Storm Brian meant that CrossCountry trains through Dawlish were cancelled yet again in the last week, raising the question whether anything has been learned in the three years since the floods. It is lucky that Great Western, which for the time being is still driving its so-called high-speed trains, can still go through Dawlish when the tracks are open. In no other part of the country would such a precarious train line or such a broken franchise commitment be tolerated by Ministers, so why are they tolerated in the south-west?

In the aftermath of those storms, the largely Conservative councils in the south-west, together with largely Conservative Members of Parliament, created the peninsula rail taskforce. It produced a series of excellent pieces of work, which my party supports, setting out a long-term programme of work to invest in our railways. I pay tribute to all those who contributed to and funded the PRTF reports and studies, and who continue to serve and contribute to that regional undertaking today.

**Sir Hugo Swire** (East Devon) (Con): I fully understand that the hon. Gentleman is concentrating mainly on Dawlish and the Plymouth to London line. Will he also take the opportunity to support the existence of, and continuing investment in, branch lines such as the Avocet line, which plays a vital role between Exeter and Exmouth in my constituency?

**Luke Pollard:** I agree with the right hon. Gentleman that branch lines are important in the region. The PRTF report talks about not only investment in our main line, but creating wider Devon metro services and the importance of connecting not only Devon's great cities, but its smaller towns as well.

**Rebecca Pow** (Taunton Deane) (Con): While we are broadening the discussion a bit, does the hon. Gentleman agree that we should also look at new railway stations to help develop the whole network across the south-west? For example, in my constituency we are working on a railway station for Wellington. I am also working with my hon. Friend from across the border, the Member for Tiverton and Honiton (Neil Parish), on a station at Cullompton. I know the Government have committed money for the new stations fund, and I welcome that, but I wonder whether the Minister might let us know for how long the fund will be accessible, and whether he might work with us to push the project forward when the time is right.

**Luke Pollard:** More new stations in our region can only be a good thing. Continued investment in repairing and renewing existing stations, such as the efforts being undertaken at Plymouth, is also much appreciated.

The peninsula rail taskforce produced a fine set of reports. One year since hon. Members who are here today presented it to Ministers, there has still been no formal response. In answer to a written question that I tabled on 20 July, the Minister confirmed that the DFT would not formally respond to the PRTF's report at all. That is disappointing, and I encourage the Minister to look at it again. It is a fine piece of work, setting out what signals, track, curves and junctions need upgrading to achieve quicker and more resilient journeys. It is a costed plan of some £9 billion in total, with £2.5 billion of immediate asks.

**Neil Parish** (Tiverton and Honiton) (Con): I very much agree with the hon. Gentleman that much more could be done to the track to get the trains faster. I want to get faster trains to Plymouth, but I also want to make sure they stop at Tiverton Parkway on the way. I very much back what my hon. Friend the Member for Taunton Deane (Rebecca Pow) said about a station in Cullompton as well as Wellington, and we must not forget the southern line from Waterloo to Exeter, which a great deal more could be done with.

**Luke Pollard:** The hon. Gentleman makes the point well.

In the general election, I was pleased that my party leader was so persuaded by the case for rail investment in the south-west that he backed spending £2.5 billion on the following immediate asks in the PRTF report: track straightening, signal upgrades, speed improvements and resilience at Dawlish in preparation for the Dawlish avoiding line. I fear I am getting a similar reputation to the Leader of the Opposition for liking trains. If Labour can do that, will the Minister look at spending that is as yet unallocated in control period 6 for funding the PRTF projects?

The Secretary of State recently announced £48 billion of maintenance and repair funding, with investment in infrastructure to follow in the so-called SoFA—statement of funds available—documents. My ask, which I am sure is that of other Members, is for the far south-west to gain its fair share of that funding. I do not believe voters or Members would accept or support yet more money going to other regions without the far south-west getting our fair share. I am sure that the irony is not lost on the Minister or members of his party present today that a plan put together largely by Tory councils and backed by Tory MPs is not yet being backed by a Conservative Government but is backed by the Labour Opposition. I am sure the Minister and all those with an eye on the region's many marginal seats would like to address that.

We need a railway we can be proud of, and the autumn Budget is the Government's chance to give us exactly that. Our rail travel should take two hours 15 minutes to London, not three and a half. We need to ensure we are investing in reducing the journey times at every opportunity. The PRTF's "Speed to the West" study has identified an opportunity in the autumn Budget to allocate £30 million of new money and shave three minutes off the journey between Plymouth and Exeter. To complete the work, £600,000 is required for Network Rail to finalise the technical details and re-model the track plans. The work itself would cost £25 million to £30 million. That is a once-in-a-lifetime opportunity,

because according to the chair of the PRTF, those tracks will not be repaired again for another 60 to 70 years. I encourage the Minister to support us in making the case to the Treasury and his own Department to spend that money.

I would like to take a moment to look at what transport infrastructure means for the wider south-west region as a whole. Last Friday at the Exeter Chiefs ground I joined Members and businesses from across the region for the south-west growth summit, where I made a pledge to back the south-west, as a number of Members did. The biggest single boost that could be delivered to our region's economic performance is investment in our train line. The Minister and I are both big fans of modal shift—moving people from their cars on to trains. At present it is faster to drive between Plymouth and Exeter than it is to take a train. Will he help us to make modal shift possible, so that we can reverse those statistics?

Politics has changed, and new approaches are needed. Other regions of our country have seen the way that Opposition and Government MPs can join together to champion transport schemes in their region. I hope that that can be done in the far south-west. As a region, we need to be stronger, bolder and more relentless in delivering transport schemes and more passionate with Government to make sure we get the funding we deserve. If we continue to suffer from poor transport links, we risk losing jobs and missing the chance to protect and grow the economy in the south-west.

I would be grateful if the Minister could address in his concluding remarks the request for a pilot of using Network Rail's mobile masts in Devon and Cornwall for train mobile signal, £30 million for a speed upgrade on the Devon banks and a proper response to the PRTF report. All three asks are in his hands. Our region awaits his decision, and I hope it is a good one.

**Several hon. Members** *rose*—

**Mr Nigel Evans (in the Chair):** As hon. Members can see, there is considerable interest in contributing to the debate, so please be considerate of other Members when making speeches.

2.44 pm

**Kevin Foster** (Torbay) (Con): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) on securing the debate. As he will know, we have two things in common. I not only share his interest in trains in the south-west but I was born in Plymouth, at the now gone Freedom Fields Hospital in his constituency.

It is a pleasure to speak about this issue. There has been a lot of attention given to railways in the south-west over the last three years, following the disaster at Dawlish. That attention has been welcome, because for too long our railways have been a Cinderella service. For me, this is about not just being negative but looking at how many people are using these services, the growth we are seeing in passenger numbers and the vital part our rail network is playing in many people's lives. All that is being achieved with older stock, with a railway that is the remnants of what was left after the Beeching era and with the famous issues at Dawlish.

[Kevin Foster]

I have commented a couple of times that it is bizarre to have to look at the wind forecast, weather forecast and shipping forecast to see whether certain trains will be running west of Exeter. To be clear, that is not due to the track; it is due to the design of the trains and the rolling stock. Sometimes that gets confused, and people think the reason CrossCountry cannot run is an inherent issue with the Dawlish coastal railway, but it is not. When we see a 40-year-old train ploughing through a big wave, that is because of an issue with the design a few years back, which I hope is being carefully noted by Great Western in its trials for introducing new rolling stock on to the line within the next couple of years. That will be one of the most welcome investments we have seen in some time.

Dawlish is the iconic issue. It is vital that there is a commitment to completing resilience works there, so that the railway will stand for another century. It is perfectly possible to do that. While I hear talk of a new line, which might be something to pursue as an additional route in years to come, for now, in the short term, we have to make sure that that railway line does not close. There is little point having a great plan for a decade's time if a piece of cliff moves and we end up with no railway line for a year or two. Our region could not possibly accept that outcome. I hope the Minister will give us an update on the work that Network Rail has been doing and that his Department has been funding.

One big thing to come out of the Dawlish incident was that the region finally came up with the peninsula rail taskforce plan. One of the things that most surprised me when I got involved in campaigning three or four years back in Devon and Cornwall was that we did not have an agreed ask. In many other regions, particularly in the north, we would find a united package of asks in order of priority, whereas traditionally in the south-west, in the past, we have had too much arguing between areas, with the outcome being that it was easy for national decision makers to send investment elsewhere.

A bonus of the PRTF plan is that it gives a clear set of priorities for the whole region that each area benefits from, and each area recognises that competing with other parts of Devon and Cornwall is not a productive way of going about it. It would be very hard to argue that Dawlish and Teignmouth should be bypassed while arguing that Torquay and Paignton definitely need rail stations. We need to keep a united front.

With the upcoming Devon banks work, it makes eminent sense to see if some journey savings can be achieved. While those services do not directly benefit Torbay, some members of my constituency's travelling public will travel to Plymouth, and generally making services speedier across the whole line benefits each one of us.

It is also vital that we keep attention on local rail schemes that may make a difference, and in particular the prospect of new stations or reconnecting parts of the network that have not had a station since the middle to late 1960s. That means particularly looking at a new station in Edginswell. I was very pleased to hear the Minister's positive views on that project last week, and I look forward to the meeting where we can discuss that in more detail. It is as vital to have local stations that allow people to connect to the network as it is to have a

nice new train heading off from Newton Abbot at speed to London. Ultimately, the key time that matters for people is the time it takes from where they are to where they want to be, and that is where the transport network has to come together. It cannot just be fast between two points if those two points do not connect to other places.

I am mindful of the guidance you gave, Mr Evans, so I will conclude. Railways in the south-west provide a great opportunity and have a great unreleased potential that, with investment, could make a real difference to not just our region but the nation's economy as a whole. I hope the Minister will give us some real encouragement and strong views on how we can take our region and our railways forward.

2.49 pm

**Darren Jones** (Bristol North West) (Lab): It is a pleasure to serve under your chairpersonship, Mr Evans. I congratulate my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) on securing this important debate. I know at first hand what a champion he has been over many years for investing in and improving rail in the south-west. In fact, when we were both nipping at the heels of the hon. Member for South West Devon (Mr Streeter) and the hon. and learned Member for Torridge and West Devon (Mr Cox) at the 2010 general election—sadly, we lost at that time—rail investment was a key issue, and it has been over the years since.

Now, as the Member for Bristol North West, my home constituency, I have two main concerns. First, I am disappointed that electrification of the track from London to Bristol has been cancelled. We now have the absurd position that new-generation Great Western Railway trains, which can be powered by electricity, get only as far as Maidenhead before they have to turn on the diesel engines. That cannot be right, and given that the Government are starting to fall behind on their climate change commitments, I hope to see that project completed soon.

My second, and to me and my constituents most important concern, is inner-city rail, which is vital to the future success of Bristol North West. Already there are congested road networks in the north of my constituency. I am talking about the very part that runs parallel to what will eventually be tens of thousands of new homes on the Filton airfield and adjoining land, and a tripling in size of our regional shopping centre—the Mall Cribbs Causeway. Those developments are right next to some of the largest employers in the city and region: Airbus, Rolls-Royce, GKN, the Ministry of Defence and the University of the West of England. Bristol North West is already congested, and continues to fail to meet its air pollution targets. With such significant development, failure to invest in proper rail infrastructure now will bring my constituency to a standstill, especially at peak commuting times and seasonal retail times, and will not help us to meet our air pollution targets.

I welcome the commitment from Network Rail and Great Western Railway to the opening by 2020-21 of the Henbury spur, with 18-minute services from Henbury through North Filton into Bristol Temple Meads, but we need that spur to develop at the next stage into the Henbury loop, connecting the track through Avonmouth

to the existing Severn Beach line, which runs along the south of my constituency, and ideally, if we are in the business of funding the projects that I am asking for, with a new station at Horfield and Lockleaze, too. That is important for residents and workers.

In the Avonmouth and Severnside enterprise area in my constituency, there are already more than 14,000 jobs, and the local enterprise partnership expects a further 6,000 to 12,000 by 2026, yet anyone who has visited the enterprise area knows full well that it is not accessible without a car. I commend the work undertaken by organisations such as SevernNet, Ambition Lawrence Weston and the Shirehampton Community Action Forum in supporting new bus routes and company-backed shuttle buses, but the services run infrequently, often hourly, and not in line with shift patterns, and funding has been cut. The future of those bus services is now in question, and the answer, as consistently raised by the excellent Friends of Suburban Bristol Railways, must be rail.

However, this is not just about workplaces but about residents. Without the Henbury loop, most of the constituents in the middle and north-west of my constituency suffer from very poor transport connectivity to the rest of Bristol. That affects families trying to do the school run and get to work on time, young people trying to get to further and higher education facilities and older people who need to get out and about around our fabulous city.

I should take this opportunity, after a long period of intense lobbying from my grandmother, Irene Jones, to make it clear that the cuts resulting in the closure of the number 18 bus route through Westbury-on-Trym and Southmead are entirely unsatisfactory and that the bus route should be restored urgently.

The Henbury loop will happen only with appropriate investment to allow the connecting track to run past the entrance to the Bristol port without disrupting lorries and freight, and for associated signalling upgrades. That requires Government backing and investment, as the Secretary of State knows only too well from the persistent and admirable lobbying of my Conservative predecessor, Charlotte Leslie. As a starter for 10, I hope that the Department can assist the West of England Combined Authority in funding an independent study of the Henbury Loop business case, as recommended by the Department to my predecessor before the election.

As a recent European green capital, with strong city-wide environmental credentials, Bristol wants people to use public transport instead of their cars, but we can get people out of their cars only when the public transport network exists where it needs to and when services run frequently and efficiently and do not cost the earth to use. As the voice of 100,000 people, young and old, from Bristol North West, I call on the Government to help us to secure support and investment for inner-city rail in Bristol before it is too late. I offer to assist the Government in any way I can to ensure that that is the case and, in a comradely spirit with other hon. Members from the south-west, I call for support for better rail networks across the region, too.

2.54 pm

**Anne Marie Morris** (Newton Abbot) (Ind): It is a great pleasure to serve under your chairmanship, Mr Evans. This is a cross-party issue, and I am pleased to see many

hon. Members here to support this cause. We may not be the midlands engine or the northern powerhouse, but we are the great south-west. That phrase is increasingly being used, and I sincerely hope that we can all support it, because we need that branding and that name.

In the great south-west, as many speakers have said, there is significant potential, but that can be realised only with proper investment in infrastructure. My hon. Friends and others have made it clear that that is not just about the railways, but about the roads and buses. I certainly support everything that has been said about that, but I would make the case that, as my hon. Friend the Member for Torbay (Kevin Foster) said, we need to ensure that at least the existing railway line is resilient.

To the Government's credit, they did ensure that the Dawlish railway line was reinforced, but there is still more work to be done. As has been alluded to, one of the biggest pieces of work that still needs to be done is on the Teignmouth cliffs which, hon. Members will be well aware, are one of the greatest causes of stoppages on the route. When I have spoken to my right hon. Friend the Secretary of State on that issue, he has assured me that the work will take place—it is not if, but when. The challenge we face is that currently, as far as I am aware, although perhaps my hon. Friend the Minister has good news for me, the money—overall, the work will cost us £200 million—is not included in the next rail control period. As I understood it, the Secretary of State undertook to me that he would go and talk to our friend in the Treasury to see whether that project, or at least the start of it, could be accommodated. I hope that the Minister will let me know that at least a conversation with the Treasury has been had. Clearly, I am not going to ask him about what will be in the Budget, because I will not get a response to that question. However, it is mission-critical that we sort out the Teignmouth cliffs.

There are other aspects to this, because the railway line has to be resilient as a whole. The weir works at Cowley Bridge are also unfunded, but need to be put in place; the railway has also been down because of flooding. In addition, I certainly support the request for the Totnes and Hemerdon upgrade. That is a once-in-a-lifetime opportunity. It will currently cost us £600,000 for the first report, then probably £30 million to get it done, but it seems to me to be a very sensible use of money.

