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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 9 January 2018

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Illegal Wildlife Trade

1. **Henry Smith** (Crawley) (Con): What steps his Department is taking to tackle the illegal wildlife trade.

[903126]

4. **Rishi Sunak** (Richmond (Yorks)) (Con): What steps his Department is taking to tackle the illegal wildlife trade.

[903129]

24. **Mr Marcus Fysh** (Yeovil) (Con): What steps his Department is taking to tackle the illegal wildlife trade.

[903150]

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): Tackling the illegal wildlife trade is a massive priority for this Government. To that end, we will host a high-level conference in London this October to drive further progress. I can assure the House that the Government raise the issue of illegal wildlife trade consistently at all levels with our friends and partners around the world.

Henry Smith: I am grateful to my right hon. Friend for his answer. Can he say a little bit more about what actions he has taken globally to ensure that the appalling ivory trade is reduced, and whether he thinks that national bans play an important part in that?

Boris Johnson: I am grateful for that question, because the UK Government have been a leader for many years now in calling for an end to the illegal trade in ivory, which not only does so much damage to the elephant population but encourages criminality of all kinds across the African continent. I am proud to say that this Government are currently consulting, as my hon. Friend will know, on an all-out ivory ban. The results of that consultation will be announced shortly, and I hope to have good news for the House.

Rishi Sunak: I commend my right hon. Friend for all his work in this area, but may I draw his attention to a shocking investigation in the *Mail on Sunday*, which highlighted the continuing illegal trade in tigers in Laos?

Does he agree that those findings deserve urgent attention to ensure that this magnificent species can continue to enjoy a safe future?

Boris Johnson: I indeed commend the excellent journalism of that publication—at least in this respect—in highlighting what is taking place in respect of tiger farming in Laos, which is an abominable trade that all right-thinking people across the House would condemn. The UK Government not only call on the Government of Laos to stop this appalling trade, but stand ready to give any support and help that we can to the Laotians.

Mr Fysh: You, Mr Speaker, may be as interested as I am in the oceanic environment. I want to talk about whales, because 30,000 have been killed since the introduction of the international whaling ban, and nations such as Japan, Norway and Denmark take a very controversial view on participating in whaling. What can the Secretary of State's Department do to make whaling history?

Boris Johnson: I congratulate my hon. Friend, an eponymous Member, on that important question on what we are doing to protect whales—although they are, of course, mammals rather than fish, as he knows. The UK has been in the lead over many decades in calling for an end to illegal whaling. We condone whaling only when it is clearly and demonstrably necessary for subsistence.

Kerry McCarthy (Bristol East) (Lab): Reports from the UN and others have shown links between not just the illegal wildlife trade but the illegal timber trade and the financing of terrorist groups such as al-Shabaab and the Lord's Resistance Army. Is that on the Minister's radar, and what will he be doing to ensure that the links between terrorism and those trades are broken?

Boris Johnson: The hon. Lady asks an excellent question, because, of course, the illegal wildlife trade is intimately connected not just with the illegal timber trade, but with drug running, gun trafficking and the trafficking in human beings, so if we tackle the illegal wildlife trade, we drive down those phenomena as well.

Helen Jones (Warrington North) (Lab): The illegal trade in ivory is estimated to be worth about \$20 billion per annum, and yet the Government have so cut the Border Force that they are now looking at recruiting volunteers to fill the gap. What confidence can the House have that this illegal trade will be tackled if the Government are not prepared to put the resources into the Border Force?

Boris Johnson: I have every confidence in our Border Force and its ability to police the traffic of illegal items such as ivory. It should be evident, I hope, to everybody coming from another country with such an illegal item in their possession that they face the risk not only of prosecution, but of jail.

David Linden (Glasgow East) (SNP): According to the World Wide Fund for Nature, rhino poaching in South Africa increased by 7,700% between 2007 and 2013. People in Broomhouse want to know what support

the Secretary of State has offered his South African counterpart to help global campaigning to end this trade once and for all.

Boris Johnson: I can tell the hon. Gentleman that the Minister for Africa has raised that very matter with the South African Government only recently.

Veterans Abroad: Military Covenant

2. **Sir Hugo Swire** (East Devon) (Con): What discussions he has had with the Secretary of State for Defence on the application of the Military Covenant's duty of care to veterans living abroad. [903127]

The Minister for Africa (Rory Stewart): I have not held full discussions with the Secretary of State for Defence on this subject. However, we feel deep respect for anybody who has served in the armed forces, and the Government have been pleased to put £770 million from the LIBOR fund into supporting veterans at home and abroad.

Sir Hugo Swire: Of course, we very much welcome that. According to the campaigning charity, ZANE: Zimbabwe A National Emergency, there are 600 former British servicemen—those who have served the Crown—and widows of servicemen living in considerable pensioner poverty in Zimbabwe. Does the Minister agree that although the financial responsibility is that of the Government in Harare, the moral responsibility lies also with us? With that in mind, will he commit to meeting the Secretary of State for Defence to discuss those people, and will he press the new Zimbabwean President, Emmerson Mnangagwa, to actually face up to his responsibilities to these people who are living in his country?

Rory Stewart: I will absolutely commit to meeting the Secretary of State for Defence on this subject. We have met my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames) and Lord Goodlad to discuss the matter. The prime responsibility for looking after veterans of the Zimbabwean army lies with the Government of Zimbabwe, so we will also raise the issue directly with President Mnangagwa.

Catherine West (Hornsey and Wood Green) (Lab): This question relates to military personnel. We read in today's *Guardian* that drone strikes have doubled and the number of civilians affected has doubled. What legal advice do military personnel involved in drone strikes receive?

Mr Speaker: Order. Although it was a most ingenious attempt, I am afraid that the hon. Lady's point is not merely tangential, but irrelevant to the substance of the question. She can have another go later, if she feels so inclined.

The Commonwealth

3. **Suella Fernandes** (Fareham) (Con): What steps his Department is taking to promote the Commonwealth. [903128]

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): We will be having a summit of the Commonwealth in April this year. As I am sure all Members know, that will provide a fantastic opportunity for us to showcase an institution that has stood the test of time. The Commonwealth brings together 52 countries—in fact, 52 of the fastest-growing economies in the world. It is a most remarkable institution. The summit will of course be an opportunity to pay tribute to Her Majesty the Queen for her long years of unrelenting service.

Suella Fernandes: Does my right hon. Friend agree that the summit taking place in April represents a major opportunity to revitalise the Commonwealth as an international trading alliance, and that India—with 55% of the Commonwealth's 2.3 billion population and 26% of its internal trade—should play a major role in furthering that mission?

Boris Johnson: My hon. Friend is absolutely right. It is therefore a very good thing that Prime Minister Modi will be coming. Of course, India will be playing a major role in the events.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Last time I looked, there were 54 members of the Commonwealth, but perhaps I am wrong. The fact of the matter is that many people I meet from Commonwealth countries are very worried about the diminished role of Britain worldwide as we leave the European Union. What does the Secretary of State say about that? Many fear that we will lose our place on the Security Council.

Boris Johnson: I can reassure the hon. Gentleman—as I am sure he reassures anybody who makes that point—that our position on the Security Council is absolutely secure. In fact, the only thing that threatens our position on the Security Council, as my hon. Friends will know, is the unilateralist disarmament policy that used to be adopted by the Labour party and its leader. It is the retention and possession of an independent nuclear deterrent that guarantees our membership of the Security Council, as the hon. Gentleman knows full well.

Mr Speaker: On promotion of the Commonwealth, I call James Duddridge.

James Duddridge (Rochford and Southend East) (Con): Thank you, Mr Speaker.

To make the issue of 52 members versus 54 more orderly, could we perhaps increase the number to 54? Although the Foreign Secretary is right in saying that it is 52, I think that by the time that we get to the Commonwealth Heads of Government meeting, the Gambia will already be in, making it 53. Could we add Zimbabwe to the list, particularly if that is conditional on the President making progress?

Boris Johnson: I thank my hon. Friend, who is a great expert on these matters, particularly Zimbabwe and Gambia. The proper solution, as the House will know, is for those countries to apply. The Gambia, I am glad to say, is a long way down the track, and we hope to welcome it back. For Zimbabwe, the prize of Commonwealth membership is once again something for that people to aspire to. That is a wonderful thing.

Patrick Grady (Glasgow North) (SNP): Among the important issues of human rights, jobs, climate change, poverty, equality, security and so on that the summit will discuss, how much time does the Foreign Secretary expect the Commonwealth countries to devote to the colour of their passports?

Boris Johnson: Not much. One thing that will be absolutely crucial at our Commonwealth summit is, of course, 12 years of quality full-time education for every girl in the world. That is going to be an absolute core of the summit.

Sir Peter Bottomley (Worthing West) (Con): Before CHOGM, will the Foreign Secretary get a chronological list of the countries where UK pensioners overseas get inflation-level increases and how many of those are Commonwealth countries? Should we not hang our heads in shame that for half of pensioners overseas who are in Commonwealth countries, there has been no change? I ask him to do something about that.

Boris Johnson: I am happy to accede to my hon. Friend's request.

Several hon. Members *rose*—

Mr Speaker: An orderly inquiry from Catherine West.

Catherine West (Hornsey and Wood Green) (Lab): I hope so, Mr Speaker. Will the issue of tax avoidance and tax evasion be raised in the Commonwealth Heads of Government meeting?

Boris Johnson: Almost certainly, yes.