One of the biggest concerns that many of our consumers, if you like, and those in our surgeries bring to us is the lack of proper wi-fi, so I absolutely endorse the call for the great south-west to be the pilot for the GSM-R project. That would mean aligning the masts of the telephone companies with those of the rail company, and I gather that Vodafone might well be up for that project.

In the longer term—it is right, in this House, to talk about the longer term—we must look at the future, and the 20-year PRTF plan does need a response, an acknowledgement. I ask the Minister to go back to his colleagues who answered the question that was put regarding whether there would be a response. It seems to me that at least an acknowledgement of the importance of this and a willingness to look forward would be appropriate.

I said to the Secretary of State that we really needed a long-term strategy for the whole peninsula. Forgive me for looking specifically at the peninsula, but as an MP in the peninsula, it is clearly where my main interest lies.

[Anne Marie Morris]

That is not to downgrade in any way the importance of other parts of the line, because together we are strong and we help our tourism industry and our region as a whole, but we do need a proper strategy. At the moment, we have a railway line along the south coast. We talk about an additional line, but the reality is that we need to look at what we can do along the northern coast of the peninsula, because that has never really been looked at. To reopen lines that simply join what we currently have in the south to bits of infrastructure in the north seems to me rather short-sighted.

I am not asking for an immediate response or an immediate pot of money. That will not happen, but I do think it is incumbent on the Government to respond to requests from the House to give the south-west its fair share of attention and funding and to commit to looking at what we need in the great south-west, and at least to be prepared to put in place a proper strategy that we can all have input into and that will give us the productivity that the south-west can deliver and that this country desperately needs.

2.59 pm

**Dr David Drew** (Stroud) (Lab/Co-op): I have noted your request to keep speeches short, Mr Evans, so I will keep my remarks entirely local.

I met Great Western and Network Rail a couple of weeks ago. I made my usual request—as the hon. Member for Cheltenham (Alex Chalk) will know—to get half-hourly trains onto the Stroud valleys line, which goes to Cheltenham. They were interested, but non-committal. We need more trains on that line. It is an outrage that Gloucester and Cheltenham—two of our great communities—let alone the Stroud valleys, are badly served by the rail network. We need to have those trains sooner or later.

I was pleased to hear that we are getting the new sets in place—our gain and, dare I say, Scotland's loss, because they are the 125s, but that is for them to worry about. We need some assurance that that is in the strategy, because I fear we will still be talking about this in 10 years' time, which is completely unacceptable. We have redoubling on that line now, so there is no reason why we should not have shuttle trains going up and down.

Why does this matter? Well, Monday was a classic case in point: the first train out of Paddington was cancelled, which meant that the 9 o'clock train did not run. There were probably hundreds of families going to London—the first Monday of half-term—and they did not travel. That is completely unacceptable and it is a result of the fact that that was an hourly train. People cannot afford to wait an hour. Many of them did wait, but they then got on the shuttle train. If I had my way, there would be a half-hourly shuttle train, so that they would get to Swindon and they could then catch the inter-city train.

The Bristol and Birmingham line is also of concern. I appeal directly to the Minister. We have had countless reviews of the capacity of that line. It is about time we got some clarity from the different rail authorities. How many more trains can they run on that line? If they cannot run more lines, they should be honest and open.

We had the greater Bristol network review. We are currently reviewing central railways, to look at the wider strategic influence of those particular lines. Some of us have argued for a long time for a second station at Stonehouse Bristol Road. We need to know if we are campaigning for something that will never happen. If it does not happen there, will it happen somewhere else, or is it not going to happen at all? We need clarity. The problem with the discussions with the different rail authorities is that we end up with promises that are never fulfilled. That is really disappointing for constituents who moan about the existing service, but expect something better, as we are moving towards the era of the train.

This is not just about getting to London, but about intermodal shift. We want that up and down our line to Cheltenham and also to Birmingham and Bristol. I hope the Minister will give me some assurance that he will talk to the rail authorities. Clearly some of us have an issue with the structure of those organisations, but let us leave that to one side. We want clear thinking about the way in which they will put more trains on and improve their service. That will enable people to use the train and become more satisfied with the service. At the moment, too many people are put off because they do not know if trains will run or, more particularly, they fear that they are being priced out because of the huge disparity between peak and off-peak prices. I hope that the Minister has heard all of those things. If they can get the service right in my part of the world, I am sure they can in all parts of the world.

3.3 pm

**Mr Gary Streeter** (South West Devon) (Con): It is a great pleasure to serve under your very experienced chairmanship, Mr Evans. I pay tribute to the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) for securing this debate and for the measured way in which he introduced it. I welcome the new energy he brings to this debate.

To my surprise and to the astonishment of my constituents, I have been here for 25 years: 13 under a Labour Government and 12 under a Conservative Government—I suppose in a year's time it will be even steeper. The reality is that in those 25 years we have not received the investment in the south-west rail link that we deserve. It is time that we put that right and our patience is wearing thin.

Although it is good news that the Government have announced another £400 million for the northern powerhouse—I am sure you have a smile on your face, Mr Evans, as it is just down the road from you—for those of us in other parts of the country, particularly when we feel undervalued and under-loved over the years, it is another slap in the face. They are getting so many millions of pounds in the midlands and the north and so on, but what about us? We are looking forward to hearing better news in the months and years ahead.

As the hon. Gentleman said, this did not begin in 2014 when the Dawlish line went down, but when we saw those images of the railway line swinging in mid-air, and when we were cut off from the rest of the country for six weeks—it seemed a lot longer—it released an outpouring of angst and anger from us in Devon and Cornwall. It was an icon of how we had been under-invested in for all those years. That was partly negative anger,

but it did galvanise a lot of support in the west country, in the far south-west, in the great south-west. I agree that that is, as he said, a “snazzy moniker”: the great south-west—I like it; we should use it. That galvanised many things. We took the PRTF to see the then Prime Minister and the idea of a 20-year plan was born. He said, “I know it’s expensive, but we can do it bit by bit over 20 years. Put it all in one document, and we will deliver on it.” Now we have to deliver.

I think the Rail Minister is doing a fantastic job and I to pay tribute to him for the interest he has shown in our region. Whenever we have had meetings with him he is on the case, he knows his stuff and he has done his homework. However, I think it is disappointing that the Government are not going to respond formally. We thought they would respond to this 20-year report and I am sorry that they are not.

Things have not stood still since we submitted the report last November. More money has been spent on Dawlish. There has been extensive work east of Exeter—not as much as we want to see, but there has been work there. There are incremental upgrading works throughout the region. We are getting new trains—something we all look forward to—but that is not yet enough, far from it, to redress the imbalance of decades of under-investment, especially before privatisation, but perhaps that is something for another debate.

I want to row in behind those calling for specific responses from the Government. There are three things I want to say, but before I do, something we have not discussed but which is in the 20-year plan is the Government’s thinking about local services, for example, from Exeter to Okehampton and from Plymouth towards north Cornwall. It would be good to hear the Minister’s thoughts on that. It is not directly related to the inter-city movement from Penzance to Paddington, but it is very important for local services. It does the transmodal thing, and it will help move people around in the region. I strongly support the PRTF request for £600,000 for the study. This is a once-in-a-lifetime opportunity. Many of us have written to the Minister about that and I hope he can give us some good news—if not today, soon.

I have long believed that spot, or discrete, electrification is a significant way forward. If we can model that on the Devon banks, we can put it into operation throughout the journey, and it will help to speed up journey times without the need to electrify rail all the way down—I understand that, but we have to start somewhere and I would love to start in the Devon banks over the next few months.

I will conclude, with some passion: on-board connectivity is absolutely critical. The local enterprise partnership did a survey of businesses last year: “What do you want? What’s your highest priority?” They did not say journey times, they did not talk about resilience, although all those things are important. They said, “When we are on the train, we want to be able to use our mobile phones and computers. We want to be able to plug into our offices and the world out there, as other people in other regions can.” We need to see investment and energy from the Government on that. I thought the answer would be to make the train operating companies do it in franchise renewal, but a new idea has emerged recently. I do not know where it has been hiding, but it is a great idea. If Network Rail is happy to allow the mobile phone companies to attach their transmitters—

I do not know how the technology works—to send signals from existing Network Rail infrastructure alongside the track, which I gather rejoices under the name of GSM-R, and which they are piloting in Scotland, that could solve our problems. We do not want it in control period 6; we want it now, in 2018, and we want to see progress on that. It would transform the way in which the rail service is valued by men and women in the west country. The plan is clear, the ask is clear, and the need is obvious. We want no more excuses from Government. It is time to deliver.

3.10 pm

**Mr Ben Bradshaw** (Exeter) (Lab): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) on securing this debate on an issue that is hugely important not only to his constituency, but to all our constituencies in the region.

I have some sympathy for the Minister. As a Transport Minister I am sure he would love to have extra money from the Treasury to invest in all our schemes and in the railway network more generally. However, I am afraid that he, like successive Transport Ministers, is a victim of what I call Treasury orthodoxy. I want to encourage a debate, perhaps within the governing party as we move towards the Budget, on the arguments we have made about productivity. We have had an absolutely appalling productivity record in this country in recent years. It is one of the worst in Europe and has got worse since the 2008 global financial crisis and since the European referendum.

I think there is general consensus in this debating Chamber that we should improve productivity in a number of ways, including investing in education and skills and in infrastructure. We have had an incredible opportunity in the past few years since the global financial crash of record low long-term interest rates. There is an absolute opportunity to invest big-time in infrastructure for the future of our economy and our productivity. With the storm clouds of Brexit gathering and with the uncertainty that that is causing in our economy, it is even more critical now, before interest rates go up, that the people having discussions, particularly in the governing party, win that debate with the Treasury, because we are running out of time to secure meaningful investment in our infrastructure.

I completely support what my hon. Friend the Member for Plymouth, Sutton and Devonport said about the discrepancy between comparative spends up and down the country. I saw an even more graphic map than the one he referred to in which the south-west was not even featured because the amount of spend per head was so low. The map was produced by an organisation called Statista and was published in the *Financial Times* earlier this year. It showed us at the bottom of the regional list for infrastructure spend. I do not think there is any debate in this Chamber as to whether we have come off badly in terms of spend in our railway and infrastructure in general.

I must express my concern to the Minister that some of the money that has been allocated has not been spent well by Network Rail. It has a terrible record of cost overruns, and we are all paying the price with the fiasco of the cost overrun to the electrification of the main

[Mr Ben Bradshaw]

line from Paddington to south Wales, which is having a knock-on effect on all of our schemes. Network Rail told us in a session earlier today that work on the Cowley Bridge flood defences—let us not forget that Cowley Bridge goes back even longer than Dawlish; we lost the line at Cowley Bridge twice in the three years running up to Dawlish, which cut our region off as well—is going to start, but only on the culverts, which are to protect Cowley Bridge next spring. As the hon. Member for Newton Abbot (Anne Marie Morris) said, there is no funding allocated at the moment for the much more important work on the weir or for the upstream work on the Hele and Bradninch section of the lines, which are the important bits of the flood defence. As we enter into our winter of storms and heavy rains, we face another risk that the line will flood there and in other places.

We were also told that Network Rail has increased its assessment of the risk of a failure at the Dawlish line owing to heavy rain and/or storms to one in every three years. This matter is absolutely urgent. Our region cannot afford to suffer the disruptions that we have had in recent years, which have done so much damage to our economy. I hope the Minister will go away and have gentle words with the Treasury and with Network Rail about its performance on cost control so that we get the schemes delivered on budget and on time.

New stations are vital. Exeter is a bit like a mini-Bristol. The urban rail services in my city are incredibly important for moving people around, particularly at commuting times. We need more regular services; we need trains to stop at more stations; and we need new stations. Again, station builds are running behind time.

**Rebecca Pow:** The right hon. Gentleman is making a passionate case. The Government committed to £4.6 million to transform our railway station in Taunton. We are still waiting for one spade to go into the ground. I understand exactly what the right hon. Gentleman is saying: we need the promised services to be delivered. Will the Minister report on how that is going, because GWR and Network Rail still have not got on with it?

**Mr Bradshaw:** There is hardly a station that has been built and opened that has not overrun on cost. I was about to refer to the station in Marsh Barton, a very important industrial estate in my constituency. It was supposed to happen this year and we now understand no date at all has been fixed for it, which indicates that no money has been allocated for it, which is really disappointing not only for those who live and work in Exeter, but for those who commute in from outside.

On rolling stock, it was terribly unfortunate to hear about the initial trip of the new high-speed train serving our region. We understand from Great Western that it was unlucky. All the other trains that travelled that day were fine, but will the Minister assure us that when we get these long-awaited trains they will not pour water over people, they will work, will not break down and will be reliable? I also have a concern about the design for our luggage demands. Our trains were built in an age when suitcases were not the size of wheelie bins—people did not used to be able to carry those huge great cases—but I am worried that, having lost the guards

van, and as a regular cyclist who puts my bike on the train, we will see conflicts between the people who regularly put their bikes on trains and people who need luggage space. If that becomes a problem, that is not only a problem for passengers, but for the staff who have to resolve the disputes.

Let us not neglect the Waterloo line, an important substitute line. It is a replacement line and an additional line for our region. It could be so much better if we had a few more passing places. That would allow swifter journeys and would service more stops, including places such as Pinhoe in my constituency. My basic plea to the Minister and to Opposition Members is to keep fighting the battle against Treasury orthodoxy and keep fighting for a fair deal for our region.

3.17 pm

**Alex Chalk** (Cheltenham) (Con): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate the hon. the Member for Plymouth, Sutton and Devonport (Luke Pollard) on securing this debate.

I think there is a consensus in the House that a strong train service in the south-west is vital for our thriving economy. It helps to create jobs and drives social mobility, but it would be wrong to assume that, notwithstanding all the excellent points that have been made about improving services to the south-west, the experience of the south-west is uniform, because it is not. My constituency of Cheltenham, which I unapologetically focus on, is even worse served. I will take a few moments to explain why.

Cheltenham is 93 miles away from London, yet it takes on average two hours and 16 minutes to travel from one to the other by train. How does that compare with my colleagues in the south-west? Bath, which is 116 miles from London—another 23 miles or so—takes one hour and 31 minutes. Bristol, 119 miles away, takes one hour and 43 minutes. Exeter, 202 miles away, takes two hours and two minutes. There is a dramatic difference. The historical context makes it even more galling, because there was a time when Cheltenham had the fastest train anywhere—not just in the south-west, not just in Britain, but in the entire world. The Cheltenham Flyer was the fastest train in the world. Why does that matter?

Cheltenham is home to companies such as GE Aviation, Spirax-Sarco, Zurich and Douglas Equipment, but it is also home to GCHQ. We have a faintly farcical situation. When the excellent men and women from GCHQ want to go to London—for example, to the National Cyber Security Centre—do they go on the train? No, they go on the so-called spy bus. I kid you not. Is that not a damning indictment? Cheltenham's connectivity to London is manifestly inadequate, and has been for 50 years.

Another reason why the issue is important is that the Government are putting welcome investment into Cheltenham. For example, we have a cyber-innovation centre, which involves taking the finest minds from GCHQ and using them to nurture small businesses; and something like £22 million has been allocated for the building of a cyber-park to the west of GCHQ. That is fantastic, but getting the maximum benefit from it requires us to unlock the artery of jobs and investment from the south-east, which remains such an important economic hub.

It is worth making the point that my constituency has just had its literature festival, where Hillary Clinton spoke; we have 2.5 million visitors per annum for the jazz, food and science festivals. Yet we have a rail service that belongs in the dark ages. It is not enough to blame Beeching—although I do. He, of course, pulled up many lines in 1962. There are two things that we must do: the first is investment and the second is timetabling. I am pleased to say that the Government have shown great application on investment. The hon. Member for Stroud (Dr Drew) has mentioned the Swindon-Kemble redoubling—some £60 million has been invested in that, and it has been transformational. Next year we shall get the IEP trains, which will shave some minutes from the journey. However, the fact remains that it will still be far too long.

The second limb of what is needed, therefore, is timetabling. Instead of a service in which trains from Cheltenham to London must go via Gloucester, where the driver gets out, walks down the platform, gets in at the other end of the train and reverses it out on the way to Stroud and Swindon, we need a service that cuts out Gloucester. I want to be crystal clear: I do not propose anything that would adversely affect Gloucester. We should not have a beggar-thy-neighbour approach. I am talking about additional services. If they were introduced the journey time would drop to about one hour and 40 minutes. What strikes me as slightly odd is the fact that, while we are spending billions of pounds on High Speed 2, which may or may not be a good thing, one stroke of a pen with respect to timetabling could achieve a dramatic difference for the 115,000 people who live in my constituency. An additional service with a more direct route could be dramatic, and it would not cost a penny. A vital point to note is Great Western Railway's wish to extend the franchise, which will come up in 2019: it is a golden opportunity for many people in the south-west—certainly my constituents—to get a far greater, much improved service, for minimum taxpayer outlay. We must not miss that opportunity.

The point that was made about 4G connectivity is right. At the moment trains effectively take their signal from the masts that they pass. In and around Stroud and Stonehouse it is hopeless; that logjam must be sorted out. If we unplug the link between the south-west and London, we unplug an artery of jobs and investment. Improving rail connectivity is at the heart of that, and there is important work to do.

**Mr Nigel Evans (in the Chair):** There are about 15 or 16 minutes left, so please do the maths and help one another with that.

3.23 pm

**Mr Tanmanjeet Singh Dhesi (Slough) (Lab):** I shall be as brief as I can, Mr Evans. I thank my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) for securing the debate about how improving rail links will improve life for commuters in the south-west.

I fully concur with the view of my hon. Friend the Member for Bristol North West (Darren Jones) about electrification of rail lines; for the sake of efficiency and the environment, I believe electrification needs to be accelerated rather than delayed as is currently happening from Maidenhead to the west, and between Slough and Windsor, where it has been deferred.

Many hon. Members will wonder what the MP for Slough is doing in a debate about the south-west, but I am taking part because I think there is a common cause that should unite us in the Chamber. Something that I have highlighted, and on which I and my hon. Friend the Member for Reading East (Matt Rodda) agree—I also brought it up with my hon. Friend the Member for Plymouth, Sutton and Devonport during our Facebook Live conversation with constituents—is the western rail link to Heathrow. That is a direct rail link, coming in from the west through Reading and Slough, and on to Heathrow.

At present, anyone travelling from the south-west or the west has to go into Paddington, get another train, and then come back to Heathrow. I am a co-chair of the western rail link to Heathrow stakeholder steering group, which aims to promote the scheme and support the delivery of the rail link; we hope that the Minister will try to deliver that before 2024. That short, five-and-a-half-mile rail link will mean myriad benefits for passengers, the economy and the environment. It will reduce the journey time between my constituency and Heathrow to seven minutes, and offer four trains an hour in each direction. It will improve access to Heathrow from the south coast, the south-west, south Wales and the west midlands.

It is important to get that improved access. It will provide greater travel options for leisure and business travellers, as well as for Heathrow employees going to London Heathrow. It will also reduce congestion at London Paddington, which is already one of the busiest stations in the country. If we rely on Network Rail statistics, it will offer more than £800 million of economic activity, including additional economic benefits for various regions, and create a potential 42,000 new jobs—not to mention the carbon dioxide savings, which will equate to approximately 30 million road miles a year. I hope that with 20% of the UK population having access to Heathrow via one interchange, and the reduction in road congestion, the Minister may be able to give us some reassurance.

I seek the support of south-west MPs for the link, and would be obliged if the Minister provided an assurance that the western rail link to Heathrow will be given the priority it deserves.

3.27 pm

**Steve Double (St Austell and Newquay) (Con):** It is a pleasure to serve under your chairmanship this afternoon, Mr Evans. I congratulate the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) on securing the debate. Although we do not always agree, I absolutely concur with his passion and enthusiasm today about improving rail links to the south-west.

Cornwall has a long, historic and in some ways romantic connection to the railways, going back 200 years to Richard Trevithick and the steam engine that he invented. That great Cornishman started the rail revolution in this country, which continued through the Victorian age with great railway journeys across viaducts and bridges through Cornwall, some of which were built by Brunel. Perhaps there is a danger that the romantic image of railways in Cornwall may lead us to miss the point that rail is a crucial driver of the economy, in Cornwall and the rest of the south-west. It is difficult to

[*Steve Double*]

over-emphasise its importance. That was brought into sharp focus in 2014, as many other hon. Members have set out, when the line was broken and Cornwall and parts of Devon were cut off. We took a slightly different view in Cornwall, with the headline in the local paper actually saying “England cut off”, but there was an incredibly negative impact on the economy. The few short weeks when the line was broken cost the Cornish economy several million pounds. It is to the credit of Network Rail and the Government of the time that there was quick intervention to get the rail link restored as soon as possible, but it is crucial that that should never be allowed to happen again.

We can never again be in a position where the rail connection is severed in that way. It is therefore absolutely crucial to get the investment we need, particularly in that stretch of that track, so that we build in the long-term resilience to ensure that the connection stays true.

I greatly welcome the peninsula rail taskforce report and add my voice to those calling on the Department for Transport to respond to it. That excellent piece of work draws on bodies from right across the south-west which have come forward with a positive, constructive vision of our railways for the next 20 years. It is important that the Government respond and recognise the work that has gone on.

I add my voice to those asking for the Department’s support for proposals to upgrade the speed on some of the track through Devon. However, I add a note of caution: the £600,000 that is being called for for the report sounds like an awful lot of money for what is essentially a desk-top exercise. I ask the Minister not only to support it but to ensure that we get value for money for every penny that we spend, so that we do not just throw money at things.

There is no doubt that in the south-west we need to catch up on investment in our railways and close the gap. As hon. Members have highlighted, we have been neglected for many years under successive Governments and have not had the investment that we need in our railways. However, we should acknowledge some of the investment that is going on. We are getting new trains from Great Western Railway to replace the 40-year-old trains that we have on those lines, providing new capacity and creating a better environment for passengers. That will be hugely welcome when it reaches the south-west later next year. We should welcome and acknowledge both that investment and some of the work going on through Cornwall to upgrade the signalling, which will increase capacity and reduce journey times there.

Investment is going on, but we still have a long way to go. I therefore add my voice to those calling on the Minister to ensure that we continue to invest in the south-west, to back the plans to upgrade our railways, and to ensure that the railway into the south-west is the economic driver that we all believe it can be so that we close the economic gap and make sure that we have a robust and resilient rail link for the future.

3.32 pm

**Matt Rodda** (Reading East) (Lab): I thank you for giving me the opportunity to speak this afternoon, Mr Evans, and my hon. Friend the Member for Plymouth,

Sutton and Devonport (Luke Pollard) for securing the debate. I shall address my remarks to my constituency in Reading, which, as many people know, is served by rail services that start both in the far west of Cornwall and in west Wales. They meet at Reading and go on to London.

The state of the line at Dawlish is understandably of great interest to residents of the south-west, as we have heard. However, it also has real significance for Thames valley passengers, as my hon. Friend the Member for Slough (Mr Dhesi) mentioned. Delays on the line have a direct and immediate impact both on long-distance travel and commuter services. I shall address the economic benefits for Reading of a more reliable and robust long-distance service to the far south-west, and then pick up on some benefits to commuters in the Thames valley area.

On the first issue of long-distance rail services, rail travel from Reading to Exeter takes less than two hours—a significant advantage that we share as nearby large towns and small cities within a growing and advanced economy. I encourage the Minister to see that advantage and invest so that our residents and businesses can make better use of that. Exeter and Reading both possess similar local economies, and the interconnection of businesses could be taken further. The Met Office, for example, was based in Berkshire and has been moved to Exeter. We have a considerable IT industry in Reading that forms a supply chain for the Met Office and other public sector IT procurement in the south-west. A far better rail service between Reading and the Thames valley and other towns and cities further to the west can only support business and growth in both regions

Moving on to the advantages for local commuters, when the Dawlish floods occurred there was significant and sustained disruption in the Thames valley as railway services were affected. A large number of commuters had to decamp on to other services, such as those coming from west Wales or Oxford through Reading. That had a knock-on effect both on commuters who would have taken services from the west country up to London that stopped at Reading, and on commuters on other services. I very much hope that we can avoid any repeat of that type of disruption to our local economy and society in the Thames valley.

I will also highlight two other brief, related points. One is the benefit of further investment in local stations, which some hon. Members from the south-west have mentioned. We need a new local station on a line near Reading at Green Park. I concur with Members’ views on the benefits of local stations in growing the local economy. In our case, the station in the area near Reading would help to attract further IT investment to the town and put a greater emphasis on local transport being through public transport rather than road services. It would also generate further benefits by reducing air pollution in our area.

Let me finish by concurring with other colleagues who have pointed out the need for a shared and collaborative approach between towns and cities across southern and south-western England. I fully concur with the hon. Member for Cheltenham (Alex Chalk), who made eloquent points about his city needing a better rail service into London. We appreciate that—we are better served—but together we all stand to gain from further investment in

the region if the Minister hears our concerns, so I hope that he can respond by reassuring residents across the region.

3.36 pm

**Rachael Maskell** (York Central) (Lab/Co-op): It is good to have you in the Chair this afternoon, Mr Evans. I thank all hon. Members for their contributions to this excellent debate—not least my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard), who led this debate and asked some serious questions. The universal call from across the Chamber is for the Government not to prevaricate over bringing these much needed rail improvements to the south-west, and, for the first time, to put investment into the region at the scale that has been experienced in so many other places in the country—not least in London, where we see continuing significant investment compared with in the other regions.

In our party we believe that rail is not just a transport system in and of itself, but the gateway to economic regeneration, jobs and opportunities. That is why as a party, Labour—this is in its name—has demonstrated that it is about work and investment in work, and about making sure that infrastructure builds in to that to enable people to have the best opportunities. We believe that the Government should also prioritise that over their transport strategy. That is why the Leader of the Opposition committed £2.5 billion in funding to address the recommendations of the peninsula rail taskforce and—this is really important—to unlock £7.2 billion of gross value added and £1.2 billion of transport benefit. This is about investing to grow. We are starting to hear the Government moving along that line—we have been calling for it for some time—but I would also like to see that from the Department for Transport.

When research is undertaken and economic opportunity is identified, we want to see investment not only in local economies, but in productivity, as my right hon. Friend the Member for Exeter (Mr Bradshaw) said. I know that the Government are in real need of help to understand how they can drive productivity. I suggest that productivity in the south-west would improve if rail connectivity was far improved, and I ask the Minister to address that issue today.

When we see a lack of investment in rail, we see the effect on the finances of individuals in the region, so we need to look at wages and the impact on them. We know that in the south-west, the average wage is about £2,300 less for individuals, but in some areas, that can be as much as £9,000 less because people do not have the connectivity to open up the opportunities.

Some 75% of the south-west's 98,000 businesses rightly demand the vital upgrades that are needed, and that are needed now. They say that cutting journey times and ensuring that trains are more frequent, accessible to all and reliable would sustain the economy and help it grow. The bitter experience of Dawlish in February 2014 cost the economy £1.6 billion, and then there was the sustained under-investment. As we have heard, that brought a focus to people's anger and angst at the lack of urgently needed investment. That should sharpen the Government's mind and bring into focus the need for more sustainable investment across the rail infrastructure through a strategic rather than a piece-by-piece approach,

to ensure that long-distance trains arrive on time, are reliable and provide opportunities to people across the country.

The south-west is home to many growing areas of the economy. Members have talked eloquently about those areas, and particularly about digital infrastructure and tourism. Aerospace also has a major footprint in the region. Although such parts of the economy might be in their infancy, we need connectivity for them to grow. When we hear heard that train times to Exeter could be cut by 25 minutes, to Plymouth by 49 minutes and to Penzance by more than an hour, we must ask why the Government are delaying in moving things forward. We heard today about Devon banks project, which could improve train speeds, improving that part of the economy.

We want new rail technology. Signalling upgrades, electrification—switched on and not then switched off again—straightened tracks and new trains all help. The Government could also confirm today that they will revisit the peninsula rail taskforce report, ensure that it is scrutinised, go through it with rigour rather than setting it aside and ensure that it is put at the forefront of investment for the economic strategy for the south-west, not just for a separate rail strategy.

Greater connectivity in the south-west—for instance, to the airports, as we heard from my hon. Friend the Member for Slough (Mr Dhesi)—will make a difference and bring the region into parallel with other conurbations, rather than setting it back. It will boost the economy locally. We also need investment in infrastructure; we have heard a call across the House for investment in wi-fi. Trains are workplaces for many making long journeys, and the infrastructure is already there; we have an opportunity through the GSM-R system to ensure that we can upgrade the network quickly, without waiting for the next control period, so passengers get the high-quality service that they deserve. Freight—moving our goods—has not come up in the debate, but it also needs investment. The Government's lack of focus on smart logistics is damaging the economy and clogging up our roads. We need to move more goods, not just people, on to our rail network.

We have heard clear demands from across the House on the environment. Yesterday we heard that 50,000 people in our country die prematurely each year due to poor air quality; people in bottlenecks in the south-west know those risks all too well. We need a serious modal shift in our transport system. Climate change in particular is increasing some of the risks. We have heard about Dawlish and the Somerset levels, where changing weather systems are impacting on how people travel. We must ensure that we address climate change in resolving our transport issues.

This is not just about climate; it is also about congestion. We must ensure that people can get on efficient forms of transport, and that rail is built to be resilient for the future. Essential upgrades have been made Cowley Bridge, Teignmouth and Dawlish, as well as an avoidance route for Dawlish, to ensure that disruption is not repeated as the climate changes. That is why it is important to draw the Environment Agency report identifying the risks into the rail strategy as we move forward.

We need the Government to understand that the Department for Transport's modernisation of Great Western Railway is seen as a disaster at every level, not least the fiasco involving the franchises, which I understand

[*Rachael Maskell*]

the Secretary of State is thinking of fragmenting even further, the new rolling stock procurement in which trains cost twice as much as on the west coast main line, and the incompetence and profligacy apparent in the intercity express programme. That is not my assessment, but that of the National Audit Office, which highlighted a lack of strategic oversight causing project costs to rise by more than £2 billion.

In November 2016, the Minister put the final nail in the coffin by announcing that he would defer four “costly and disruptive” electrification projects in the region, but cancellation rather than deferral seems to be his action, meaning that dirty diesel on our lines, which pollutes the region, is preferred to electrification, which would improve connectivity. We have heard from all Members who have spoken in this debate the importance of getting on with putting the right infrastructure and the right investment into our rail system.

That is why the public support Labour’s national rail service. It is simple; there is straight accountability, no wastage on endless contracts and straight investment into the railways. It is long term, whereas contracts in the south-west lurch from year to year without strategic oversight for the long term or the long-term investment that follows it.

Now that the Government are starting to focus on borrowing, perhaps they will consider borrowing across the transport network to ensure that vital upgrades get under way now to bring economic advantage into the future. Labour has identified a transformation fund to address the issue by putting in the infrastructure needed and bringing the electrification and digitalisation services that we need. We will move forward. We will consider consulting on reopening branch lines, opening stations and improving the service to make sure that it ties in with economic development across the region. Station improvements will be part of moving forward. Plymouth is a particular station that I want to draw to the Minister’s attention; the funding gap of £15 million there must be addressed.

From this debate, I believe it is plain that Labour has a detailed national plan for the railway, strongly tied into economic growth and job opportunities and a vastly improved passenger service. We want rail to be the transport mode of choice moving forward, over long distances as well as for short journeys. We long to see regions such as the south-west reach their full potential and not be left behind. I trust that the Minister’s response will address that issue.