EU Bilateral Relationships

5. **Faisal Rashid** (Warrington South) (Lab): What recent assessment he has made of the future of bilateral relationships with the EU. [903130]

The Minister for Europe and the Americas (Sir Alan Duncan): As we create our new partnership with the EU, we must also build even stronger bilateral relationships with the 27 member states, and at the same time maintain strong and positive relations with the EU institutions. Considerable effort has been made to ensure that the Foreign Office, and the country, is well placed to do just that.

Faisal Rashid: Last month the Foreign Secretary warned that the UK would become “a vassal state” if we could not diverge from EU tariffs and standards, but he also accepted that divergence would have “trading consequences” for the UK. Could he spell out what those consequences would be?

Sir Alan Duncan: As we move on to phase 2 of the discussions and negotiations, all these matters will be in the frame. I am sure that we will be able to negotiate an agreement that is in the long-term interests of the UK.

Tom Tugendhat (Tonbridge and Malling) (Con): The Minister has done enormous amounts in reasserting bilateralism across Europe this past year. Can he assure us that the resources that he requires to make sure that

we are ready for post-EU membership will not denude the rest of the world, so that we do not rob Peter to pay Paul or build bilaterals at a cost to global Britain?

Sir Alan Duncan: My hon. Friend makes a good point. We have created 50 new diplomatic positions in our embassies, but it is not a question of simply reducing the number of staff outside Europe by the same number. The money to fund these changes will come from changing the way we work and adjusting some of our processes, and from some frontline staff savings in Asia, the Americas and Africa. We are also bidding for some extra money from the Treasury to help create over 100 additional new roles to support the process of leaving the EU.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): My hon. Friend the Member for Warrington South (Faisal Rashid) asked a clear question but did not get a clear answer, so let me try again. The Secretary of State said that there will be “trading consequences” for the UK if we diverge from the EU tariffs and rules—what are they?

Sir Alan Duncan: It is perhaps slightly beyond my pay grade to say that I refer the hon. Gentleman to the answer I gave some moments ago, but indeed I do. These are matters for the Department for Exiting the European Union and for the negotiations. They will be discussed in phase 2 of those negotiations, which is now beginning.

Mr Philip Hollobone (Kettering) (Con): Perhaps the most important bilateral relationship the United Kingdom has with an EU member state is in the location of British immigration controls in France. Will the Minister ensure that post Brexit, we do all we can to maintain this very important relationship?

Sir Alan Duncan: My hon. Friend has put his finger on a very important issue. Indeed, that is an essential part of our relations with France that needs to continue smoothly. I have little doubt that it will be discussed to some extent at the UK-France summit that will take place later this month.

Stephen Gethins (North East Fife) (SNP): May I take the opportunity to congratulate the Foreign Secretary on surviving yesterday's Downing Street dither? It would appear that Toby Young is the only person to have lost his job.

The Foreign Affairs Committee was told that there were to be cuts to the Foreign and Commonwealth Office's work in Asia, Africa and the Americas, as the Minister mentioned earlier. What impact does he believe that will have on his Department's ambition for a global Britain?

Sir Alan Duncan: I am confident that, with all the combined efforts across Whitehall—in many Departments, including the Department for International Trade—that will not dent our efforts to be champions of global Britain. Indeed, all Ministers in all Departments are making sure that global Britain is a reality.

Stephen Gethins: I thank the Minister for his response. It is good to hear that he does not believe the cuts elsewhere in the world will have an impact. However,

with an increasing number of people thinking that the Government are handling their negotiations with the EU badly, and given that such a view is shared in many capitals around the world, does he agree that the appointment of a no-deal Minister is the latest sign of a state hurtling towards retreat and isolation?

Sir Alan Duncan: No, I do not. I have spent much of the past 18 months championing this country across Europe and elsewhere, throughout the 77 countries I represent, and I am proud to say that the British flag flies high and with great respect in all those countries.

Iran

6. **Joan Ryan** (Enfield North) (Lab): What recent assessment he has made of the effect on stability in the middle east of Iranian political and military influence in that region. [903131]

15. **Tulip Siddiq** (Hampstead and Kilburn) (Lab): What recent assessment he has made of the strength of relations between the UK and Iran. [903140]

23. **Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent assessment the Government have made of the implications for his policies of Iran's ballistic missile programme. [903149]

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): We have consistently made clear our concern about Iran's destabilising and disruptive activity in the region, about its ballistic missile programme—it remains sanctioned by both the EU and the UN—and of course about reported Iranian weapons supplies to the Houthis in Yemen, which would be a violation of UN Security Council resolution 2231. We have set out those concerns with great clarity at the Security Council.

Joan Ryan: Iran's support for terrorist groups across the region, its culpability in the destruction of Syria and its threats to wipe the world's only Jewish state off the map must obviously be condemned by all, but words are not enough. What action is Britain going to take to combat Iran's destabilising activities and, as the Foreign Secretary mentioned, its ballistic missile programme?

Boris Johnson: We have—indeed, I have personally—made clear to the Iranian leadership at all levels the deep concern we have in this country about the very issues the right hon. Lady raises. In particular, of course, there is the supply—or the alleged supply—of weaponry to the Houthis, the ballistic missile programme and the breaches of Iran's obligations under UN Security Council resolution 2231. We are raising those issues not just with the Iranians but with our international friends and partners, to put pressure on Iran to desist from those activities.

Tulip Siddiq: My constituent Nazanin Zaghari-Ratcliffe is still in prison in Iran after 20 months. Despite a lot of attention on her case before the festive period, her husband, Richard, still spent Christmas without his wife and his daughter. When I met the Foreign Secretary, he said he would leave no stone unturned to secure her release. What steps has he taken to fulfil that promise?

Boris Johnson: I thank the hon. Lady. She and I have discussed this case on several occasions. I think that perhaps the best thing I can tell the House is that work continues assiduously at all levels on all our consular cases in Iran. It is, I am afraid, not particularly helpful in securing the result that we both want to get into detailed commentary at this stage about how we are doing.

Stephen Crabb: More than a year since we re-established diplomatic ties with the Iranian Government, Iran continues to develop its weapons programme, continues to fund regional terror groups and proxies, and continues to crack down on human rights campaigners. What positive fruit can we expect this year from our closer ties with the Iranian regime?

Boris Johnson: My right hon. Friend makes an excellent point. I would simply remind the House of the virtues of our approach, which is on the one hand to be extremely tough with the Iranians on what they are doing wrong—as I say, they remain a highly disruptive and destabilising force—but on the other hand to do what we can not just to confront them, but to engage with the forces of reform in Iran, which do exist, need encouragement and could be imperilled. That has to be the way forward, and it is one of the reasons why we believe—I know that this sentiment is shared by many in this House—that the joint comprehensive plan of action, the Iran nuclear deal, is valid, represents a considerable diplomatic achievement and should be safeguarded.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): What steps is the Foreign Secretary taking to combat the growing influence of Iran in both Syria and Lebanon, with weapons focused on Israel, a state that it wishes to annihilate?

Boris Johnson: The hon. Lady is right to detect the disruptive hand and the destabilising agency of Iran in the region and certainly in the supply of missiles to Hezbollah and weapons to the Houthis. What Iran is up to is well chronicled and, together with our friends and partners, we are working at the United Nations and elsewhere to bring maximum pressure on the Iranians to cease and desist from their activities.

Sir Edward Leigh (Gainsborough) (Con): May we erect a new doctrine—perhaps we could call it the Johnson doctrine—that we have learned the lessons of our military interventions in Iraq, Libya and Syria and never again will we attempt to use military force to remove unpleasant authoritarian regimes and replace them with disastrous totalitarian movements?

Boris Johnson: My hon. Friend makes—I am afraid—an excellent point. Of course we must push back on Iranian disruptive behaviour—it is entirely the right thing to do and this Government will continue to do it—but we must also be intellectually honest and recognise that collectively over the past 20 years or so western foreign policy has helped to create the conditions, alas, in which Iranian influence has been capable of expanding.

Fabian Hamilton (Leeds North East) (Lab): Let us be clear that no peaceful protest should ever be met with violence and no peaceful protesters should ever be locked up and charged with crimes, some of them

capital crimes. Can the Foreign Secretary make it clear today that the Iranian regime's actions over the past fortnight cannot and must not be used as an excuse by the White House to reintroduce sanctions following next week's deadline and jeopardise the Iran nuclear deal?

Boris Johnson: I agree very much with the sentiments with which the hon. Gentleman began. It is vital that the people of Iran and the Government of Iran should understand that we in this country support the right to peaceful demonstration within the law. We communicated that message very clearly. It is also important that the JCPOA should continue and that that agreement, which prevents the Iranians from acquiring nuclear weapons in exchange for greater economic partnership with the rest of the world, remains useful and valid. We continue to urge our friends in the White House not to throw it away.

Dr Julian Lewis (New Forest East) (Con): Does the Foreign Secretary see, as I do, some parallels and similarities between the situation in Iran now and the situation in the former Soviet Union in its declining years? Does he agree that a combination of deterrence, containment and constant pressure over human rights issues is the right one to achieve a similar outcome?

Boris Johnson: I do agree with my right hon. Friend. Our approach must be extremely circumspect, guarded and tough, but we should also be in the business of encouraging reformers and progressives in Iran who are capable of taking that country forward in a different direction, as Mikhail Gorbachev and others expressed the hopes of many people in their country, in a different way.