3.47 pm

**The Parliamentary Under-Secretary of State for Transport (Paul Maynard):** It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) not just on securing this debate but on his first debate in Westminster Hall—the first of many, I am sure.

I thank hon. Members who have come along and participated on the generally good-natured, good-spirited and constructive tone that they have all adopted. It has been a helpful debate. I will do my utmost to cover all the points raised, but as hon. Members can see, I have a carpet of notes before me that have been passed my way.

If I do not cover everything, a simple email to my office might suffice to get more of an answer. However, I will do my best to cover everything in the time available before the hon. Member for Plymouth, Sutton and Devonport responds.

We are clearly seeing a great deal of change at the moment on rail in the south-west: brand-new trains, upgraded infrastructure, more capacity, faster journeys, greater resilience and greater reliability. That, after all, is what I believe passengers want. It is part of our record investment of more than £40 billion in the railways between 2014 and 2019, which will continue beyond that date to 2024, as set out in the statement of funds available that we announced just last week. We now expect to spend £48 billion on the railways between 2019 and 2024. It has allowed us to continue our extensive programme of renewals and deliver the enhancements deferred from the current period, to which the hon. Member for York Central (Rachael Maskell) referred. More than £5 billion is being invested in the wider modernisation of the Great Western route.

Amid all the numbers that we have released in recent weeks, I entirely understand that the frequent response is, “But what about project X in my particular local area?” We have not issued a great wodge of documentation that details the status of every single project, for the specific reason to which the right hon. Member for Exeter (Mr Bradshaw) alluded: we need to ensure that we do not disappoint people. When we announce a project, we need to understand its cost, scope and delivery, and have confidence that we can deliver it in the agreed timescale. That was a key finding that underpinned the reprogramming of control period 5, and led to the report by Dame Colette Bowe that was welcomed by the Labour Front Bench and the Government.

The Bowe report sets out another way to approach investment in the railway, by ensuring that we understand what we are putting our money into and make commitments only when we are confident that we understand them. That is a really important step forward. Over the remainder of the year, as part of our rail upgrade plan, we will make further announcements about how the insights from Dame Colette Bowe will inform the projects we take forward, and about where they sit among our priorities. We aim to take forward as many projects as possible, but we must ensure that we are confident in what we promise.

We have heard a lot about the peninsula rail taskforce, which remains a personal priority of mine; I thank my hon. Friend the Member for South West Devon (Mr Streeter) in particular for his kind comments. I stand by what I said at the launch: it is a most impressive piece of work, which I constantly cite to people around the country as a model for this sort of project. I do not want to be churlish, because I understand his desire for an official Government response, but I do not believe in gesture politics. A mere box-ticking exercise in which I issued a rigid ministerial statement entitled “Response to peninsula rail taskforce” would be less valuable than actual progress on the taskforce’s many recommendations. Some of that progress will occur as part of the rail upgrade plan, which will identify where different projects sit in the development process, but some of it will be delivered through franchise change, which operates to a slightly different timetable. I note that Great Western Railway is consulting locally on a scale never seen

before in any franchise in the country. CrossCountry's franchise is also coming up for renewal; it, too, is braving the south-west—even Torbay, I believe—and undertaking a consultation to understand what is most needed there.

I hear the frustrations of my hon. Friend the Member for South West Devon about trains not functioning at Dawlish in bad weather. My focus is on ensuring that we deliver the taskforce's very worthwhile recommendations. When he sees the rail upgrade plan, I hope he will see the philosophy behind my seeming reticence today, but I am more than happy to continue discussions with all south-west Members in the all-party group about how to keep up momentum.

There may be an impression that we have done nothing since the launch of the taskforce. Far from it, we have done an awful lot, and I want to keep up that momentum. We are re-signalling the main line from Totnes to Penzance, providing faster journeys and potentially paving the way for the introduction of a half-hourly service on the Cornish main line. We are investing in 29 brand-new bi-mode AT300 trains for the route from Paddington to Plymouth and Penzance. We are completely overhauling the popular Night Riviera sleeper trains in Cornwall and expanding the Long Rock train maintenance site to help to maintain them.

We are continually investing to provide more solutions to deliver a more resilient railway in the south-west, and the taskforce's blueprint remains a very important part of our work. It continues to work with Network Rail on its "Speed to the West" plans. Many hon. Members have mentioned the potential for selective electrification in the Devon banks. All that worthwhile work is ongoing; we need to do all we can to support it and get it to the next stage of development, which I look forward to.

There are several things that Network Rail can do to reduce journey times to Plymouth and the south-west more widely, which is the ambition of the hon. Member for Plymouth, Sutton and Devonport. It can try to understand how the benefits of the new trains can be maximised; it can look at the causes of dips in speed across the route; it can ascertain what quick wins can be delivered to achieve incremental marginal gains to demonstrate journey time improvement; and it can consider the discrete electrification proposals with its research and development department.

We can make significant improvements to journey times on this line, partly through new timetabling, which will be consulted on and introduced in the coming months. At the moment, there is a wide spectrum of journey times to Plymouth—between three hours and three and a half hours—but we may be able to begin to reduce that through better timetabling, so there is more good news to come.

Many hon. Members have mentioned the new IEP trains. There were initial hiccups—the train that has the politicians in it is always the one that breaks down on day one—but such is life. That investment will see much-improved reliability, increased capacity, reduced

journey times and improved emission rates. The hon. Member for York Central might be forgiven for not noticing the statistics released today that show a 5.5% reduction in carbon dioxide emissions per passenger kilometre since last year. I welcome that and its continuation in years to come.

The AT300 bi-mode trains will not only improve connectivity with London, but significantly enhance it within the region. Many hon. Members mentioned local rail services that they would like to be improved. The hon. Member for Bristol North West (Darren Jones) referred to the Henbury spur and loop. Exeter is booming and has many ambitious plans for local transport. The network is growing. Hon. Members also mentioned the two separate competitions for the new stations fund, in which Portway Parkway and Reading Green Park were successful but, sadly, Edginswell and Marsh Barton were not. I am keen to work with all the local promoters of unsuccessful station proposals to help them to do better in the next competition and maximise their chances of winning. I am always happy to work with anyone who wishes to work with me.

I stress the importance that the Government attach to ensuring reliability. The situation at Dawlish is important and we are addressing it—we have already put money in. The rail upgrade plan will help us to understand how to ensure that Network Rail's current work leads to meaningful work in the next two control periods. I thank hon. Members for participating in the debate. No region should ever feel that it is left out of the transport picture. The taskforce report is a fine piece of work, and I look forward to working with hon. Members on all sides to make it a reality.

3.58 pm

**Luke Pollard:** I thank the Minister for his reply. I am grateful to hon. Members on both sides of the House for expressing their passionate and sincere belief that we need a better deal for rail in the far south-west. It is clear from all the schemes that they mentioned that there is a good case for investment. Although I understand why the Minister was not able to give assurances, I imagine that we will all look carefully at the autumn Budget for the £600,000 and the £30 million. Will the Minister write to hon. Members about the global system for mobile trial?

**Paul Maynard** *indicated assent.*

**Luke Pollard:** That is great. All members of the all-party group have a strong sense that the south-west deserves its fair share of funding. I anticipate that hon. Members on both sides of the House are gearing up to an intensified, relentless campaign. I am sure the Minister will be back to discuss this further in the future.

*Question put and agreed to.*

*Resolved,*

That this House has considered improving rail links in south-west England.

## Local Authority Funeral Charges

[MR PHILIP HOLLOBONE *in the Chair*]

4 pm

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I beg to move,

That this House has considered local authority funeral charges.

In particular, I hope that the House will consider the exploitative fees faced by non-residents of a borough at their time of grief.

I will start by setting the scene faced by thousands upon thousands of families across the UK, before moving on to consider the specific cost of burials and then the disparity in charges between local authorities. Around one in seven families across the nation simply cannot afford to pay astronomical funeral costs, with the staggering cost of funeral poverty now at a record high of £160 million. The average cost of a funeral in Britain now stands at a remarkable £3,897, a figure that is up 5.5% in the last year alone. Funeral costs are rising faster than inflation, wages or pensions. In fact, the cost of even a basic funeral doubled between 2004 and 2014, and it has risen even faster, year on year, since 2014.

**Nick Thomas-Symonds** (Torfaen) (Lab): My hon. Friend is making a very powerful case about funeral poverty and I congratulate her on securing this debate on the subject. Does she agree that the UK Government should do all they can to help local authorities to remove these fees and follow the lead set by my own local authority of Torfaen, which has abolished child burial fees all together?

**Siobhain McDonagh**: I thank my hon. Friend for his intervention and I am sure that, like me, he would like to congratulate our hon. Friend the Member for Swansea East (Carolyn Harris) for all her work in that regard; I will refer to her again later.

The rising cost of funerals has left a huge number of families trapped in a state of funeral poverty, which manifests itself both financially and emotionally, with University of Bath research identifying depression, anxiety and insomnia as funeral poverty's common associates. It is no wonder, therefore, that funeral services were the most common item for credit card usage in the UK in 2013, with one in 10 people having to sell belongings to cover funeral costs. Grief leads to exploitation, exploitation leads to debt, and I personally cannot think of many worse debts to hang over a person than that arising from a family member's funeral. I even hear that the Select Committee on Work and Pensions was told of a sobering case of a mother who was reportedly unable to afford a funeral for her son. Consequently, she was forced to freeze his body for months on end while she saved the necessary money to pay the funeral fees. That is just one of the terribly tragic human stories behind the facts and figures of widespread funeral poverty.

Such extortionate costs are not only faced by individuals but by local authorities. I am particularly disturbed to hear that several councils, including Monmouthshire County Council in Wales, carried out multiple public health funerals using shared graves last year, identifying a shortage of land as the reason for such an inhumane practice.

Despite the wide-ranging issues in relation to funeral poverty, it is the specific problem of burial costs and their widespread disparity across local authorities that

led me to call this debate. A constituent of mine, Rachel, experienced the problem at first hand. When Rachel's grandfather died in 1976, her family bought a plot for six graves in Honor Oak cemetery, which is in the London Borough of Southwark. In 1988, her grandmother passed away and was subsequently buried in the family plot. Rachel's family now live in my constituency of Mitcham and Morden, in the London Borough of Merton, which is just a few miles south of Southwark.

Sadly, Rachel's mother died in July this year. When Rachel and her family applied to open the plot in Southwark so that Rachel's mother could be buried alongside her own mother and father, Rachel was advised that the charge to do so would be trebled, just because her mother was not a resident of Southwark at the time of her death and despite the fact that her family owned the grave space. The cost for Rachel's family was a staggering £3,977.

I believe that was unfair; Rachel knew it was completely unfair; and, fortunately, after a little hesitation the head of the cemetery also agreed that it was unfair. Five days before the funeral, he accepted that Rachel's family could bury their mother in the plot for a resident's fee, which, at £1,326, is already expensive.

Rachel's story of that anomaly is a story about the widespread national exploitation of grief. I, for one, do not think that Rachel or her family should ever have been put in that position in the first place. Rachel believes that the varying costs that families face from borough to borough is both unjust and unfair, calling it an

"extortionate death payment that is decided by the borough".

Rachel has also said:

"Although we eventually managed to avoid paying the non-resident charge, there are others who are less able to fight the injustice, especially at a time when they are at their most vulnerable and grieving the loss of a loved one."

**Jim Shannon** (Strangford) (DUP): I thank the hon. Lady for giving way and for bringing this very important issue to Westminster Hall for consideration. In Northern Ireland, the average cost of a funeral is £3,000 and the funeral grant scheme should be available to more people than it is currently. Does she share my concern that the age and number of dependents is not a condition, when it should be, and the reality is that someone with five children just would not have a spare £3,000 to pay for a funeral?

**Siobhain McDonagh**: The position of families should certainly be considered at that desperate time.

The compassion shown by the head of Honor Oak cemetery was an isolated incident in what is a national problem—a rule for one that has not been the rule for all. For example, my constituents, Ann and her brother William, came to see me at my weekly advice surgery. Ann and her husband are joining us today to hear the Minister's response to the story of the turmoil that their family have been through.

Just like Rachel's family, Ann's family have owned a grave space for decades—in their case, since 1965 in the London Borough of Hammersmith and Fulham. It holds both Ann's grandmother and her father, who died in 1992. Before Ann's mother passed away, she owned

the grave space, which resulted in a £95.50 charge for Ann to transfer the ownership of the grave to her and her brother.

Does the Minister agree that that fee is both extortionate and unjustifiable? How can a resident in Hammersmith and Fulham be expected to pay £95.50 when a resident in Barking and Dagenham only pays £39 for the same process? And spare a thought for people in Hounslow, who would be charged £168 if they wanted to transfer the ownership of a grave.

**Mrs Helen Grant** (Maidstone and The Weald) (Con): I congratulate the hon. Lady on securing this important debate. The average cost of a funeral in my constituency of Maidstone and The Weald is £4,900, including local authority costs, which is about 5% above the national average that the hon. Lady mentioned earlier. Does she agree that if local authorities can be persuaded to harmonise their funeral costs, they should also consider the very high additional costs?

**Siobhain McDonagh**: I certainly agree with the hon. Member, but later in my speech she will hear that even that high cost is not the highest in the country.

For Ann's family, the cost of the funeral was just the beginning, at a time when they were already grieving for Ann's mother. As Ann's mother was not a resident of Hammersmith and Fulham at the time of her death, Ann was faced with a cost of £682 to lay her mother's ashes. If the burial plot had been in Kingston, Ann would have been charged just £160, which—importantly—is precisely and fairly the same cost as that faced by the local residents. However, if the burial plot had been in Bromley, the cost would have been 14 times higher than in Kingston, at a shocking £2,212. That is an example of unjustifiable extortion, which was possible just because Ann's mother did not live in that particular borough at the time of her death.

How can such a discrepancy between charges be acceptable? These figures could not be clearer in showing that the costs associated with burial are a lottery being run by local authorities, which unfairly prey on families at their time of grief. For Ann's family, an extra charge of £170 was thrown in for good measure when she asked to add an inscription to the headstone, even though that change involved Hammersmith and Fulham Council doing nothing at all. Logic suggests that it is the inscriber of the gravestone who should charge for an inscription. Sadly, Ann's case does not yet have an end, and I hope that the Minister will be able to help us to establish how she can best proceed, so that she can lay her mother's ashes and finally be at peace. Ann clearly summarises her case:

"We are certainly not equal in life, but to allow us to be equal in death is surely the fairest and only decent decision to make." I have contacted dozens of local authorities to compare the costs associated with burial, and I am afraid that the Government clearly do not seem to consider us to be equal in death.

I am bringing this issue to the attention of Parliament because Ann, Rachel and others have asked me for help. I have also faced this scenario myself. When my dad, Cumin McDonagh, passed away 11 years ago, my family found ourselves in exactly the same position as Ann and Rachel. In our time of grief, my sister Margaret and I wanted nothing more than to ensure that he was as close to our mum as possible. The obvious choice for

our family was to lay our dad to rest in Lambeth cemetery, just a few 100 yards from our family home. The cemetery is on the border between boroughs, but it sits narrowly in Wandsworth and, as residents of Merton, our family had to pay double the cost, despite the cemetery's proximity to our home and, most importantly, to my mum. We did not fight the cost; we were mourning the loss of our dad and all we wanted was to see him at peace.

Across the country, local authorities double, triple and even quadruple their burial fees for non-residents, regardless of how long they previously lived in the borough—nearly every council charges extra for non-residents. That multiplier applies to any burial or interment fee, plus any grave lease cost. The justification offered by local authorities is that even if someone lived in the area for the majority of their life and owned a grave space there, the authority was not receiving their council tax at the time of their death.