Human Rights

7. **Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): What steps he is taking to promote human rights in discussions with his counterparts in other countries. [903132]

10. **Sarah Jones** (Croydon Central) (Lab): What steps he is taking to promote human rights in discussions with his counterparts in other countries. [903135]

11. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): What steps he is taking to promote human rights in discussions with his counterparts in other countries. [903136]

The Minister for Africa (Rory Stewart): Human rights issues are raised directly by all Ministers in all interactions with counterparts. I myself have raised them nine times in the past four months. We also support civil society organisations on the ground and support human rights norms through multilateral and international organisations.

Gerald Jones: In Egypt, the treatment of the LGBT community continues to deteriorate, but I understand that lawmakers in the Egyptian Parliament are now considering a Bill to punish same-sex relationships with a maximum 10-year prison sentence. What representations have the Minister or the Foreign Secretary made to President Sisi about these alarming developments?

Rory Stewart: These are very alarming developments, and the transition from what was believed to be an Islamist Government to a nationalist Government appears to have coincided with a crackdown on such issues. The Foreign Secretary has raised the matter directly with President Sisi and we will continue to champion these issues and raise them in every interaction with the Egyptian Government.

Sarah Jones: We saw again this weekend the perils of the sea crossing from Libya to Europe. Migrants in Libya are also in danger. Amnesty says that 20,000 people are being held in detention centres, subject to torture, forced labour, extortion and unlawful killings. What are the Government doing to put pressure on the European and Libyan authorities to allow NGO rescue ships access to Libyan waters and ensure that people are not trapped in that country and refugees are able to exercise their right to asylum?

Rory Stewart: We are very focused on and aware of this issue. A lot of our focus at the moment is on the detention centres, and on ensuring that we work with the UN, with the EU and through DFID programmes on improving conditions in those detention centres.

Dr Huq: From experience, I know that the Foreign Secretary welcomes Opposition holding the powerful to account, even if his minders have not always done so, but on two recent delegations I heard of dissenters facing difficulties. We hear of child detainees in Israel, and in Bangladesh opponents sometimes being "disappeared." Is it not time to place a greater emphasis on human rights in our dealings with these two key allies—or do arms sales receipts outweigh our ability to be a critical friend?

Rory Stewart: Ministers are very aware of both the issues of child detainees in Israel and of Opposition politicians in Bangladesh. They are raised continually in our interactions with those Governments. We try to do it sensitively, both at a ministerial level and at a diplomatic level, and we believe we can make progress on both issues.

Jeremy Lefroy (Stafford) (Con): Is the issue of religious freedom raised at every possible opportunity, particularly in countries where people are persecuted for their faith—or lack of it?

Rory Stewart: Absolutely; religious freedom is critical, and particularly critical in a world in which religious and sectarian violence appears to be increasingly dominant. We must advocate religious freedom, and we do so also through Department for International Development support to civil society organisations.

Kevin Hollinrake (Thirsk and Malton) (Con): We provide aid to many countries where appalling human rights abuses take place, whether the persecution of minorities or the construction of illegal settlements. Does my hon. Friend agree that we should make aid and direct support for Governments conditional, unless they use best endeavours to tackle such abuses?

Rory Stewart: That is a very important question. Our belief is that we need to do these things simultaneously. We need to use our political relationships actively, to drive human rights improvement and change, but at the

same time we have an obligation to very vulnerable, marginalised people in those countries, and we need to continue to provide development assistance to them.

Mike Wood (Dudley South) (Con): Since May, at least 21 Christians have been given long prison sentences in Iran for practising their faith. Did the Foreign Secretary raise the issue of human rights with his Iranian counterpart, particularly that of freedom of religion?

Rory Stewart: The Foreign Secretary certainly raised the question of human rights and freedom of religion with his Iranian counterparts on his visit.

Emily Thornberry (Islington South and Finsbury) (Lab): Mr Speaker, happy new year. I welcome the Foreign Secretary back to his place and I hope that the Prime Minister today recognises how important it is that he continues to have the support of a talented Front-Bench team in ensuring that his work is done properly.

On boxing day, the Saudis launched two separate airstrikes in Yemen, killing a total of 68 civilians and at least eight children. The UN's humanitarian co-ordinator said that this showed that both the Saudis and the Houthis are committing indiscriminate attacks against civilians, showing a complete disregard for human life. My question is this: do the Foreign Secretary and the Minister agree with that judgment against both sides?

Rory Stewart: As the shadow Foreign Secretary is aware, we continue to press very strongly in all our meetings with the Saudis on these issues. We have made some progress on the port of Hodeidah, although it is too early to be complacent; it remains a very difficult situation, and we need to continue pushing. And happy new year to the right hon. Lady too.

Emily Thornberry: I thank the Minister for that answer, but surely airstrikes by the Saudis, who are our allies, that are this indiscriminate are just as indefensible as attacks by the Houthis. He has mentioned the Houthis. More widely, how are we going to end the conflict? We have a proposal from the former Minister for the Middle East, the right hon. Member for Bournemouth East (Mr Ellwood), currently a Defence Minister, who wrote in *The Sunday Telegraph* this weekend urging a more interventionist UK role. He wrote:

"We must be less risk-averse, haunted...by our experiences in Iraq and Afghanistan".

He specifically recommends that the port of Hodeidah "is calling out to be stabilised by a third party".

Does the Minister agree with his colleague's proposal, and if so, who does he propose that third party should be?

Rory Stewart: At the moment, we do not believe that the key to reopening the port of Hodeidah will be a third party. We have made a lot of progress. In particular, I pay tribute to the Secretary of State for International Development, who, in a recent visit to Djibouti, while working on the issue of Yemen, got undertakings on the port of Hodeidah. We will be watching this very closely over the next 30 days. We absolutely agree that the airstrikes must be investigated, and investigated objectively.

Mr Speaker: In seeking to speed up progress, I look with enormous confidence to Sir Desmond Swayne.

Ocean Conservation

8. **Sir Desmond Swayne** (New Forest West) (Con): What diplomatic steps he is taking to promote global ocean conservation. [903133]

The Minister for Europe and the Americas (Sir Alan Duncan): The Government are on track to meet their manifesto blue belt pledge. This will deliver marine protection across nearly 4 million sq km of the earth's oceans and seas around our overseas territories by 2020. We are also working through the Commonwealth marine economies programme to enable small island Commonwealth states to conserve and use their maritime space sustainably.

Sir Desmond Swayne: How will it be enforced?

Sir Alan Duncan: Very succinct, Mr Speaker! This is a wholly good news story. The BBC's "Blue Planet" series has inspired millions of viewers, and we are putting that into practical effect. I can make it very clear to my right hon. Friend that we are working with our overseas territories to ensure that each of our marine protected areas is backed by robust legislation, effective monitoring and the very strong enforcement that he would wish to see.

Jim Shannon (Strangford) (DUP): When it comes to improving global ocean conservation, third world countries want to be effective but do not have the resources to do so. What resources are being made available to those third world countries to help them carry out their job as well?

Sir Alan Duncan: I am not absolutely clear exactly what goes through the Department for International Development for this kind of purpose, but obviously there are international treaties and international treaty obligations. I hope that collectively the world can get together to ensure that the objectives we all share are properly put into effect.

Armed Conflicts: Heritage, Minorities and Human Rights

9. **Nick Smith** (Blaenau Gwent) (Lab): What steps the Government are taking to support the protection of cultural heritage, religious minorities and human rights in armed conflicts overseas. [903134]

The Minister for Asia and the Pacific (Mark Field): The hon. Gentleman will recognise that the UK strives to protect cultural heritage and human rights, including religious freedom, whenever they are threatened by conflict, which sadly they so regularly are. As recently as September, the UK was instrumental in the adoption of UN Security Council resolution 2379 calling for an investigative team to collect evidence of crimes committed by Daesh. More recently, in December, the UK ratified The Hague convention for the protection of cultural property in the event of armed conflict and acceded to its protocols.

Nick Smith: We rightly focus much attention on the persecution of Christians in the middle east, but will the Minister assure us that he will raise with his counterparts in African nations such as Nigeria and Kenya the persecution of Christians in those countries, which is on an even larger scale?

Mark Field: The hon. Gentleman will recognise that I represent the FCO in Asia and the Pacific, but he is absolutely right that these issues are prevalent in places such as Nigeria and Kenya. In the part of the world where I represent the FCO, I do my best at every opportunity to represent the interests of Christians. I recently wrote a letter to all our high commissioners and ambassadors there asking for their own plans for ensuring that minorities from Nepal to India and elsewhere can be properly protected.

Jo Swinson (East Dunbartonshire) (LD): The crackdown by the Myanmar military continues to have dire consequences for the human rights of the Rohingya population, and Myanmar has now cut off all co-operation with the United Nations special rapporteur. While the strong stance taken by the General Assembly is a positive development, dissent from China, Russia and some other countries is preventing the adoption of a united international approach. What influence can the Minister use to convince China in particular of the need for diplomatic action to solve the crisis?

Mark Field: The hon. Lady has identified the hub of the matter, which is the fact that we cannot get a UN Security Council resolution through because it would be vetoed by China and Russia. However, she should rest assured that we are doing our level best to engage constantly in conversations with our Chinese and Russian counterparts in the Security Council. There was a presidential statement for the first time in 10 years just before Christmas, and I repeatedly raised the appalling treatment of the Rohingya with both the Burmese Defence Minister and the Minister for the Office of the State Counsellor in Nay Pyi Taw recently when I was attending the conference of the Asia-Europe Foreign Ministers.

21. [903147] **John Spellar** (Warley) (Lab): As the Minister's remit covers Asia, may I ask how he is addressing a very serious issue? The Bangladesh and Myanmar authorities are pressing forward with plans to repatriate the displaced Rohingya population despite the evidence that most Rohingya are concerned about further persecution. What is the Government's position on the repatriation of Rohingya to Rakhine state in those circumstances?

Mark Field: The right hon. Gentleman is absolutely right. There can be no question at the moment of a safe and dignified return for Rohingya from Bangladesh to Burma. When I was in Thailand last week, I spoke to the chairman of the new standing committee that will oversee the memorandum of understanding between the two countries in order to look at the whole issue of returns. We want people to be able to return. That is currently not possible, but we want to maintain pressure on both sides.

Helen Goodman (Bishop Auckland) (Lab): As the Minister has acknowledged, the terrible human rights abuses of the Rohingya refugees are continuing. He

knows that the Myanmar Government have banned the special rapporteur and that the fact-finding mission is impossible. He has said previously that any return of refugees must be "safe, voluntary and dignified". Does he think there is any action that the British Government can take to prevent the return of the refugees until those conditions are fulfilled?

Mark Field: Very little can be done without international co-operation. As the hon. Lady will know, Lord Darzi is part of the committee that is trying to oversee the situation, and the committee will have meetings in Nai Pyi Taw within the next week to consider what practical steps can be taken to try to ease the path. However, as the hon. Member for East Dunbartonshire (Jo Swinson) pointed out, these are massive international problems. We have tried to do as much as we can through the United Nations, but—

Emily Thornberry: Reintroduce sanctions.

Mark Field: I think that all of us, with the benefit of hindsight, could rightly say that the sanctions were lifted too early, with the hope—and only the hope—of democracy there. As I have said, we would need to get a resolution through the United Nations, and it would almost certainly be vetoed. [*Interruption.*] Of course we are trying: in New York we are constantly having conversations with our Chinese and Russian counterparts about precisely these matters.

Mr Speaker: I am immensely grateful to colleagues. Ministers are not helped if Opposition Front Benchers chunter from a sedentary position on a protracted basis. We need to try to speed up.

Palestinian Communities

12. **Alan Brown** (Kilmarnock and Loudoun) (SNP): What recent discussions he has had with the Government of Israel on Palestinian communities in the west bank that are threatened with demolition. [903137]

17. **Julie Elliott** (Sunderland Central) (Lab): What recent discussions he has had with the Israeli Government on the military detention of Palestinian children. [903142]

The Minister for the Middle East (Alistair Burt): We remain seriously concerned about the continuing demolition of Palestinian property by Israeli authorities, and our embassy in Tel Aviv raised our specific concerns about it with Israel in November last year. Israel's treatment of vulnerable Palestinian minors held in military detention also remains a human rights priority for the UK. I raised our concerns with the Israeli authorities during my visit to Israel in August last year, and will continue to do so.

Alan Brown: The Israeli Prime Minister's party has just voted for the annexation of the west bank. The Israeli Attorney General has said that new laws must take into account the possibility of application to the occupied territories, and 46 Bedouin communities are still threatened with eviction. When will the UK's approach change? When will it join other EU countries in calling for aid to compensate for the demolition of EU-funded structures and an end to trade with illegal settlements?

Alistair Burt: The whole issue of settlements brings into question the whole point of pursuing a two-state solution, because none of these issues will be dealt with unless we make progress on that. We are pressing for that of course, but in the meantime we continue to support those who are concerned about demolitions and settlements. We continue to make the case to Israel that these are barriers to peace, among other barriers to peace, but unless there is a conclusive settlement soon, these issues will get worse.

Julie Elliott: Does the Minister share my outrage at the continued detention of 16-year-old Ahd Tamimi in Israel, in violation of article 76 of the fourth Geneva convention, and will he raise this issue, and our concerns about it, with the Israeli Government?

Alistair Burt: I know both the Tamimi family and Nabi Saleh, and it is a very unhappy incident all round. The truth is that the soldiers should not be there and the young woman should not have needed to do what she did. It is sad that two young people who ought to be friends are caught up in a situation in which, because of the failure to deal comprehensively with what is happening on the west bank and in Israel, we cannot come to a settlement. We have indeed made representations. It is important that Israel follows through the law, as it is entitled to do, but when we see the whole incident on video it tells us that this should not be happening and we should be working hard to get a settlement to this issue, so these young people do not have to continue to do what they are doing.

Ross Thomson (Aberdeen South) (Con): The biggest current obstacles to advancement of the middle east peace process include Hamas's rearmament drive in Gaza and the long-standing issue of Palestinian incitement. What steps has the Minister taken, alongside his international counterparts, to assist the Palestinian leadership in becoming a viable partner for peace with Israel?

Alistair Burt: There are many obstacles on the way to peace, and certainly one of them remains incitement among some in the Palestinian community, but efforts being made for reconciliation between Fatah and Hamas have to conclude with a process that has led to acceptance of Quartet principles, and we hope that that will provide one further step forward.

Chris Davies (Brecon and Radnorshire) (Con): Does my right hon. Friend agree that the only way to resolve the issue of land borders is through the resumption of direct peace talks without preconditions?

Alistair Burt: Yes, and efforts are continually being made to move forward with the peace process. We await proposals being brought forward by the US envoys very soon, but sooner or later both the Palestinians and the Israelis have to sit down together, because only they can come to the answer they need.

Israel and Palestine: Two-State Solution

13. **Kelly Tolhurst (Rochester and Strood) (Con):** What the Government's policy is on a two-state solution for Israel and Palestine. [903138]

The Minister for the Middle East (Alistair Burt): Our long-standing policy in support of a two-state solution is clear. We support a negotiated settlement leading to a safe and secure Israel living alongside a viable and sovereign Palestinian state, based on 1967 borders with agreed land swaps, Jerusalem as the shared capital of both states, and a just, fair, agreed and realistic settlement for refugees.

Kelly Tolhurst: I am pleased my right hon. Friend agrees that a two-state solution is the best way forward for both parties, but the Israeli Justice Minister is recently on record as saying there is not, and never will be, a Palestine state. Will my right hon. Friend join me in expressing concern at the impact these comments have on the prospects for peace and outline how the UK can lead on engagement with those who hold this view?

Alistair Burt: Many statements are made on both sides about whether or not there will be a resolution to the issues between the Palestinians and Israelis, and the United Kingdom is not responsible for them. All the polling done in Israel and Palestine suggests people want a two-state solution. As I indicated before, we will continue to work for that and we hope those in the Palestinian areas and in Israel will also continue to work for the just peace they all deserve.

Wes Streeting (Ilford North) (Lab): But surely the Minister must acknowledge that comments like those from the Israeli Government do not give the impression that they are serious about peace. Does he also agree that the calls by Hamas for acts of violence and rage against Israeli people in the wake of the relocation of the US embassy were wholly contemptible and should be thoroughly condemned by everyone in the House?

Alistair Burt: The danger and difficulty in making statements that are seen to be provocative can be seen in the responses of recent weeks. The United Kingdom is absolutely right to call on all sides not only to refrain from those provocations but to use the renewed interest now in the issues between Israel and the Palestinians as a pressure to push for peace, because that is the only thing that will deal with these issues.

India: Diplomatic Relations

14. **Bob Blackman (Harrow East) (Con):** What recent assessment he has made of the UK's diplomatic relations with India. [903139]

The Minister for Asia and the Pacific (Mark Field): Our relations with India remain excellent. The UK shares a long-standing and deep friendship with India covering economic and commercial ties, defence and security, and the living bridge of the people-to-people links, as I saw most recently on my visit to New Delhi and Chennai three months ago.

Bob Blackman: I thank the Minister for his answer. This April, Prime Minister Modi will be here once again. His last visit presented an opportunity for a joint address to both Houses of Parliament and an opportunity to interact with the Indian diaspora in this country. What plans are there for similar arrangements to enable us to use this opportunity once again?

Mark Field: I very much agree with my hon. Friend; there is no doubt that India will play a vital role in the Commonwealth Heads of Government meeting in mid-April. We are obviously working closely with our Indian colleagues to develop a full agenda of areas of mutual interest, and I very much hope that we will be able to do something here in Parliament along the lines that my hon. Friend has suggested—although that is a matter for you, Mr Speaker—in the community in London and indeed beyond, where there is a significant number of members of the Indian diaspora.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): Given that the Republic of India, a Commonwealth member, has now held my constituent from Dumbarton, Jagtar Singh Johal, in custody without charge for two months, will the Minister tell the House whether the Government's approach to large Commonwealth states is nothing short of a Faustian pact in which we sacrifice our defence of due process to arbitrary detention on the altar of free-marketism?

Mark Field: I really do not think that that is the case at all. The hon. Gentleman has been a steadfast constituency MP on this particular matter. Members might not know that he and I have met in the House of Commons, and I very much respect the way in which he has worked hard on behalf of the Johal family. Mr Johal's brother is also one of his constituents. I recognise that this is a difficult and distressing time for Mr Johal and his family. Consular staff have visited him on a number of occasions, most recently on 28 December, and I can confirm that there will be a further visit this Thursday, 11 January. I will continue to meet members of the family and the hon. Gentleman, having done so at the end of November, and we are keeping him informed at every stage.