For a non-resident of Bromley, the already extortionate burial fee of £2,069 faced by residents is quadrupled to an enormous £8,274 for non-residents. That means that there are former Bromley-based families, just like Rachel's and just like Ann's, who are simply not financially able to bury a family member in their family grave. And Bromley is not alone. Local authorities right across the country are capitalising on grieving families who have no choice but to pay the staggering costs with which they are burdened. A family might move a relatively short distance across a city and find themselves a non-resident for the cemetery they want to be buried in.

What is more, the costs are rising. Local authorities have increased cremation and burial fees by up to 49% over the past year. As a headline in *The Times* so aptly put it, "RIP affordable funerals". I am sure that the Minister will agree that the bereaved should not be faced with the burden of having to shop around for the best deal on burial costs. It is unsurprising that human behaviour at a time of grief is not reflective of the behaviour of a typical so-called consumer. Those of us who have faced the loss of an immediate family member know only too well that we are desperate for the process to be as easy and efficient as possible and, above all, we want to be able to honour our loved ones as best we can. The last thing we want is to appear stingy to their memory. Those setting the burial costs know that, and they are in a position to capitalise on it immorally. What is more, privately-owned cemeteries are raising costs faster than ever, and I fear that recent history suggests that local authorities will follow suit, which indicates that there will be a worsening problem in years to come.

Although rates of cremation are rising, many people do not see it as an option, including many faith groups who consider burial to be a religious and deeply symbolic requirement. Choosing a burial, rather than a cremation, can add up to £5,000 in certain areas of the country, bringing some commentators to call a burial a luxury that is simply out of the reach of many families. Take Highgate cemetery in north London, where a burial can cost a simply staggering £18,325, or Hammersmith and Fulham's council-led cemeteries in Fulham Palace Road and Margravine, which come with burial costs of a mind-blowing £12,464.

**Mrs Helen Grant**: I accept that the hon. Lady may well say more about this, but I wanted to mention that losing a child can be traumatic and can often lead to

[Mrs Helen Grant]

extreme financial hardship for the family, especially given the staggering costs to which she refers. I hope she agrees that the Chancellor should consider, in the coming Budget, setting up a child funeral fund to assist with those very high expenses in the case of children.

**Siobhain McDonagh:** I absolutely agree. We have already made reference to the wonderful campaign run by my hon. Friend the Member for Swansea East. She has been successful in getting child burial fees wiped out in Wales, as a result of that moving campaign and the story of the death of her son.

In Wandsworth, the cheapest council-led cemetery has burial costs of £4,697. The fees have risen by more than inflation in eight out of 10 council areas, with Watford Borough Council raising them by a remarkable 49.1% in the past year alone. That could be considered an isolated extremity, but not when burial fees are rising by more than double the rate of inflation across the country. They have risen faster than overall inflation, year on year, since 1980—they rose, on average, from £1,571 to £1,755 last year alone. Perhaps there is no starker example than that of the residents of Dunbartonshire in Scotland, where a letter change in a postcode makes the difference between being able to afford a burial and not. People in East Dunbartonshire should expect a fee of £2,088, which is almost double the fee in neighbouring West Dunbartonshire. As James Dunn, founder of Funeralbooker, so succinctly puts it:

“These price hikes are the ultimate stealth tax and a hidden side of austerity, going completely unnoticed by families until their moment of need. But with such significant price differences now appearing across the UK, many will be questioning whether these fees genuinely reflect the service they are getting or are simply down to opportunistic greed.”

I could not have put it better myself. There is a stark and immoral postcode lottery for the cost of dying, from an average burial fee of £419 in Northern Ireland to one of £3,806 in London. It is absolutely abhorrent that councils capitalise on life's two certainties—tax and death—to plug the gaps in their funding and make up for widespread Government cuts.

So, what can be done? Although it does not excuse its extortionate pricing structure, I commend Lewisham Borough Council's decision to ensure that all costs for non-residents are the same as for residents, provided they lived in the borough for more than 10 years. Hounslow Borough Council runs a similar scheme, whereby the fees are scaled to reflect the time spent in the borough. Does the Minister agree that such schemes could be replicated across all local authorities to ensure that the situation faced by Ann's family, Rachel's family and thousands of other families across the country is stopped once and for all?

Debate in these Chambers has led to tangible change and action on burial fees, with the commendable campaign on burial fees for children led by my hon. Friend the Member for Swansea East leading to such change across Wales. If we should take away one thought from today's debate it should be Ann's own words:

“I ask that the exploitation of grief stops, that there is one fair charge across all boroughs”.

I understand that there is a shortage of space for burials, with 680,000 of them projected for between 2015 and 2020 and full cemeteries providing councils

with little income. I understand that residents' taxes pay for the upkeep of council-led cemeteries. I even understand that there has to be a significant cost associated with a burial. But I do not understand the exploitation of the grief faced by families who are simply not in a position to negotiate or to shop around for the best deal. I do not understand the justification for astronomical burial costs, which is that they are needed to plug the gap that local authorities face due to Government cuts, and I certainly do not understand how those same local authorities can justify doubling, trebling or even quadrupling fees for their deceased former residents whose family members just want to see them laid to rest. It is high time that this tax on grief is put to rest.

4.20 pm

**The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee):** It is a pleasure to serve under your chairmanship, Mr Hollobone. I begin by congratulating the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing this debate, and I am grateful for the opportunity to respond.

May I extend my condolences to the hon. Lady's constituents on the sad loss of their loved one? I was very sorry to hear of their distressing experience, and I am grateful to the hon. Lady for raising these concerns today. This constituency case raises an important matter that many of us will have to face when we lose a loved one. Understandably, however, it is an issue that we may focus on only when sadly we find ourselves faced with a perhaps unexpected financial pressure at an already difficult and distressing time.

The hon. Lady has questioned the sometimes wide variation in the burial and cremation fees charged across local authorities. I appreciate that those differences may sometimes be unexpected or difficult to understand—after all, public burial and cremation authorities are likely to be providing very similar services and facilities—but local authorities' independence from central Government means that they are responsible for managing their budgets in line with local priorities. That is entirely appropriate; central Government cannot predict exactly what the cost of a local service will be. The fact that local authorities' money is not ring-fenced allows them to use their resources flexibly, rather than going through burdensome reporting and accounting processes.

Local spending decisions are better made by people who understand their communities and who are therefore best placed to make the right call. For that reason, local authority spending priorities are ultimately a matter for local discretion. Councils in England will receive more than £200 billion for local services, including burial and cremation services, over the spending period 2015-16 to 2019-20. We do not shy away from saying that difficult decisions are required to finish the job of eliminating the deficit and dealing with our debts, but what we have seen since 2010 is that efficiencies can be made while broadly maintaining satisfaction with local government.

In line with the principle of local discretion, public burial and cremation authorities have the power to set their charges at levels they consider appropriate. It has been argued that one of the factors affecting the level of local burial fees is the availability of burial space, which is running out in parts of towns, cities and countryside. It is not a concern in some areas, however, so it is not yet

clear that pressure on burial space is a national issue requiring central Government intervention. Successive Administrations have kept the situation under review, and we are considering whether the current position should continue.

In view of London's particular needs in this area, the London Local Authorities Act 2007 makes special provision for eligible public burial authorities to terminate burial rights and reuse graves, subject to certain conditions. The decision on whether to make use of those provisions is a matter for individual burial authorities, taking into account all the local relevant factors. To date, however, take-up has been very low.

**Siobhain McDonagh:** If the Welsh Assembly and the Welsh Government can find it in their hearts to look at fees for child burial, why can guidance not come from the Department for Communities and Local Government about what the Government would wish to see from English local authorities? As the major funder of local authorities, that would seem a reasonable thing to do.

**Dr Lee:** Cross-Government work is going on in response to the campaign by the hon. Member for Swansea East (Carolyn Harris). I will come to that point later, but the decision on that work is yet to be made. The complexity is that the policy area sits across a number of Departments. If the hon. Member for Mitcham and Morden will bear with me, we are coming to a resolution.

In exercising their local discretion, many public burial and cremation authorities have chosen to waive or reduce fees for children's funerals. I am grateful to those that have done that, and I take this opportunity to encourage many more authorities to consider it. I recognise the Welsh Government's commitment in that context, and I would also like to thank providers of wider bereavement services, such as Co-op Funeralcare, that have made the decision to waive fees relating to children's funerals.

The loss of a child is an incredibly difficult and distressing experience for any family, and the costs connected with it can therefore be of particular concern. As has been said many times in this debate, the issue has been championed over the past year by the hon. Member for Swansea East. I pay tribute to her tireless campaigning and her courage in sharing her own tragic experience in order to highlight this important matter. As promised in our manifesto commitment, we continue to work across Government to identify what more can be done to support families in the very difficult circumstances following the loss of a child.

The hon. Member for Mitcham and Morden also raised the variation in funeral costs more generally. The Government would not want to interfere with an individual's choices for their funeral arrangements. In any event, the cost of funerals is not just an issue for Government—providers of funeral services including faith communities, funeral directors, local authorities and owners of crematoriums all have a role to play. We believe that where a family can take responsibility for the cost of funeral arrangements, they should do so, but there are times when state support is appropriate.

We are committed to supporting vulnerable people going through bereavement. The period following a death will have an emotional, social and economic impact for the bereaved, and people may need to draw on a wide range of support at that difficult time. That includes the provision of funeral expenses payments to help people on qualifying benefits with the costs of arranging a funeral. Such payments make a significant contribution towards the costs of a simple, respectful funeral, covering the necessary costs involved with burial or cremation and up to £700 of other funeral expenses. Funding from the funeral expenses payments scheme and social fund budgeting loans offers an adequate level of support, while crucially maintaining a fiscally viable fund.

**Siobhain McDonagh:** We are drawing near the end of this debate. Will the Minister consider taking on the issue of the discrepancies between resident and non-resident burial costs and encourage local authorities to look at understanding the length of time someone may have lived in a borough prior to their death?

**Dr Lee:** I will of course consider taking that on. As I said, the bereaved may need to draw on a range of support.

A question was raised about burial fees increasing because of austerity. We do not shy away from telling people that further difficult decisions are required to eliminate the Government's deficit, but it has already been demonstrated that we made difficult decisions with local government finance and the public have broadly been supportive.

A number of issues were raised. A question was asked about the increase in public health funerals, which are the responsibility of local authorities. Funeral costs beyond burial and cremation fees are a commercial matter. I am grateful to those providers that already reduce or waive fees, particularly in relation to children. Transfer fees are at the discretion of local authorities. A child funeral fund was suggested, and that is a matter directly for the Treasury. I ask the hon. Lady to write to officials with details of the constituency case she raised. We will fully consider it.

I thank those Members who have contributed by way of intervention: the hon. Member for Torfaen (Nick Thomas-Symonds), my hon. Friend the Member for Maidstone and The Weald (Mrs Grant) and the hon. Member for Strangford (Jim Shannon). In conclusion, I thank the hon. Member for Mitcham and Morden. This debate has been a valuable opportunity to discuss matters that, if not considered openly, can only add to distress at the most difficult times in our lives. In participating in today's debate, I believe we have gone some way towards positively addressing this issue.

*Question put and agreed to.*

**Mr Philip Hollobone (in the Chair):** Will those not staying for the next debate please be kind enough to leave quickly and quietly? We now come to an important debate on English language teaching for refugees.

## English Language Teaching: Refugees

4.29 pm

**Dame Caroline Spelman** (Meriden) (Con): I beg to move,

That this House has considered English language teaching for refugees.

As a linguist who spent the early part of my career living abroad, I know all too well how isolating it is for someone if they do not speak the language of the country in which they are trying to live and operate. Today, we are here to focus on the fact that being able to communicate in English in this country is absolutely key. In its report “Safe but Alone”, Refugee Action highlighted the inability to speak English as being one of the single most important causes of isolation and loneliness among refugees.

As Klajdi, a refugee interviewed by Refugee Action, said:

“What is most important is language. If you can speak the language you can make friends with your neighbour.”

Without English, refugees find it incredibly difficult to work, study and volunteer. They are effectively excluded from activities that would result in their becoming a connected member of their local community. People need language skills before they can progress, and a shared language enables integration, productivity and community cohesion.

The Casey review clearly highlighted the link between English language and integration, identifying English as

“a common denominator and a strong enabler of integration.”

More recently, a report produced by the all-party parliamentary group on social integration concluded that English is necessary

“to access employment opportunities and to build a diverse social and professional network.”

The report also recognised that speaking English is critical

“to social mobility in modern Britain.”

**Jeremy Lefroy** (Stafford) (Con): I congratulate my right hon. Friend on securing this debate. Does she agree that speaking English is also incredibly important for intra-family relations? I recently met several refugee families in my constituency. The children spoke excellent English, because they went to school; the parents, with some exceptions, found English extremely difficult. That must sometimes cause a few problems within families, as well as in other contexts.

**Dame Caroline Spelman**: Without a doubt it does. As nearly everybody in the room will appreciate, if a parent cannot speak the language of the country in which she is living, she will certainly not be able to help her children with their homework. There are real, practical disadvantages that come with either parent not being able to speak the language in which the children are being taught.

**Mr Jim Cunningham** (Coventry South) (Lab): I congratulate the right hon. Lady on securing what is a timely debate. Following on from the comments of the hon. Member for Stafford (Jeremy Lefroy), I am sure that the right hon. Lady will find in her surgeries that we often rely on the children, who can speak English, to

interpret for their parents. Often the children are very young and do not understand exactly what they are being told. So the language is vital from that point of view.

There is also a shortage of classes. I hope the Minister will tell us how he intends to address that when he winds up. We should acknowledge that the Government have made about £10 million available for language courses for Syrian refugees.

**Dame Caroline Spelman**: The hon. Gentleman is right about that. Our constituencies are cheek by jowl. Sadly, in some situations in my surgeries I have been quite disturbed by what young children are hearing or having to explain to adults. Parents who do not speak English are in a painfully difficult position if they cannot get the help that they need and find someone to interpret for them. That is the situation that we want to address today.

At this moment in our history, encouraging greater community cohesion could hardly be more important. The recent European referendum caused quite a lot of community tension and has left many people feeling more separated from those around them. Following the vote, reports of hate crime and racist abuse dramatically increased. For many, the prevailing narrative of the last year has been one of division and discord, regrettably. Now the Government must ensure that the UK becomes a more inclusive, tolerant and united country in which to live.

**Gloria De Piero** (Ashfield) (Lab): May I raise a point on behalf of training providers in my constituency, such as Sutton academy? It asked me to raise the importance of making resources available to provide good training. As the right hon. Lady says, good training provides community cohesion, among many other things.

**Dame Caroline Spelman**: Training is part of it. The hon. Member for Coventry South (Mr Cunningham) has just referred to the additional £10 million that the Government are providing to teach English. If refugees are to be trained, the first step is to train them in a language that they understand. Basic English learning has to be the start point; the training that they need to get a job is stage two. Resources are needed for both.

As the Second Church Estates Commissioner, I cannot miss the opportunity to point out that the Archbishop of Canterbury has said that we must be

“builders of bridges and not barriers”.

That is all of us; that is why we are here today.

English for speakers of other languages—known as ESOL—classes are essential to enable contact and integration, which is critical for building stronger communities. It is therefore essential both for the wellbeing of the refugees and for the population of our country as a whole. We must remember that ESOL funding has improved for some specific groups. In September last year, the Home Secretary pledged £10 million over the next five years in additional ESOL funding, available to refugees who arrive under the vulnerable persons resettlement scheme. Additionally, in July this year, the Home Secretary announced that the Syrian VPRS was to be expanded to include all nationalities affected by the Syrian conflict, because we know it has had an impact on the wider region.

**John Howell (Henley) (Con):** I agree with everything that my right hon. Friend is saying. I wonder whether she has any ideas about how we can make the provision of English language training effective. In Oxfordshire, I found that a number of people went into the training and a few years later were no better at speaking English—they just used it as an excuse to socialise and get out of the house.

**Dame Caroline Spelman:** Language classes are a start point for those who have experienced the awful isolation that one feels when unable to even speak the language. However, it is also really important to get out of the house, for example to do the daily shop, and practise speaking the language, because practice makes perfect. That is where community groups have an incredibly important role in complementing the language classes, because once someone has got it, they have to use it or lose it. That has certainly been my experience.