Topical Questions

T1. [903151] **Tim Loughton** (East Worthing and Shoreham) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): My priorities for the new year include taking forward Britain's response to the crisis in Yemen, where we support Saudi Arabia's right to defend its security while insisting that millions receive the aid that they desperately need. In April, Commonwealth leaders will gather in London for one of the biggest summits that this country has ever hosted, demonstrating the unrivalled network of friendships of a global Britain. Later in the year, as I have said, we will co-host a summit on tackling the illegal wildlife trade.

Tim Loughton: Mr Speaker, I wish you and the Foreign Secretary a happy new year. Through the Inter-Parliamentary Union, along with other hon. Members, I recently met Ministers from Madagascar, including the President, who expressed a desire for Madagascar, which is currently the president of the African francophone nations, to become a member of the Commonwealth. As he noted, Commonwealth countries in Africa seem to be doing much better, politically and financially, than others. What measures is the Foreign Secretary taking to encourage Madagascar and other countries without British colonial links to establish close relations with the UK and the Commonwealth, especially after Brexit?

Boris Johnson: I am delighted to hear the news from Madagascar from my hon. Friend, and I certainly hope that it is correct that Madagascar will pursue that, although the procedures with the Commonwealth secretariat must of course be followed, as he would expect. I gather that several countries in Africa are now queuing up to join the Commonwealth.

Liz McInnes (Heywood and Middleton) (Lab): President Trump's biographer, Michael Wolff, has said that the President's only interest in a state visit is the opportunity to "Trumpalize the Queen". I have literally no idea what that means, but will the Secretary of State please save Her Majesty from that unpleasant-sounding ordeal and cancel this wretched visit?

Boris Johnson: I think Her Majesty the Queen is well capable of taking this or any American President in her stride, as she has done over six remarkable decades. She has seen them come and she has seen them go. If the hon. Lady seeks advice on whether to invite the President of the United States to visit this country—she will remember that we are very close allies—I invite her to ask the person next to her, the right hon. Member for Islington South and Finsbury (Emily Thornberry), who said only last year:

"I think we have to welcome the American President to Britain. We have to work with him."

Those are the words of the right hon. Lady.

T3. [903154] **Alex Chalk** (Cheltenham) (Con): The "Fire and Fury" book about the Trump presidency has reheated some debunked claims about the role of British intelligence. Although the ordinary stance of the British Government is neither to confirm nor deny, given the highly unusual facts of this case will my right hon. Friend take this opportunity, as the intelligence chiefs have, to slay those myths?

Boris Johnson: As my hon. Friend rightly says, we do not normally comment on such matters, but in this particular case GCHQ made it clear last year that the allegations are "nonsense", stating:

"They are utterly ridiculous and should be ignored."

T2. [903153] **Ian Murray** (Edinburgh South) (Lab): UK humanitarian workers have told us that 10 hospitals in Syria have been directly targeted by Russian and Syrian forces over the past few weeks. These attacks go against the Geneva convention, but they have also left hundreds of children starving and in need of urgent humanitarian help. Will the Foreign Secretary indicate whether he intends to follow through on his previous pledge to donate British troops to UN peacekeeping forces? Will he ask President Putin to desist from doing such things? Will the Minister also ensure that the Geneva process is re-energised?

The Minister for the Middle East (Alistair Burt): The attacks over the Christmas period were deeply distressing. I spoke to some of the medical agencies involved in getting those with medical issues out of eastern Ghouta to seek treatment, and the overwhelming need is for proper humanitarian access to the area. However, as the hon. Gentleman rightly says, the Geneva process, which is being driven forward by Staffan de Mistura and

reaches its next part later this month, must keep going to try to see an end to this conflict, which is the only thing that will relieve the suffering. The United Kingdom is right behind that process.

T8. [903160] **Luke Hall** (Thornbury and Yate) (Con): Can my right hon. Friend update the House on what role the Foreign Office played in ensuring the opening of the Yemeni seaport of Hodeidah?

Alistair Burt: Following my right hon. Friend the Secretary of State for International Development's visits to Djibouti and Riyadh in December, the Saudi authorities announced that the coalition would fully open the Hodeidah port for 30 days from 20 December. From then until now, more than nine ships have docked, delivering food, fuel and coal, and that process is continuing with more ships having been cleared. It is essential that the port remains open after that time, and we are working with others to try to ensure that that will be the case.

T4. [903155] **Hannah Bardell** (Livingston) (SNP): It has been nine months since my constituent Kirsty Maxwell tragically fell to her death from a balcony in Benidorm and still the family do not know what happened to the clothes on her body when she died or the circumstances of her death. The Minister has been very helpful in trying to assist, but we are no further forward. Will he put more pressure on the Spanish authorities, and will he do a full-scale review of the support that families who have lost loved ones get?

The Minister for Europe and the Americas (Sir Alan Duncan): I fully understand what the hon. Lady says, and we have been working closely on this tragic consular issue. I am happy to offer her a further meeting and to pursue every possible step to go into the details in more depth.

Mr Speaker: I call Chris Green. The fella's gone.

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): The Foreign Secretary recently commented on the immeasurable contribution of this country, and the RAF in particular, to combating extremism in the middle east. However, does he agree that our pausing reluctance to intervene in the first place diminished us and our standing in the region, leading to many more deaths, and that never again should Britain, with all we can offer, be reduced to standing on the sidelines while extremists and despots kill hundreds of thousands of people with impunity?

Boris Johnson: My hon. Friend speaks for many in this House who now regret what happened in 2013 and our failure to stand by our red lines, because many more deaths have occurred than would otherwise have happened.

T5. [903156] **Alex Cunningham** (Stockton North) (Lab): When he was Foreign Secretary, William Hague described the UN Human Rights Council's universal periodic review as

"a valuable mechanism for holding countries accountable for their human rights record."—[*Official Report*, 15 April 2013; Vol. 561, c. 15WS.]

Does the Foreign Secretary agree that the UN periodic review meeting on 23 January provides an opportunity to hold Israel to account for its treatment of Palestinian children held in Israeli military custody, and will he use the meeting to do so?

Mr Speaker: Order. I do not wish to be unkind to the hon. Gentleman—he is a most perspicacious Member of the House—but questions are simply too long at topical questions; topical questions are supposed to be briefer. If we can have brief questions and brief answers, far more colleagues will get in.

Alistair Burt: The council will indeed be used by the United Kingdom to offer a statement in relation to Israel, and the issues raised by the hon. Member for Stockton North (Alex Cunningham) are covered in a number of different ways in our representations to Israel.

Ms Nusrat Ghani (Wealden) (Con): Violence in Iran has escalated. Does the Foreign Secretary share my concern about the reports that 450 Iranians may have been arrested for taking to the streets against a regime that brutalises women and oppresses religious minorities?

Boris Johnson: As I said earlier, I have made it absolutely clear to the Iranian authorities that we believe in and support the right of the people of Iran to demonstrate peacefully in accordance with the law. I will continue to make that point to my Iranian counterparts later this week.

T6. [903157] **Wes Streeting** (Ilford North) (Lab): Following ministerial appointments since the general election, can the Foreign Secretary provide some reassurance to the House that the Department for International Development has not become a wholly owned subsidiary of the Foreign Office and that aid will continue to be the primary focus of DFID?

Boris Johnson: Most sensible commentators would say it is vital that this Government perform and act overseas as one HMG, and that is what we are doing.

Nadhim Zahawi (Stratford-on-Avon) (Con): The Iranian people quite rightly pride themselves on their educational attainment. How does banning the teaching of the English language in Iranian schools help future generations?

Boris Johnson: My hon. Friend is absolutely right. Of course banning the teaching of English does nothing to help future generations of Iranians. On the contrary, it is likely to impoverish them, and it is something we deeply discourage.

T7. [903158] **Laura Smith** (Crewe and Nantwich) (Lab): Research conducted by the International State Crime Initiative found examples of four of the six stages of genocide being carried out in Rakhine state against the Rohingya people. What assessment has the Foreign Secretary made of the potential for the other two stages—extermination and "symbolic enactment"—to occur?

The Minister for Asia and the Pacific (Mark Field): I hope the hon. Lady will be assured that we are keeping abreast of the issue of genocide or any sort of referral

to the International Criminal Court. It is obviously difficult because Burma is not currently a member of the ICC. We are working with other countries at the UN to ensure that the very real concerns she expresses are put into place.

Stephen Crabb (Preseli Pembrokeshire) (Con): Ahead of Emmanuel Macron's first visit here as President next week, will my right hon. Friend the Foreign Secretary reaffirm the importance of a continuing, deep and close relationship between the UK and France? Does he agree that the relationship must get stronger after Brexit, not weaker?

Boris Johnson: My right hon. Friend is absolutely right. The relationship between Britain and France is of huge and historic importance, and it has been intensifying over recent years, particularly in the sphere of defence and security co-operation, following the Lancaster House agreement. I hope he will be pleased by some of the developments and announcements that we will be making on 18 January.

Dan Carden (Liverpool, Walton) (Lab): Will the Foreign Secretary update the House on what discussions, if any, he has had with the Government of Mauritius following the overwhelming decision of the UN General Assembly last year to refer the question of decolonisation and self-determination of the Chagos islands?

Boris Johnson: As I am sure the hon. Gentleman knows, we believe this case to be without merit and will continue to contest it.

Jeremy Lefroy (Stafford) (Con): Will my right hon. Friend and his colleagues continue their very important support of the political process in the Democratic Republic of the Congo in 2018?

Boris Johnson: We certainly shall.

Mr Pat McFadden (Wolverhampton South East) (Lab): Why are the Government taking legal advice on suing the European Union for preparing to treat Britain as a third country from March 2019 when that is the express intention of UK Government policy?

Boris Johnson: As I am sure the right hon. Gentleman and his constituents would want, we intend to get a superb new relationship, a new deep and special partnership, with our friends and partners in the EU. That is the objective of the negotiations now under way.

Ross Thomson (Aberdeen South) (Con): Can the Foreign Secretary confirm that the United States remains our closest ally and that the special relationship rests on more than just leaders' personalities—it rests on trade, close military alliances and a shared view of the world?

Boris Johnson: I could not have put it better myself, and I commend again to the House the shadow Foreign Secretary's wise words that it was the right thing to do to invite the President of the United States to visit this country.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): In response to Kim Jong-un, President Trump, who is apparently "really smart" and a "stable genius" to boot, tweeted:

"I too have a Nuclear Button, but it is a much bigger & more powerful one than his, and my Button works!"

What does President Trump have to say or tweet in order for any invitation to visit the UK, for any wedding or otherwise, to be withdrawn?

Boris Johnson: If I understood the hon. Gentleman's question correctly, he wishes to rescind the invitation to the President of the United States. I do not believe that is sensible. The US is our closest, most important security and economic partner, and will continue to be so.

Bob Blackman (Harrow East) (Con): Given events in Iran, is it not time that the Islamic Revolutionary Guard Corps was a proscribed organisation, with its assets frozen worldwide?

Boris Johnson: I appreciate the sentiment that my hon. Friend expresses. The IRGC clearly does not represent the forces of progress in Iran to which I was alluding earlier. We keep its status for sanctions purposes under continuous review.

Tony Lloyd (Rochdale) (Lab): The situation in Jammu and Kashmir is a human outrage on a regular basis, and the tension between Pakistan and India is threatening world peace. Will the Foreign Secretary use the opportunity of the Commonwealth Heads of Government meeting to bring our good friends Pakistan and India together and move a peace process forward?

Mark Field: I very much hope CHOGM will provide that sort of opportunity. Both India and Pakistan are long-standing friends of the UK. On the issue of Kashmir, as the hon. Gentleman knows, we do not intervene or interfere; it is for those two countries to determine.

Carol Monaghan (Glasgow North West) (SNP): The plight of the Rohingya people continues to shock, particularly as so many of them are unaccompanied children. What discussions has the Foreign Secretary had with his counterpart in Bangladesh to ensure these vulnerable children are protected from traffickers?

Mark Field: I assure the hon. Lady that we have regular conversations; indeed, I am seeing the Bangladesh high commissioner to the UK in my office this afternoon, when this matter will be the first aspect on our agenda.

John Woodcock (Barrow and Furness) (Lab/Co-op): Will the Secretary of State place in the Commons Library details of the number of UK nationals who have been deported back to the UK on suspicion of terrorism in supporting Daesh in Iraq and Syria?

Boris Johnson: I am very happy to do that.

Several hon. Members *rose*—

Mr Speaker: I am sorry we are so short of time, but I would not want the hon. Gentleman from Northern Ireland to feel excluded. His is the last go. I call Ian Paisley.

Ian Paisley (North Antrim) (DUP): Thank you very much for your kindness, Mr Speaker. The Muslim Brotherhood is a well-financed organisation, and before Christmas the Foreign Secretary made a statement along the lines of, “I will scrutinise their visa applications into the United Kingdom.” What action has been taken as a result of that scrutiny?

Boris Johnson: In addition to looking harder at the visa applications, we are looking harder at the engagement of the Muslim Brotherhood and its associates in charities in this country. I would be happy, pursuant to the answer I gave just a moment ago, to supply further details to the hon. Gentleman of what we are doing in respect of Muslim Brotherhood visas.

Emily Thornberry (Islington South and Finsbury) (Lab): On a point of order, Mr Speaker.

Mr Speaker: If it appertains to the exchanges, we will hear it. I think I heard the right hon. Lady erupt a moment ago—that would be a fair characterisation. If she wishes to erupt on her feet rather than from her seat, that would be good. The Foreign Secretary might think it courteous to stay—he is not obliged to do so, but he is a courteous chap.

Emily Thornberry: On a point of order, Mr Speaker. Rather than erupting, is it in order for me to say to correct the record that I have never thought it was a good idea to invite the President of the United States to the United Kingdom? I thought the invitation was issued with undue haste. Once it has been issued on behalf of Her Majesty, it is very difficult to withdraw it.

Mr Speaker: The Foreign Secretary is beetling to the Box. If he wishes to stand up at the Box to offer us a product of his lucubrations, we will be happy to hear it.

Boris Johnson: I am not exactly sure what is in order here, but doubtless you will guide me, Mr Speaker. I must redirect the right hon. Lady and indeed the House to her words of 14 May 2017 on the “The Andrew Marr Show”, when she said:

“I think we have to welcome the American President to Britain. We have to work with him.”

I rest my case. [*Interruption.*]

Mr Speaker: Order. I think honour is served. The shadow Foreign Secretary has offered us her thoughts and the Foreign Secretary has, with some alacrity, beetled back to the Box in order to respond. I think we should, at least for today, leave it there.

BBC Pay

12.40 pm

Hannah Bardell (Livingston) (SNP) (*Urgent Question*): To ask the Secretary of State for Digital, Culture, Media and Sport if he will make a statement on the accusations of unfair pay at the British Broadcasting Corporation following the resignation of China editor, Carrie Gracie.

The Secretary of State for Digital, Culture, Media and Sport (Matt Hancock): Like most Members, I strongly support the BBC, and, like most of the licence fee payers who fund it, I would go so far as to say that I love it. Perhaps now in this digital age more than ever, if the BBC did not exist, we would need to invent it. But, as a treasured national institution, the BBC must not only uphold, but be a beacon for, the British values of fairness that the nation holds dear. Those values include fair pay and equal pay for equal jobs.

By introducing reforms to the BBC charter, the Government, under the leadership of my two predecessors, have vastly improved BBC transparency and shone a light on gender and pay issues at the BBC. This new transparency includes the requirement for the BBC to publish annually the salary details of all BBC staff who are paid more than £150,000. The publication of such details for the first time in July last year resulted in much-needed public scrutiny of pay at the BBC.

The BBC's overall gender pay gap stands at around 9%, but the figures also show that two thirds of those who earn more than £150,000 are men, and reveal a lack of staff from black, Asian and minority ethnic backgrounds among the top earners. At the time of the publication of the salary details, some male presenters were understandably uncomfortable with the results. John Humphrys even acknowledged that he would not necessarily be able to explain his salary of £600,000.

This is not just a matter of levelling women's pay up; it is a matter of pay equality. To work for the BBC is a public service and a great privilege, yet some men at the BBC are paid far more than other equivalent public servants. The BBC has begun to act, and I welcome that, but much more action is needed, especially when BBC foreign editors can earn more than Her Majesty's ambassadors in the same jurisdiction.

With respect to the specific case of Carrie Gracie, I welcome the Equality and Human Rights Commission's decision to look into the issues she has raised. The EHRC is the regulatory body responsible for the policing of equal pay and it is for the commission, not the Government, to investigate this matter and take further action, if necessary.

Of course, the BBC is operationally and editorially independent of the Government—and rightly so. The director-general has commendably committed to sorting out this issue by 2020, and we will hold him to that. I understand that the BBC's report about on-air presenter salaries will be published in the next few weeks, but we expect the BBC to observe pay restraint and to deliver value for money for licence fee payers. We will watch closely. The BBC must act, because the brilliant women who work at all levels of the BBC deserve better.

Hannah Bardell: I wish you, Mr Speaker, and your team a happy new year and all the best for 2018. I congratulate the right hon. Gentleman on his new role as Secretary of State. I am glad that he is on his feet so soon after his appointment.

The resignation of the BBC's China editor, Carrie Gracie, over the gender pay gap at the BBC has shocked and saddened us all, and I welcomed what the Secretary of State said. He may be interested to know that I received a rather unfortunate comment from the BBC earlier, which said:

“On air colleagues who have been seen to campaign on the issue of BBC equal pay have to question whether or not they would be regarded as impartial by audiences when covering the story.”

Does the Secretary of State agree that instead of carping or attacking its own people, the BBC, as a publicly funded organisation that does not pay equally, should be getting its own house in order?

I pay tribute to Carrie Gracie, who will be a huge loss. She has shown great bravery and determination on this issue. Her letter makes for staggering and shocking reading. It says:

“Salary disclosures the BBC was forced to make six months ago revealed not only unacceptably high pay for top presenters and managers but also an indefensible pay gap between men and women doing equal work...In the past four years, the BBC has had four international editors—two men and two women. The Equality Act 2010 states that men and women doing equal work must receive equal pay. But last July I learned that in the previous financial year, the two men earned at least 50% more than the two women.”

How many talented women need to resign and be lost before the BBC and other media organisations take action? The Secretary of State has said that he will challenge them, but what tangible action will we see from him, his Government and the BBC? It is now 100 years since women got the vote. We have come a long way, but why does it feel like so many in the establishment are stuck in the past?

Matt Hancock: I share the hon. Lady's outrage at what we have discovered, and I underline that we have discovered it only because of the transparency measures that were brought in by this House, led by my predecessors, during the royal charter process. She asks specifically about editorial guidelines. They are a matter for the BBC. It is understandable that it might say that people with a strong view should separate that view from their impartial delivery of news, but I would ask whether they observe that in every case, as well as cases about just the BBC.