Other resettled refugees who arrive in the United Kingdom under long-established gateway protection programmes—about 750 people a year—do not, however, necessarily receive the additional support that is being provided for those affected by the Syrian conflict. Crucially, nor do the majority of refugees in Britain who arrive not through resettlement schemes but as asylum seekers. A majority of refugees therefore cannot access the funding.

Unintentionally, that can mean that one Syrian refugee who is in the UK through the resettlement programme can access high-quality English language teaching, while another Syrian refugee from the same street in Damascus or Aleppo cannot. The need of one of them to learn English is no greater than the other's, but they may have an extremely different experience and then a different set of economic opportunities in our country.

The policy for adult learners is the responsibility of the Department for Education. Most ESOL is financed through the adult skills budget, administered by the Skills Funding Agency. However, the funding for ESOL that is available through those avenues is no longer ring-fenced. The seven new mayoral combined authorities, plus the Greater London Authority, will assume responsibility for ESOL in their area from September next year.

Andy Street, my local West Midlands Mayor, has said something important on that subject:

“The West Midlands is one of the most diverse regions in the world, and as such we face many challenges in trying to integrate different groups and communities into our society...Speaking English is the most important part of integration and no-one in the West Midlands should be left without the opportunity to learn English.”

We need to hear all Mayors in combined authorities show that they really understand that.

**Mr Jim Cunningham:** Will the right hon. Lady give way?

**Dame Caroline Spelman:** I give way again to my neighbour.

**Mr Cunningham:** The right hon. Lady is quite right; her constituency is near mine, so she will know that in general terms the west midlands has been valuable in terms of integrating people. She will also know that Coventry, for example, has a very good reputation for integration. People of all different nationalities have

settled there over the years—I think there are about 50-odd different languages spoken—so that dimension of the problem is clear. The other important factor is that we have never allowed a ghetto system to develop in the west midlands. If we isolate people out of fear, the danger is that they congregate together, but do not actually integrate into the community. They need the language as a common denominator to do that.

**Dame Caroline Spelman:** The hon. Gentleman makes a very good point, which is at the heart of Coventry's bid for city of culture. Coventry is a city of peace and reconciliation, but one where we reach across diverse communities in the city to make sure that people do not become isolated. I sincerely hope that Coventry will win the bid.

In November 2016, the Government also launched the controlling migration fund, which aims to mitigate the impact of immigration on local communities. It includes a pot of £100 million over four years for which local authorities in England can bid. ESOL is one of several themes eligible under that fund, yet local authorities are under no obligation to fund ESOL projects.

In the March Budget, the Chancellor announced new money for English-language training as part of the midlands engine programme. The Government announced that they would provide

“£2 million to offer English-language training to people in the midlands whose lack of ability to speak English is holding them back from accessing employment.”

What are the stumbling blocks? Theoretically, refugees in England are eligible for fully funded ESOL provision on the condition that they have attained refugee status and meet the necessary income requirements. However, ESOL funding in England has decreased by 55% in real terms in recent years. More than half of ESOL providers who were interviewed said that their ability to provide high-quality classes had worsened over the past five years, and nearly half said that people were waiting an average of six months or more to start lessons. One provider had 800 people on their waiting list and another said that learners could wait three years to be assigned to a course. Those timescales have adverse effects on the mental health of refugees, who are likely to be experiencing social isolation. The longer they have to wait to get an English-language class that enables them to learn the language and break that isolation, the harder it becomes.

**Nicky Morgan (Loughborough) (Con):** I congratulate my right hon. Friend on securing this debate on such an important topic. She is setting out very powerfully the argument in favour of enabling those who have come to this country to integrate, which is particularly important for women in many of those communities. She started with an analysis of the vote in June 2016. We know that fears about immigration were a powerful factor affecting the way that many people voted. Does she agree with the conclusions of the Casey review, which showed that 95% of people living in this country think that to be considered “truly British”, a person must be able to speak English? This is not just about the integration of communities, but about people living here—often white Brits—welcoming those who come here. The longer they are not integrated, the more the problems can escalate.

**Dame Caroline Spelman:** I could not agree more, and I agree with Dame Louise Casey on that point. It is a two-way process. The settled community here must reach out to the newcomers, make them welcome and recognise their contribution and the great benefit they bring to our society and economy, but for that to happen we have got to speak the same language.

Women in particular are vulnerable to the isolation that results from not being able to speak English. At present, women face even greater barriers. Research conducted by the University of Sussex this year found that women, older refugees and those with poor health face particular challenges, are most likely to struggle to learn English and are most at risk of isolation. Without a basic grasp of English, women find it exceptionally difficult to live empowered and independent lives. Many come to rely on extended family members to communicate for them, which leaves them particularly isolated and without a voice of their own. Dame Louise Casey highlighted that issue, which requires dedicated and targeted action.

One of the biggest barriers to women accessing ESOL is the lack of childcare. Currently, 77% of ESOL providers are unable to offer childcare, which is frequently cited as a reason why women are not able to get to language classes. A higher proportion of women are single parents or have caring responsibilities in their family. Limited childcare provision has a greater impact on women and tips the balance even further against them. I welcome the Government's commitment to spend £2.3 million over the next four years to fund schemes that remove barriers such as the lack of childcare facilities. They are also being innovative and are looking at new approaches such as teaching English alongside crèches and playgroups, and providing family learning events to help adults who are unwilling or unable to leave their children to learn English. That is a positive start to tackling this area of disadvantage, but further action is required.

In January 2016, the Prime Minister announced a one-off £20 million fund to provide English tuition to Muslim women, with the aim of combating radicalisation. It is a welcome initiative, but we need a similar fund to give women who are refugees equal access to ESOL.

Informal ESOL learning groups run by volunteers, faith groups and community organisations across the country offer a vital service for refugees—not least because they are an informal way to put into practice what has just been learned in a class—but they can only complement formal ESOL classes, not replace them. First, refugees need the certification that comes with completing formal English-language learning to enter employment or further study. Secondly, to become proficient in a language, people need both conversation practice and formal professional teaching on grammar and structure. That said, I believe that the Government can join up the informal ESOL provision in our country. There is currently no means of identifying and sharing the innovative ideas and good practice that are to be found at by grassroots level. Although regional ESOL co-ordinators are starting to map informal and formal provision for the first time, we need central co-ordination to bring it all together and maintain it.

In recent years, Government funding has been targeted at specific groups such as Syrian refugees and Muslim women, but that short-term project funding has not been accessible to the majority of refugees entering the

country. Indeed, for many, access to English classes has become more difficult. Investing in ESOL makes sound economic sense. The cost of two years' ESOL classes for each refugee will be fully reimbursed to the taxpayer after an individual's first eight months of employment at the national average wage. I hope the Minister will consider creating a fund to help all refugees learn English and ensuring a minimum of eight hours of lessons per week for the first two years that a refugee is in England. That would require an investment of about £42 million a year, but it would take into account the current scale of need outside the vulnerable persons resettlement scheme.

It is evident that a clear ESOL strategy for England would give greater direction in this area and would enable a proper assessment of need to be undertaken. It is always helpful to set clear objectives so we can measure progress against the targets. This is a devolved matter. Scotland published its own ESOL strategy in 2007 and Wales did the same in 2014.

We must ensure that women have full and equal access to ESOL. For women, there can be unique challenges to resettlement, so it is critical that we enable them to develop a strong voice for their ultimate benefit and empowerment, which would lead to more education and employment opportunities. We must ensure access to childcare facilities and continue to invest in this area. The Government's forthcoming response to the Casey review and the new integration strategy will give us an ideal opportunity to invest in ESOL and acknowledge the key part it plays in ensuring successful integration and community cohesion, unlocking the enormous potential that the refugees who come to our country have to boost our economy and bring together communities in a post-Brexit Britain.

**Several hon. Members** *rose*—

**Mr Philip Hollobone (in the Chair):** Order. This hour-long debate will finish by 5.30 pm, and Dame Caroline has the opportunity to sum up the debate as the last speaker. I am obliged to call the Front-Bench spokespeople before then. The guideline limit is five minutes for the Scottish National party, five minutes for Her Majesty's Opposition and 10 minutes for the Minister. That means that I have to call the Front-Bench speakers no later than seven minutes past five, which gives the two Back-Bench speakers, if they are fair to each other, 10 minutes each. That is not a formal time limit, but if you both want the full time, it is 10 minutes each. It is going to be ladies first. I call Alison Thewliss.

4.48 pm

**Alison Thewliss (Glasgow Central) (SNP):** It is a pleasure to see you in the Chair, Mr Hollobone. If my voice holds out, I will be doing well to reach 10 minutes.

I am delighted to be able to speak in this debate, because I am proud that Glasgow, the city I am glad to represent, welcomes refugees. That is a cross-party commitment: a Labour administration first put a banner above the door of the City Chambers, and it has been honoured by the Scottish National party administration and all of us who represent the city. It is not just the elected officials but the people of Glasgow who have taken it to their hearts. For example, Selina Hales founded Refuweegee, which encourages people in Glasgow

to give a welcome pack to refugees coming to the city including, among other things, a letter from a local person welcoming them to the city. It is a brilliant initiative, and other cities should take it up.

It is important that we do not just say that we want to make people welcome, but follow that through with deeds and practical action to make people feel at home. Imagine a person fleeing a situation of chaos, violence and fear—perhaps persecution and torture. It has been a long and difficult journey to sanctuary, but they are now in Glasgow—they had never heard of Glasgow before. It is raining. There are unfamiliar sights, smells, and they cannot understand the language, not least because the little English they understand does not seem to be what the people around them are speaking. We must not forget for a second how challenging that can be, not just because English—particularly Glaswegian English—can be hard to master, but because those people have come far and experienced so many things beyond our ken in coming here.

St Albert's Primary School in Pollokshields recently put together a wonderfully moving theatre piece with Baldy Bane Theatre in the Tramway called "Unpathed Waters, Undreamed Shores" to bring the school community together in exploring exactly what that journey might feel like. Multiple languages were used, reflecting the diversity of languages used in the school, and expression through dance and images. My favourite part of the performance by far was when a table where food had been shared was pushed away and a ceilidh began. As the music and dancers whirled, I saw a parent from the school standing at the side of the hall agape in amazement at the spectacle. It was clearly new to him. To see our traditions through the eyes of someone new gave me pause for thought—how best do we welcome people, and what do we show them about our country? How do we encourage them to share and take part?

Helping people to improve their English is absolutely crucial to integration. Without it, people cannot speak to their neighbours or find their way in their new home. I am glad that the SNP Scottish Government have underpinned the commitment to welcome refugees with a strategy—the document is entitled, "Welcoming Our Learners. Scotland's ESOL Strategy 2015-2020"—and with funding of some £1.46 million in 2015-16. That is a renewed strategy, continuing one that has been going for some time.

Refugees and asylum seekers who have been granted a form of leave to remain, such as humanitarian protection, do not have to pay fees for ESOL courses in Scotland. They may also be eligible for help towards their living costs, for example from colleges' discretionary funding and from the childcare fund. Asylum seekers who are waiting for a decision on their application are also eligible for free ESOL courses, as the right hon. Member for Meriden (Dame Caroline Spelman) said. There is no waiting period, and they may be eligible for support for travel and study costs.

ESOL provision in Scotland is also offered by a range of other providers, including in community-based settings, voluntary organisations and in the workplace. In my wonderfully diverse constituency, there are many providers of English language teaching, not just for refugees but for the full range of new Glaswegians. I was quite taken aback at the huge range of classes available on the

Learn ESOL Glasgow website—so many communities are hosting sessions: Pollokshields community centre; Govanhill neighbourhood centre; Gorbals, Pollokshields and Govanhill libraries; Toryglen community base; Guru Granth Sahib gurdwara; the Youth Community Support Agency, specifically for young people; the Marie Trust and the Glasgow City Mission, which often deal with people facing homelessness; Glasgow women's library and other specialist women's groups; groups in Garnethill; and groups run by the fantastic Radiant and Brighter, which works towards getting people into employment. That is not even all the classes offered, but just the tip of the iceberg.

St Mungo's Academy has been running classes for parents and carers to give them further opportunities to develop their English language skills through an evening ESOL class, which challenges the issue of children learning English but parents perhaps not. Instructors from Glasgow Clyde College provide targeted support for those learning English for the first time and for those improving their skills with a view to furthering their education or getting into employment. Those learners can then obtain a recognised Scottish Qualifications Authority qualification on completion of the 10-week course. In this past year there was a 100% pass rate. There is also a higher ESOL, which is a good standard, and the numbers taking it are growing. I pay tribute to Janet Cardle and Jessica Longo, who are the teachers at St Mungo's Academy taking that on.

Nan McKay Hall has also been providing English language teaching for at least 14 years now, in the wee community hall in Pollokshields. The service is very much in demand. The beauty of a community base, as opposed to the formality of a classroom in a college, is that the learners become well integrated into their community. Nan McKay Hall works closely in partnership with Glasgow Clyde College, which provides the tutors. I am sure it would not be out of order to thank Wendy, the students' kind and patient teacher, whom they really take to their hearts. They have a lot of love for the time and patience she takes with them.

On Friday, after my surgery, I asked the staff at Nan McKay Hall to tell me more about the classes. They said the classes worked well because people became friends—they were not just coming into the class and leaving. Nan McKay now has people on its board who first entered the hall to join the ESOL class. People have gone on to other educational classes, computer courses and art classes, to be very much part of the life of the community. The community hall runs trips to the seaside and various different places. A whole range of people use the hall and ESOL class attendees are part of the trips too. Those are brand-new Glaswegians from Afghanistan, Iran, Iraq, Poland, Greece, Sudan, and many more places besides, alongside senior citizens who have lived nowhere else but Glasgow. They are all going away and enjoying the best of Scotland together. That is an absolute credit to that community and to those types of initiatives.

That is the kind of model we need to look at. We have seen cuts to ESOL in England and other places, but we have invested in it in Scotland because we know that we cannot afford to leave any of those communities behind. They have so much to give to Glasgow. They are glad to be here, they want to be part of the community and learning English is key to making that happen.

4.54 pm

**Paul Blomfield** (Sheffield Central) (Lab): I join with others in congratulating the right hon. Member for Meriden (Dame Caroline Spelman) not only on securing the debate but on the powerful and comprehensive way in which she scoped the issue. I also congratulate the hon. Member for Glasgow Central (Alison Thewliss) on the wonderful way in which she described what it must be like to be a new arrival in our country and the journey that people follow.

I represent one of the Sheffield constituencies, and my city became the first ever city of sanctuary in 2007, when we made a powerful statement that we wanted to welcome those fleeing persecution and war throughout the world. Since then, we have participated in many programmes and have an increasingly diverse city. I am proud that our move was followed by, I think, 90 similar initiatives in towns and cities throughout the country.

As the MP for the heart of Sheffield, I have a number of constituents who are asylum seekers and refugees. I have seen the hugely empowering impact of English language teaching. Those who run the city of sanctuary project in Sheffield advise me that learning English is the most common request they receive from new arrivals at the city's welcome project. As the right hon. Member for Meriden has pointed out, learning English enables refugees to navigate life in the UK, to deal with the various and sometimes complex systems that they will have to come into contact with, and to live more easily and independently.

**Mrs Helen Grant** (Maidstone and The Weald) (Con): I will be very quick. Does the hon. Gentleman agree with me that learning the language creates respect for difference, which is one of the fundamental factors in dealing not only with some of the causes, but with the root causes of racism?

**Paul Blomfield:** The hon. Lady makes a useful intervention and I certainly agree with that. I was going on to make the point that learning English is critical to integrating more effectively into communities. We need to see integration as a two-way process: the responsibility is not simply on those who arrive to integrate; we have our contribution to make to ensure that they can integrate most effectively.