Damian Collins (Folkestone and Hythe) (Con): I, too, congratulate the Secretary of State on his appointment.

The Digital, Culture, Media and Sport Committee decided this morning to invite the director-general to come and account for the BBC's actions on gender pay since the publication of salaries last summer. It is important to see what progress it has made as well as what more needs to be made. Does the Secretary of State agree that this case underlines why we were right to insist on full disclosure of top pay, and not just for executives, but for on-screen talent?

Matt Hancock: I strongly agree with the Chair of the Select Committee, and I welcome his Committee's scrutiny of this. The BBC resisted the transparency measures, and we are starting to see why.

Tom Watson (West Bromwich East) (Lab): Happy new year, Mr Speaker. May I start by offering my congratulations to the outgoing Secretary of State, the right hon. Member for Staffordshire Moorlands (Karen Bradley), on her new role? I also congratulate the new Secretary of State, who, unlike Carrie Gracie, has not turned down a £45,000 pay rise this week. He tweeted yesterday about how humble he was—something he has become well known for in recent years—but I know how important this promotion will be for his fragile self-esteem.

We still live in a society in which confident men who believe in their own self-worth tend to rise to the top, or stay in position despite failure after failure, while talented women are more easily undervalued or forced out—but enough about the Prime Minister's reshuffle. Carrie Gracie's resignation as the BBC's China editor highlights the issue of unequal pay in the BBC, in broadcasting and in society more generally, and we all have a role to play in stamping that out. Lord Hall said last year that he is determined to close the gender pay gap at the BBC, but this story shows that there is still a very long way to go.

Carrie Gracie says in her public letter that she told her bosses when she took the job of China editor that she expected pay equality with her male peers and that she believed she had secured it. Does the Secretary of State believe that the corporation is, as Carrie says, in breach of equality legislation? How can employees of less transparent media companies know whether their employers are complying with equality law? The BBC is accountable to the public and we know more about the pay gap there than we do about the pay gap in other organisations. Is the Secretary of State confident that female staff in other broadcasters and media companies are paid as highly as their male colleagues? Will he call them in to encourage them to be as transparent as the BBC? What will he do to ensure that this story is used not just to criticise our national broadcaster, as other media organisations might wish, but to highlight pay inequality across the board? The people involved in this story are at the top of their profession and earn significant sums, but we need to be at least as concerned about pay equality and fair pay for BBC employees and contractors on the lowest pay, some of whom are on as little as £16,000 a year. What is the Secretary of State doing to ensure that low-paid workers are not forgotten? Will he ensure that those paid by independent production companies or through BBC Studios are not exempt from pay transparency? Does he agree, finally, that when it comes to unequal pay, we all have to say, "Time's up."?

Matt Hancock: I am grateful to the hon. Gentleman; it is good to be shadowed once more by him. He is quite a shadow, and I am sure we will all enjoy his stand-up in the exchanges ahead.

There is a very strong degree of cross-party unanimity on this subject, and I welcome the hon. Gentleman's support for the measures that we have taken to introduce more transparency. As well as introducing transparency measures for the BBC, we introduced wider transparency measures on the gender pay gap for all large organisations. I think that that answers many of his questions about other organisations, but other public organisations have strong duties, and I will take his point about that very

seriously. When it comes to investigating individual cases and policing the Equality Act 2010, that is a job for the EHRC. We welcome the fact that it is taking action in this case now, and it must take action wherever it sees that as appropriate.

Mrs Maria Miller (Basingstoke) (Con): This country has some of the best laws in the world to protect women who face these sorts of employment problems, but those laws need the Equality and Human Rights Commission to act, and to do so quickly. Why is it that, despite the overwhelming evidence that has been in the public domain for more than six months, the EHRC has failed to intervene on the BBC but has been placated by a BBC-funded internal review, which has clearly not tackled the problem? What is my right hon. Friend doing to ensure that the Equality and Human Rights Commission performs its statutory duties and uses its statutory enforcement powers to protect women facing these sorts of problems in not just the BBC, but many other organisations?

Matt Hancock: I pay tribute to the work of my right hon. Friend—my predecessor—who has brought to the EHRC's attention the importance of acting in this case. It has a statutory duty to act when it sees unequal pay, and I am glad that, as of this morning's announcement, it is taking that forward.

Brendan O'Hara (Argyll and Bute) (SNP): May I add my congratulations and best wishes to the Secretary of State as he takes up his new position? Does he agree that, as a publicly funded institution, the BBC has to be both transparent and accountable and that the existence of this secret gender pay gap in the corporation shows that it has been anything but? Perhaps that would explain why the BBC management were so vehemently opposed to having to publish how much the BBC pays its top-earning presenters. I am sure the whole House will join me in thanking my predecessor, Mr John Nicolson, and the Select Committee on Culture, Media and Sport for their work in exposing this scandal. Does the Secretary of State believe that the BBC has acted unlawfully in this matter? Is he confident that the BBC should continue to police itself in such matters? Iceland now insists that all companies with more than 25 employees obtain Government certification of their equal pay policies or face heavy fines. Does he believe it is time that the UK followed suit?

Matt Hancock: Given the action that Conservative Members have taken to bring this transparency to the BBC, one would have thought that the Scottish National party might say that that was a good idea or welcome it. We strongly support the BBC, but we also believe that it is acting in its own self-interest by sorting out these sorts of issues, and we will make sure that it does.

Mr John Whittingdale (Maldon) (Con): I, too, congratulate my right hon. Friend on his appointment to what is one of the best jobs in government. I also wish his predecessor every success in what is one of the most challenging.

Does my right hon. Friend agree that it is not good enough for the BBC to say that its performance in this area is better than that in many other sectors? Does he share my view that it is because the BBC is funded by

public money that we are entitled to expect it not just to adhere to the requirements of the law, but to set a higher standard that others can then follow?

Matt Hancock: It is not just because the BBC is a public organisation and the people who work there are public servants that it has a higher obligation than private organisations; it is also because the nature of the BBC is to reflect on to the nation—and indeed the world—the values that we hold dear, and it must live up to those values.

Ms Harriet Harman (Camberwell and Peckham) (Lab): What we should be doing today is thanking Carrie Gracie for the principled stand that she has taken. She has done this on behalf of not just women in the BBC or in broadcasting, but women throughout the country who suffer pay discrimination. As a broadcaster and a journalist, she is exceptional, but as a woman facing entrenched pay discrimination, I am afraid she is the norm.

When it comes to transparency and the requirement under the Equality Act 2010 to publish the pay gap, the Secretary of State rightly says that it is for the regulator, the Equality and Human Rights Commission, to police and monitor the position to ensure that companies publish and set targets for closing the gap. To ensure that the Government can carry out the important task of remedying this discrimination, will he commit them to redressing the cuts of up to 70% that have fallen on the Equality and Human Rights Commission? This is a pivotal moment. We need the commission to be able to do its job, and it needs funds so that it is able to ensure that we right this wrong.

Matt Hancock: I pay tribute to the leadership that the right hon. and learned Lady has shown on this issue in government and since, because making sure that an equality of opportunity pervades our country is important, and that means gender equality, too. She has rightly been an outspoken voice in favour of gender pay equality and equality across the board. On the EHRC, this is about its actions. It has a duty to act, and now it is indeed acting, and that is a question of judgment as much as resources.

Philip Davies (Shipley) (Con): May I congratulate my right hon. Friend on his appointment?

The BBC has been run like an old boys' club for far too long, not least with Lord Hall's appointment of James Purnell to a very highly paid job without that even being advertising to anyone else. I am sure that there was a far better qualified woman who would have wanted it, although I do not believe anyone on the Opposition Benches complained about that at the time. Does my right hon. Friend agree that it is not that women at the BBC are paid too little, but that many men at the BBC are paid too much and it is those salaries that should be levelled down? Does the Secretary of State also agree with Carrie Gracie that in this regard the BBC has been acting illegally?

Matt Hancock: I will leave that last point to the EHRC. On my first day in this job, I did not expect to be lobbied in favour of women's rights by my hon. Friend, but I am glad to see progress pervading even

our own Back Benches, and he certainly has a point. This is not just about levelling up women's pay and paying women more; it is about equal pay and appropriate levels of pay in an organisation that is funded by licence fee payers who want to have a television, whether they like it or not.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Like the Secretary of State and his predecessor, both of whom I congratulate, I love the BBC. I also stand with Carrie Gracie, as I think most people across the country will, on equal pay. She says in her letter that "the BBC often settles cases out of court and demands non-disclosure agreements, a habit unworthy of an organisation committed to truth".

That issue applies not just to the BBC, but to other broadcasters and companies right across the country. If we are trying to get transparency in equal pay, does the Secretary of State think it is a serious problem if so many employers pursue non-disclosure agreements when it comes to pay claims?

Matt Hancock: We should use whatever tools are at our disposal to ensure that we have the right level of transparency. We want to ensure that this work takes place across the board at the BBC and other places, and it is important that every case is looked at, rather than just individual cases. There might be individual circumstances in which an NDA is appropriate, but we need to be careful to ensure that a systemic problem is not hidden by the overuse of such agreements.

Mrs Anne Main (St Albans) (Con): I am sorry to disagree with the Secretary of State in his first few hours in office, but I would not reinvent the BBC as it is now. It resisted all the way taking the threshold down to £150,000, so that we would actually know what was going on. The fact that it tried to solve the problem with Carrie Gracie with a bung of £45,000 says to me that there is an endemic problem: the BBC does not understand and it does not get it. Some of the men are overpaid. The fact that the BBC did not wish to address this issue until it was forced into it shows that we need a root-and-branch analysis of what is going wrong in the BBC.