**Nicky Morgan:** I was really pleased to hear the hon. Gentleman say that. Does he agree that in the national debate about immigration the words that are never heard are “community cohesion” and “integration”? He represents a big university, as I do, and we have many international students coming to be part of our towns and cities, and there are people coming for much longer, but settled communities feel challenged by that. What we are hearing today to a degree is that speaking a common language is a really important part of building strong, cohesive and long-lasting communities.

**Paul Blomfield:** I could not agree more with the right hon. Lady on that—as indeed on many other things. The importance that she places on integration and effective community cohesion is endorsed by Dame Louise Casey in the review that she is conducting on behalf of the Government. That enables refugees not only to integrate but, through integration, to become

valued members of our society and to make a real contribution to it. We are talking about people who in many cases bring many skills and have much to contribute to our country. Learning English is the key to releasing that potential, for them and for those of us in the host communities.

The Government recognise the importance of that. In September 2016, when they put £10 million into ESOL teaching for newly arrived Syrian refugees—as the right hon. Member for Meriden mentioned—the then Minister, the hon. Member for Scarborough and Whitby (Mr Goodwill), said it was

“to help refugees learn English and integrate into British society”.

Furthermore, as the right hon. Lady and her colleague, the right hon. Member for Loughborough (Nicky Morgan), pointed out in an excellent piece in *The Times* today, the Prime Minister in her first year as Home Secretary said:

“We know that speaking English is key to integration.”

Why the need for this debate if there is so much cross-party consensus? I think it comes down to a question of funding, although not simply funding. Refugee Action concluded last year in its report, “Let Refugees Learn”, that funding reductions

“have resulted in shortages of provision.”

However, the fragmentation of provision and the lack of a clear strategy also limited opportunities.

The right hon. Member for Meriden was right to highlight and to welcome those pockets of money that have been made available to support ESOL teaching. In July 2015, however, the Department for Business, Innovation and Skills cut £45 million from 47 colleges that taught 47,000 students, and between 2009-10 and 2015-16 the Department for Education cut £113 million from ESOL funding.

Although I accept the right hon. Lady's point about refugees' entitlement to funding, asylum seekers are not eligible for free tuition from statutory sources. Free classes are informal and, as the brilliant community project in my constituency, Learn for Life Enterprise, has found, greatly over-subscribed. There is a real patchwork of local provision. The report by Refugee Action revealed that 45% of prospective ESOL learners have to wait an average of six months or more to access classes, and that there have been cases of people waiting up to three years. It found a waiting list of more than 6,000 people across 71 providers. A further problem, which the right hon. Lady highlighted, is the lack of childcare provision, which affects women in particular.

The report also found that the different strands of ESOL funding are disjointed. The right hon. Lady acknowledged that there are different practices in the different nations that make up the UK. England is lagging behind Scotland, Wales and Northern Ireland, and even Manchester—if it can lag behind a city. They have all developed strategies for ESOL teaching. We need a strategy that will ensure that all refugees receive free and accessible ESOL provision. Analysis by Refugee Action indicates that two years' provision would cost £3,200 per refugee, which is a relatively small price to pay for the benefits that they and we will receive from that investment.

The lack of a coherent national strategy and the underfunding fail the refugees who come here to rebuild their lives, and as I said, it is an incredible waste for us as a country to fail to give them the opportunity to fulfil

their potential. I hope that the Minister will indicate whether the Government's response to the Casey review will address the lack of a national strategy for English language teaching, as well as the underfunding. The response should not simply focus narrowly on tackling extremism but recognise the necessity of ESOL provision for integration, for tackling isolation and for unlocking the potential of those who come here to contribute to our communities.

**Mr Philip Hollobone (in the Chair):** We now come to the first of the five-minute Opposition Front-Bench speeches. I call Stuart C. McDonald for the Scottish National party.

5.2 pm

**Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone. I, too, congratulate the right hon. Member for Meriden (Dame Caroline Spelman) on securing the debate. One of the issues that has been most badly neglected since we became all-consumed with Brexit is the refugee and migration crisis, so the opportunity to debate one small aspect of how we respond to that crisis and how we go about helping refugees to integrate is very welcome. The right hon. Lady made an excellent speech, as did my hon. Friend the Member for Glasgow Central (Alison Thewliss) and the hon. Member for Sheffield Central (Paul Blomfield), both of whom are experts in this policy area.

Three or four main points have emerged from the debate. First, Members have been unanimously positive about the impact of learning English on promoting integration and allowing refugees to rebuild their lives. Secondly, we have heard criticism of the Government's lack of a strategic and joined-up response, with a particular focus on funding. Thirdly, we have heard a range of ideas for what a better response and strategy might look like. If I get the chance, I may mention that although learning English is hugely significant, it is just one part of a broader range of policy issues that need to be addressed if the Government are to be seen to be taking the integration of refugees seriously enough.

There is such consensus about the first issue that I do not need to say too much about it. It is obvious to us all that, overwhelmingly, refugees want to rebuild their lives, to be part of the communities that they find themselves in and to continue with their education and find good work. That is almost impossible without a decent level of English. The right hon. Member for Meriden mentioned a variety of reports that come to the same conclusion, from the Casey review to the report by the all-party parliamentary group on refugees, "Refugees Welcome?", and the all-party parliamentary group on social integration, which has expressed similar views. In short, learning English is a matter of empowerment. It is good for refugees and it is good for the communities in which those refugees live.

Let me turn to the call for a more coherent and joined-up response from the Government. There are different aspects to that critique, but the one that has been mentioned most often is funding. As Refugee Action pointed out in its May 2016 campaign Let Refugees Learn, refugees

"have great determination and desire to learn English"

but are finding it harder to access ESOL classes because of funding reductions that have resulted in shortages of provision, waiting lists and other barriers to participation, particularly for women. That organisation subsequently gave evidence to the all-party parliamentary group on social integration and reported waiting lists stretching to more than 1,100 people. There have been reports in newspapers of three-year waiting lists in parts of London.

Hon. Members have already gone through the different pots of funding that have been announced at various times, but that is offset by the overall 50% or 60% funding cuts to ESOL provision. The hon. Member for Sheffield Central used the word "disjointed", which is absolutely appropriate. Whenever there is one step forward on funding, there seem to be two or more steps back.

We should be clear that investing in ESOL now means making savings later. If we invested in ESOL now, we would not have to spend as much on interpreters, there would be fewer missed medical appointments and less reliance on social security benefits, and more taxes would be paid through work—another point that the right hon. Member for Meriden made. That is all indicative of a lack of a joined-up strategy. As has been pointed out, there is a strategy in Wales, and there has been one in Scotland for 10 years. That strategy, which was refreshed in 2015, sits alongside the broader New Scots integration strategy for refugees and asylum seekers, which is currently being refreshed. That we need an equivalent strategy at Westminster has been well established during this debate. Such a strategy is long overdue, and I look forward to hearing what the Minister has to say about that.

What would a better ESOL integration strategy look like? First, it is important that any strategy seeks to ensure integration from day one, as the hon. Member for Sheffield Central said. ESOL experts have long said that people's motivation to learn tends to be at its highest, and provision tends to be most effective, immediately following their arrival in our country. If people do not learn English then, they learn to cope with not being able to speak the language to any significant degree and, having realised that they can get by without it, just tend to muddle on regardless.

Secondly, as hon. Members have said, it is vital that the whole panoply of possibilities for learning English is available so that we can tailor learning to every person's needs. Obviously, people's ability to learn and their personal circumstances are incredibly different. The example of parents—particularly mothers—has already been given; childcare provision has to be involved there. We have to co-ordinate all the different responses and use all the technology that is now available.

We are not here to write the Government's strategy. There have been a lot of good ideas, but the fundamental point is that a strategy is needed. We look forward to hearing what the Government have to say about that.

5.8 pm

**Afzal Khan** (Manchester, Gorton) (Lab): Let me start, as others did, by thanking the right hon. Member for Meriden (Dame Caroline Spelman) for securing this debate and for her powerful points about why this issue is important and about the obstacles that we face.

I also want to acknowledge the many other Members who have contributed to the debate. Everyone seemed to make similar points; we seem to be on the same page. Members mentioned the impact on children of their

[Afzal Khan]

parents not speaking the language and the importance of language training so that people are not isolated. My hon. Friend the Member for Sheffield Central (Paul Blomfield) hit the nail on the head when he mentioned the lack of a national strategy. I hope that we will hear a bit more about that.

Speaking English is one of the first and most important steps to integration for a refugee. Apart from the Casey review, the all-party parliamentary group on social integration, the all-party parliamentary group on refugees and a report by Refugee Action have all demonstrated the importance of ESOL courses and the vital need for investment. Learning English is a gateway to work, study and getting to know your neighbours. It is also instrumental to refugees' mental health, staving off isolation and loneliness. The vast majority of refugees want to learn English and in theory they are eligible for fully funded ESOL classes. However, the reality is not matching up to the theory. As we have heard before, there are long waiting lists—in some cases three years long—and many refugees cannot access the classes they are entitled to.

The Casey review identified some of the difficulties faced by women from minority backgrounds in accessing English language courses. This is another point that has been highlighted. Three quarters of ESOL providers have either no provision for childcare or not enough for the needs of most learners, which disproportionately affects women's ability to attend classes. The overwhelming message is that a lack of funding is the biggest issue for ESOL providers. Two thirds of providers told Refugee Action that an increase in Government funding is the one thing that would most improve their ability to provide a high standard and quantity of ESOL classes.

The Conservative Government's actions have been a classic case of rhetoric not lining up with reality. At the same time as the former Prime Minister was calling for migrants to learn English, the Government were cutting funding for courses. From 2009 to 2016, funding for ESOL classes dropped from £203 million to only £92.5 million: a 60% cut. Where we have seen extra funding, it has been tiny compared with the cuts that ESOL has already faced. The extra £10 million over five years for ESOL provision announced in 2016 was to be used only for Syrian refugees resettled through the vulnerable persons resettlement scheme. While that was welcome, why are the Government seemingly only interested in integrating one group?

When David Cameron announced £20 million for Muslim women to learn English, his announcement had the potential to do more harm than good. By tying language classes for Muslim women to the fight against radicalisation, the Government's clumsy, simplistic approach managed to stigmatise a whole community rather than encourage integration. It was also of no benefit to refugees. The Government say that they value and promote integration, while at the same time slashing funding to one of the most important branches of it.

What should we do? A Labour Government would make further education courses free at the point of use, including ESOL courses. As we do not have a Labour Government, Members in the Chamber have made a strong case for specific investment in ESOL classes for refugees. As the Minister considers his response to the

Casey review, I urge him to invest in ESOL funding for refugees, to ensure that women have equal access to classes, and to let the Government's actions live up to the rhetoric they have been peddling for years.

**Mr Philip Hollobone (in the Chair):** If the Minister would be kind enough to conclude his remarks no later than 5.27 pm, that will give Dame Caroline enough time to sum up the debate.

5.13 pm

**The Minister for Immigration (Brandon Lewis):** It is a pleasure to serve under your chairmanship, Mr Hollobone. I join others in congratulating my right hon. Friend the Member for Meriden (Dame Caroline Spelman) on securing the debate. I look forward to seeing her and, I think, some of her panel tomorrow for a further conversation about some of these issues. As always when listening to Members, hon. Friends and right hon. Friends around the Chamber, it has been interesting to hear not only the number of valuable points that have been made on this hugely important topic but that there has been almost—I say almost—a breakout of consensus around where we are. I will come back to why I said “almost” in just a moment.

I agree with much of what I have heard this afternoon. A number of hon. Members, including my right hon. Friend, have commented on Dame Louise Casey's work and the integration strategy, to which we will respond in due course. My experience of working with Dame Louise Casey in my previous roles at the Department for Communities and Local Government is that she is not only a force of nature but someone to be taken hugely seriously, with important points to raise. Her experience and how she has commented in her review on the things we have to look at raise the profile of the subject and make a powerful case. We will respond in due course.

**Nicky Morgan:** I know that the Minister is personally committed to this agenda, but may I press him a little further? “In due course” is a phrase that Ministers use when they are not entirely sure or are not going to tell the House when the response will be. Dame Louise Casey's report was published in December 2016. We are now at the end of October 2017. I think we all agree that it is a hugely important report, with recommendations and actions that will take some years to implement. May I press him further on a likely timescale for a response from the Government?

**Brandon Lewis:** My right hon. Friend is always free to press me for a response. I appreciate her point, but I am afraid she will have to be a bit more patient with me and my colleagues across Government before we respond fully.

We recognise the point made this afternoon that the ability to speak English is a key enabler for integration and participation in society. As my right hon. Friend says, I feel very strongly about that. It is fundamental for someone to be able to play a part in British society and to get on. Being able to speak English is also a necessary stepping-stone skill for those who are resettled here as refugees or granted refugee status on arrival. Once someone has that status, they are given access to the labour market and to benefits and are encouraged

to access the provision that is there to support UK residents in developing the relevant skills. The ability to speak English is an important skill.

**Stuart C. McDonald:** The Minister mentioned the importance of English for Syrian and other refugees who are resettled here and for those who arrive spontaneously. Will he answer the question asked by the right hon. Member for Meriden (Dame Caroline Spelman) about why access to ESOL and funding are different for those who are resettled and for people who might be from the same street in Syria but arrive here spontaneously?

**Brandon Lewis:** I will come to that point in a moment. Obviously there is a different process for people whom we have brought here from the region through a scheme and people who arrive here. We have to make sure they are from the region before we go through that process. There is a different approach, for a very logical reason.

Just as we were getting to the harmony of complete agreement, some hon. Members, including the shadow Minister, the hon. Member for Manchester, Gorton (Afzal Khan), made the point about funding. I gently say to some Members that I have a different view. It is not always about how much we have to spend. We have to live within our means, so it is about how we spend the money we have. That is an important focus. It is not always about finding a magic money tree. I am not sure if his announcement on free education for such people was another spending commitment that Labour will step away from.

We must be able to live within our means. It is important, as hon. Members have said, to pick up on how we are spending the money that is there. My right hon. Friend the Member for Meriden outlined a number of schemes and the funding that is coming through. English language skills provision is funded mainly by the Department for Education and is accessed in a variety of ways. Training has been developed to improve adult literacy and get people into jobs. It is available to the resident UK population to meet their needs, but under Skills Funding Agency rules it is also available to those with refugee and humanitarian protection status, discretionary leave, exceptional leave and leave outside the rules, as well as indefinite leave to remain. They do not have to wait the three years that other migrants have to wait, and their family members are also eligible. That is a good deal.

There is also ESOL, which we have been talking about for much of this afternoon. That is funded by the Department for Education, which invested around £90 million in 2015-16 in those courses, and in doing so supported some 110,600 adult learners. By definition, that is for those for whom English is not their first language.

**Stuart C. McDonald:** Does the Minister not recognise that that is something like a 40% decline in the numbers from just three or four years ago? Is that not the effect of funding cuts? It is all very well to say that we need to look carefully at how we spend the money, but those cuts have had a pretty drastic effect.

**Brandon Lewis:** There is obviously a job we have to do to make sure we direct the funding we have in the most efficient manner to deliver the best outcomes for the people who are coming to this country. I will outline some of the provision now.

**Afzal Khan:** Will the Minister give way?

**Brandon Lewis:** I will make a little more progress, and then I will give way.

The courses are delivered by local educational institutions, which usually have a contract to do so through the local authority. Refugees are also able to access Jobcentre Plus assistance in obtaining employment, and the employment assessment that follows may determine that the refugee needs additional help with English. As part of assisting those people to become employment-ready, the jobcentre can also refer them to fully funded English language training. Its aim is to meet the needs of refugees seeking employment in our job market, and also of those who are not seeking employment but have an ambition to learn English to participate in the society around them, as was rightly outlined.

There are other sources of available funding for English language training, such as where the local authority feels that migration, whether resulting from more refugees or not, is having a local impact that it wishes to address. As my right hon. Friend the Member for Meriden outlined, the controlling migration fund was set up for that purpose: a £140 million fund with £100 million specifically to help local authorities.

**Ross Thomson (Aberdeen South) (Con):** The Minister talks about support from local authorities. Does he welcome the approach taken in Aberdeen, through the work of the Aberdeen Community Planning Partnership, which has helped to resettle more than 60 Syrian refugees who have made Aberdeen their home? For example, a couple fled from their home in Daraa near the border with Jordan and arrived in Aberdeen in March last year. To support their integration into the community, they took up English lessons provided by the city council, involving a volunteer project. The family were so well supported by the local volunteer paired with them, Maria Fowler, that they named their second child after her. Does the Minister agree that such support from local authorities is crucial to helping resettle many people who have fled conflict?

**Brandon Lewis:** My hon. Friend makes a good point. That is exactly the kind of story we all want to hear. When meeting refugees around the country, I have noticed the disparity of experience with different local authorities. We have communities and local authorities around the country doing some absolutely fantastic work, giving people a brilliant experience and enabling them to integrate into, become part of, and have a valued role in their local community and society. We must do better in sharing best practice. I spoke to the cross-party leaders of the Local Government Association, and I will meet them again later this week to talk to them about how we share best practice better.

**Stuart C. McDonald** *rose*—

**Afzal Khan** *rose*—

**Brandon Lewis:** I will give way to the hon. Member for Manchester, Gorton, but then I must make progress.

**Afzal Khan:** The Minister talks about best practice. Earlier, he talked about efficiencies, then he talked about looking at doing things differently. We have no objection to that, but how does he explain the longer waiting lists we are seeing? Is a 60% cut what he calls efficiency and doing things differently?

**Brandon Lewis:** I will answer that before completing the point I was making. It is more complicated than that. The accounts that we have heard from ESOL co-ordinators are not about over-subscription and waiting lists—they have challenged that to an extent, saying that it sometimes masks the fact that they run open waiting lists. Some people who in theory are on a waiting list have found provision elsewhere, so the waiting list issue can be misleading. However, we are working with ESOL suppliers and providers to see what more we can do.

In that context, and to finish the point I was making, all of us across the House can play a part in our local communities and with our local authorities. When we speak to a large cross-party group of leaders, as I did last week with the Local Government Association, the people in the room are those who are most interested and are generally already doing the work. I thanked them for doing so. The challenge is how to get the message to other local authorities that it can be done, and to get them to learn best practice from others.

**Stuart C. McDonald:** Will the Minister give way?

**Brandon Lewis:** I am sorry, but I have already taken a couple of interventions. I will make progress and then let my right hon. Friend the Member for Meriden respond.

The challenge is sharing our best practice to ensure that we are learning from the best and that local government is able to do so in a cohesive way. We have put in funds to recognise the challenge raised earlier regarding issues for women, whether those are childcare issues or, for those seeking to work, commuting and access issues. The challenge is not always just about ESOL provision for those with young children in facilities with childcare, although we are doing that and want to see more of it. There is also a cultural challenge. We recognise that there can be a cultural challenge for women learning with men, and we are working with ESOL providers to find a positive solution.

I think that we should be proud of the work that we do as a country to make sure that people have the best possible welcome and opportunity to integrate, but that does not mean that we cannot do better. I am determined to work with other Departments to find out how we can do better at bringing this together in a more cohesive way to make it simpler to access, as well as sharing best practice.

**Nicky Morgan:** As we are in the mood for praising organisations, I invite the Minister to praise Baca, a refugee charity in my Loughborough constituency that works with young refugees who are not yet ready to work because they are completing their studies. Does he recognise that the need to ensure that young men who come here, particularly, but also young women, do not lose out on their studies is also an issue?

**Brandon Lewis:** My right hon. Friend makes a very good point. This is about making sure that we give easier access to people, who may also have health or mobility challenges, which can make it hard for them to have that kind of access.

When I have met refugees, one point they make to me, which was also made in our debate, is that children in school pick up the language phenomenally quickly—especially where they have access to really good provision,

such as a few hours a week doing a much more intensive programme, which some people will want to do to more quickly develop their skills. I do not want to give anybody particular a plug, but with online learning facilities in the modern world, we must be capable of looking at how we work with local authorities and providers to give much wider access to those who want to do that kind of informal work—some of our communities and voluntary groups are doing really ground-breaking work on that—then share that best practice in a much better way, learn from it and deliver it more widely.

**Stuart C. McDonald:** Will the Minister give way?

**Brandon Lewis:** No, I am not going to take any more interventions.

We should be very proud of what we do, but that does not mean that we cannot be better. I am determined to make sure that we do better and share that best practice better, and that we do everything we can to break down those barriers to access wherever we find them.

5.26 pm

**Dame Caroline Spelman:** We have had a good debate. I thank all colleagues for contributing—particularly the hon. Member for Glasgow Central (Alison Thewliss). I liked her point that people of different nationalities become friends for life at these classes. That is life-changing for them.

I also thank the hon. Member for Sheffield Central (Paul Blomfield) for highlighting the importance of the settled community being able to communicate with the incoming community, so that they can live and work among them, and that that is a two-way process. The hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald)—I probably need elocution lessons to pronounce his constituency right—gave inspiring examples of people who come to Scotland being embraced by communities.

We want to make sure that rhetoric matches reality. I, for one, am really keen to reach out to the Muslim community in this country and find what will work for them. We need to work together to reach those in the community who cannot speak English; there is no desire to stigmatise but to integrate and be helpful. We need to listen carefully to what will work.

The Minister made the important point that it is not only about the money but about how we spend it. I am very receptive to that. We need to look at best practice where it exists—he has a great heritage in local Government—and we can point to local authorities that were cited earlier that are doing a good job. My local authority is in a dispersal area for asylum seekers. I will never forget the transformation of an Afghan child seeking refuge in this country who went on to become the BBC national children's story-teller of the year. That is just one highlight of the amazing contribution that migrants make to our country.

I will end on a sobering note. Those of us who are in this room have a big job to do. The social media comments my right hon. Friend the Member for Loughborough (Nicky Morgan) and I received on an article released today that we co-signed are salutary reading. I will read one out to impress upon the Minister and the Government how much work has still to be done:

“Taxpayers money should not be used to help immigrants speak English. If they cant or wont learn English, how/why are they here?”

That tells me and every person in this room who supports the consensus on the need to facilitate learning English that many of our countrymen and women do not understand the positive contribution that migrants make to this country, or that refugees come here to be safe. There are countries that have signed up to international treaties to provide safe haven to people coming from unsafe countries, and learning English is a part of that.

The Minister is right. However, I ask him to take away this message and to make the case for the benefits of migration, what it brings to our economy and society and why learning English is such an integral part of making that a success.

*Question put and agreed to.*

*Resolved,*

That this House has considered English language teaching for refugees.

5.30 pm

*Sitting adjourned.*



# Written Statements

Tuesday 24 October 2017

## BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

### Construction Payment Consultations (Publication)

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James):** My noble Friend the Parliamentary Under-Secretary of State for the Department for Business, Energy & Industrial Strategy (Lord Prior of Brampton) has today made the following statement:

Today we are publishing two consultations on payment practices within the construction sector. In publishing these consultations, the Department is delivering two commitments.

The first is to undertake a non-statutory post implementation review of the 2011 changes to part 2 of the Housing Grants, Construction and Regeneration Act 1996 (the “Construction Act”). The consultation will gather evidence on the effectiveness of the 2011 changes, the framework of rules created by the amended Act, the affordability of these changes for business, relevance and misuse of adjudication.

The second is to complete a review of the practice of cash retention under construction contracts. The review, of which the consultation is a part, is being published alongside independent research carried out by Pye Tait Consulting. The research draws a number of conclusions and also identifies areas for further investigation, which the consultation will seek to gather evidence on.

The consultations run in parallel, with a response period of 12 weeks, closing on the 19 January 2018.

Prompt and fair payment has long been an issue in the construction industry and many consider that some practices can be a barrier to investment, productivity improvement and growth in the sector. Both consultations and supporting documentation will be used to assess the extent of the issues; and whether and what further intervention is needed.

[HCWS194]

## TREASURY

### ECOFIN: 10 October 2017

**The Chief Secretary to the Treasury (Elizabeth Truss):** A formal meeting of the Economic and Financial Affairs Council (ECOFIN) was held in Luxembourg on 10 October.

Ministers discussed the following items:

#### *Early morning session*

The Eurogroup President briefed Ministers on the outcomes of the Eurogroup meeting held on 9 October, and the Commission presented its regular update on the economic situation in the EU. Ministers also discussed the European Commission’s use of discretion in assessing member states’ compliance with the preventive arm of the stability and growth pact (SGP).

#### *Definitive VAT system*

The Commission presented its legislative proposals for a definitive VAT system and the creation of a “single EU VAT area”.

#### *Current financial service legislative proposals*

The Council presidency provided an update on current legislative proposals in the field of financial services.

#### *Digital taxation*

The Commission presented its communication of 21 September on “A Fair and Efficient Tax System in the EU for the Digital Single Market”, and the presidency provided a follow-up to the Tallinn digital summit held on 29 September.

#### *European semester 2017*

The Council exchanged views on lessons learnt from the 2017 European semester process.

#### *Preparation of the G20 meeting of Finance Ministers and Central Bank Governors and of the IMF annual meetings between 12 and 15 October in Washington*

Ministers agreed the EU’s G20 terms of reference and International Monetary and Financial Committee (IMFC) statement, ahead of the annual meetings in Washington.

#### *Climate finance for COP23*

The Council approved Council conclusions on climate finance ahead of the UN climate change conference of parties (COP23) which will take place in Bonn on 6 to 17 November.

#### *Implementation of financial services legislation*

Ministers received an update from the Commission on the status of implementation of existing financial services legislation.

[HCWS196]

### Double Taxation Convention (UK and Ukraine)

**The Financial Secretary to the Treasury (Mel Stride):** A protocol to the 1993 double taxation convention with Ukraine was signed on 9 October 2017. The text of the protocol has been deposited in the Libraries of both Houses and has been made available on HM Revenue and Customs’ pages of the gov.uk website. The text will be scheduled to a draft Order in Council and laid before the House of Commons in due course.

[HCWS195]

## EXITING THE EUROPEAN UNION

### General Affairs Council: October 2017

**The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Steve Baker):** My right hon. Friend, the Baroness Anelay of St Johns, DBE, Minister of State for Exiting the European Union, has made the following statement:

I represented the UK at the General Affairs Council (GAC) meeting in Luxembourg on Tuesday 17 October. The main items on the agenda were: preparations for the October European Council on 19 and 20 October; and a discussion on the rule of law and media pluralism.

A provisional report of the meeting and the conclusions adopted can be found on the Council of the European Union’s website at: <http://www.consilium.europa.eu/en/meetings/qac/2017/10/17/>

#### *Preparation of the European Council, 19 to 20 October 2017*

The heads of the EU’s 28 member states, the European Council President and the President of the European Commission assembled at the European Council meeting on 19 and 20 October 2017. To prepare for this meeting, the General Affairs Council examined the draft of conclusions on the proposed agenda for the European Council. The agenda included: migration; digital Europe; defence; and external relations.

The discussions on migration covered both external and internal migration and the reform of the common European asylum system. The Council's exchanges on digital Europe included: proposals on the digital single market, the free flow of data, digital taxation and cyber security. The Council debated the progress of preparations for the launch of permanent structured co-operation (PESCO) and the complementarity between EU defence measures and NATO under the defence agenda item. As part of the external relations exchanges, Ministers discussed specific foreign policy issues, including relations with the Democratic People's Republic of Korea, Iran and Turkey.

I intervened to welcome the ambition of the language on the digital Europe conclusions and supported the focus on cyber security, combating terrorism online and information sharing. I pressed for references to counter-terrorism to be treated as a separate issue and not conflated with cyber-security. On defence, I underlined the need to ensure that mechanisms such as PESCO, the European defence fund and the co-ordinated annual review on defence enabled enhanced collaboration between member states in addition to co-operation with non-EU partners. I also welcomed the new text on the Democratic People's Republic of Korea and Iran.

#### *Annual Rule of Law dialogue*

Ministers discussed media pluralism and the rule of law in the digital age. The dialogue was overshadowed by the murder of journalist Daphne Caruana Galizia in Malta on the previous day. I joined the condolences expressed by all member states and emphasised the importance of protection for journalists and quality journalism in safeguarding media pluralism.

[HCWS198]

## TRANSPORT

### Aviation Update

#### **The Secretary of State for Transport (Chris Grayling):**

This time last year, the Government selected a new north-west runway at Heathrow as its preferred scheme for delivering much-needed new airport capacity in the south-east. This was a move made in the national interest—to spread the opportunity to travel and trade throughout the UK, through more flights between our global aviation hub and our regional airports.

In the last 12 months we have published a draft airports national policy statement (NPS), and been listening to views through a major consultation exercise. We have also published a new national air quality plan and taken steps to address the impact of noise around our airports, which are set out below. Heathrow airport has been working with airlines to bring down the cost of the proposed scheme, in line with the ambition I set out to keep landing charges as close as possible to current levels. Now that the Select Committee has been reconstituted, we remain on track to bring forward a final airports national policy statement for a vote in this House in the first half of next year.

Today I am publishing updated aviation demand forecasts which show that the need for additional runway capacity is even greater than originally thought. They show that all five of London's main airports will be completely full by the mid-2030s, and four of them within a decade. Crucially, they also show us that the north-west runway scheme at Heathrow is the one which delivers the greatest benefits soonest. In addition, it continues to offer the greatest choice in terms of destinations and frequency of vital long-haul routes. Heathrow handles

more freight by value than all other UK airports combined and it has superior connections to the rest of the UK through road, rail and domestic flights.

Today I am beginning a short period of consultation on the draft airports NPS to allow people to consider these updated forecasts, alongside other new evidence which was unavailable at the time of the initial consultation. This includes the national air quality plan which was published in July 2017. Updated analysis of this shows that the Heathrow north-west runway scheme can be delivered without the UK breaching its air quality obligations. We will continue to ensure that if expansion goes ahead at Heathrow, it is delivered according to air quality obligations through a suitable package of mitigation and policy measures.

This period of consultation will focus on those elements of the draft airports NPS affected by the updated evidence and will run for eight weeks until 19 December. I have asked Sir Jeremy Sullivan to continue in his role as an independent adviser to oversee this process, and I am grateful to him for his work.

The revised draft airports NPS has been laid in the Library of the House and will also receive Select Committee scrutiny. The recommendations they make will be an important consideration as we move forward. As required by section 9(6) of the Planning Act 2008, I am specifying a "relevant period" for Parliamentary scrutiny. This will start today and end on 23 March 2018.

Alongside this, our work to develop a new aviation strategy will look beyond a potential new runway at Heathrow, and will set out an ambitious long-term vision for the sector, which will support economic growth across the whole UK. In addition to considering how we can make best use of existing capacity at all airports around the country, it will look at any future need for new capacity away from Heathrow, whilst tackling environmental impacts.

The impact of noise from aircraft is a national issue, and alongside the initial consultation on the draft airports NPS, we also consulted on proposals to support modernisation of the way UK airspace is managed. Today I am also publishing the response to that consultation, and confirm we will be establishing a new independent noise body to ensure communities around our airports have a say in airspace changes which may affect them. Along with a new call-in power for the Secretary of State for Transport on airspace changes of national importance, this is designed to rebuild the trust lost in the industry by communities and provide democratic accountability for the most significant decisions.

In addition, the measures I am outlining today will enable us to make much greater use of new technology, giving us the ability to manage our airspace more effectively to tackle delays, cut emissions and reduce the need for stacking above our busiest airports. They will also help support the airspace changes we need in our skies to meet future demand—including a potential third runway at Heathrow.

Today's announcement marks another important step as we work to ensure the UK has the connectivity we need right now to lead on the world stage.

[HCWS197]

# ORAL ANSWERS

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