Matt Hancock: I agree that a root-and-branch analysis is needed and must happen. There is of course much more to the BBC than just the high pay. There are the local stations and the local work, which receive far less scrutiny than many of these issues at the top. We must ensure that the solutions brought by transparency for top pay apply throughout the organisation, and apply to presenters and off-air staff right across the BBC, and not just at the top.

Christine Jardine (Edinburgh West) (LD): I add my congratulations to the Secretary of State. Does he share my deep disappointment in my former employer's clumsy memo reminding staff of the need for impartiality on this matter at a time when it is facing criticism over the gender pay gap? Does not that call into question the corporation's attitude to reporting to the Government on this issue, and indeed to the Equality Act itself?

Matt Hancock: The BBC appears to have demonstrated more enthusiasm for ensuring that those editorial guidelines are put in place on this matter than on many others.

Dr Andrew Murrison (South West Wiltshire) (Con): My right hon. Friend is right to suggest that the problem is not principally that women are paid too little in organisations that are, in one way or another, funded by the public, but that men are paid far too much. What cognisance has he taken of organisations beyond the BBC, such as universities, that are quite egregious in this matter, and what does he think can be done to sort it out?

Matt Hancock: Over the past seven or eight years, we have brought in measures to ensure that people in the public sector are paid appropriately and that there is much more transparency. We implemented those measures in the civil service and in other areas of public life, so that there was not this problem of too high pay at the top, but some organisations have not implemented the same sorts of approaches, and now, where a body is funded by the taxpayer or licence fee payer, the problems of ignoring the need for that restraint are being brought into the light.

Stella Creasy (Walthamstow) (Lab/Co-op): I join others in welcoming the new Secretary of State. I appreciate that today is only his first or second day in office, but as he goes through his brief he will realise that, thanks to the agreement between the Secretary of State and the BBC, he has the power to give a direction to the BBC about equality of opportunity. Will he use that power to ensure that every member of staff at the BBC—male or female—is able to exercise freedom of expression at work, and protect their right to speak out as the best way to get transparency?

Matt Hancock: I certainly want to make sure that this issue is properly and rightly aired. In ensuring proper reporting, which is the question that the hon. Lady was asking, we must make sure that the BBC is objective about itself. That is a difficult thing to pull off, but it is very important that the BBC does it.

Sir Mike Penning (Hemel Hempstead) (Con): May I say to the new Secretary of State that some of us—perhaps across the House and perhaps some here on these Benches—do not share quite as strongly the love for the BBC that he, in his first couple of days in the job, has shown? At the end of the day, we are talking about the top end of pay, but I agree with the shadow Secretary of State that this must be going on across the pay bands in the BBC. The BBC is under a charter from this House; we could change that at any time we wished to make sure that it publishes and shows everything, so that there is equality across the pay bands for contractors as well as those at the top end.

Mr Speaker: There might have been a question there, but if there was it was very heavily disguised.

Matt Hancock: My hon. Friend is absolutely—

Sir Mike Penning: Right honourable.

Matt Hancock: My right hon. Friend is absolutely right that this is a question about fair pay at all levels, and not just at the top.

Mr Speaker: I appreciate that the right hon. Gentleman's status is a matter of legitimate importance to him, and I am sure that the Secretary of State will happily apologise for failing to recognise that he is a right hon. Gentleman. Indeed, he is a knight of the realm, and that is very important to us all, but particularly to the right hon. Gentleman. I think that we are now clear about that.

Jess Phillips (Birmingham, Yardley) (Lab): I am both right and honourable on this matter, which not everyone can say. The point about it being a problem at the BBC is writ large in the debate today. My inbox is full of emails from women having to sign non-disclosure agreements for all sorts of reasons, equal pay among them, so we must be careful that we do not bash the BBC unnecessarily. However, Evan Davis talked about this while presenting "Newsnight" last night, after going on Twitter and giving his very clear opinion, which was neither right nor honourable. Why has he not been silenced when women who have spoken up as part of the campaign group have been taken off the air? What will the Secretary of State do in his brand new shiny role to make sure that women are not being silenced on this issue at work? Will he send a message to all the women who have emailed me—the ordinary women of the UK—that in the first equal pay issue seen under the new legislation, we will not allow them to be silenced, and we will not send the message that, "If you speak up, you're out."?

Matt Hancock: We will not allow unequal pay to pervade the BBC or any other organisation. We have brought in rules and strengthened them across the economy and especially at the BBC. We are proud of the transparency that we have brought, and we will get to the bottom of the matter.

Steve Double (St Austell and Newquay) (Con): Does my right hon. Friend agree that the events of the past few days show that the Government were absolutely right to insist on a pay transparency level of £150,000 a year, and not the £400,000 a year that the BBC wanted?

Matt Hancock: My hon. Friend is absolutely spot on. Without that decision and without the support to bring down the threshold to £150,000, there would still be silence on this issue, and now there is not, which is good.

Sarah Champion (Rotherham) (Lab): This urgent question plus the gender pay gap figures released at the weekend show that gender assumptions across the UK are still pervasive—assumptions about what a woman is worth, what her potential is and what she can aspire to. What will the Minister do in his new role to tackle those assumptions?

Matt Hancock: Getting to the bottom of this problem in the BBC is not just important for the BBC itself and for all the brilliant women who work in the BBC and who are not paid as much as their male counterparts doing the same job. It is symbolic across the whole country and shows that we believe in the equality of opportunity and in people being paid fairly. Gender should not define how much an individual is paid.

Kevin Foster (Torbay) (Con): Certainly, this debate shows why it was absolutely right to insist that the threshold for disclosure was £150,000. The whole point

was to engender a debate about what it is right to pay people at the BBC—an organisation to which we are forced to contribute. Does the Secretary of State agree that the priority will be to ensure that pay is not only equal on a gender basis, but proportionate, given that some of the salaries that we have seen are almost impossible to defend?

Matt Hancock: My hon. Friend is absolutely spot on.

Chris Bryant (Rhondda) (Lab): I warmly congratulate the Minister on assuming his new job, but I did not like the tone he adopted when he said that he was delighted that this issue was going to be “aired”. There is no point in airing it, because we have been airing it for decades now. The point is actually to bring about change. Perhaps Carrie Gracie should be made chair of the BBC; perhaps she should be given a role specifically to bring about change in the organisation. In the end though, are not some of the men, such as John Humphrys, going to have to say, “You know what? I am paid too much. I should take a 50% pay cut.”?

Matt Hancock: The hon. Gentleman makes a very interesting suggestion. It is not true that this issue has been aired for decades. This information has been in the public domain only since last July, because of the actions that we took to insist on transparency, so while the broader issue may have been discussed, we have not had the details to hand in the public debate. That is very important, because it is only once something is measured that it can be managed.

Mr Speaker: Order. I hope I can be forgiven for making the point that if the Secretary of State was so keen for the issue to be aired in the Chamber, he could have volunteered to make an oral statement to the House. The reason why the issue is being aired in the Chamber today is that somebody—namely, the hon. Member for Livingston (Hannah Bardell)—applied for an urgent question and I granted it. I massively welcome the right hon. Gentleman’s participation, but I think it is quite important that the public should know how this matter has come to be aired in the Chamber today.

Mr Philip Hollobone (Kettering) (Con): In Britain in 2018, we have the unbelievably absurd situation where it remains a criminal offence not to pay a licence fee to an organisation that has institutionalised gender pay inequality. Will the Secretary of State invite Lord Hall to his office for an interview without coffee to explain urgently that the situation is unacceptable and needs to change well before 2020?

Matt Hancock: I certainly hope that the BBC can act before 2020. Lord Hall has, indeed, said that he wants to act before then, and I will be taking this matter up with him. On your point, Mr Speaker, of course I welcome the urgent question and I am grateful to you for granting it.

Mr Speaker: That is extremely gracious of the Secretary of State; I thank him.

Lucy Powell (Manchester Central) (Lab/Co-op): Further to the question from my hon. Friend the Member for Birmingham, Yardley (Jess Phillips), will the Secretary

of State now very clearly join us in saying that it is not acceptable that women who speak out on these issues are now facing barriers at work and questions about whether they can carry out their duties and whether or not they will progress in their careers? A very clear message needs to come from this place that that is not acceptable.

Matt Hancock: I am sure that the BBC will have heard the strength of feeling in this House that the hon. Lady has just articulated.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): Like the new Secretary of State, I love the BBC, but I welcome the approach he has taken to ensure that there is full transparency regarding how public money is spent. When spending public money, it is important to ensure both that there is gender equality and that the wages are justified. Will he be asking the BBC to justify why some stars are paid 25 times as much as we pay a transplant surgeon and 80 times what we pay a nurse?

Matt Hancock: My hon. Friend brings up reasonable comparisons. I compared the pay of foreign ambassadors with that of BBC editors. All these jobs are in public service, and when one is in the service of the public, restraint is necessary.

Jo Stevens (Cardiff Central) (Lab): May I take the Secretary of State back to the role and capacity of the Equality and Human Rights Commission? Not only has its funding just been cut, but it is running short of board members because a number of experienced candidates who have been on the board have been vetoed for reappointment as a result of Cabinet Office decisions. What is he doing to talk to his colleagues in the Cabinet Office to ensure that people such as Sarah Veale, former head of equalities at the TUC, are not vetoed for appointment, so we can have expertise such as hers on the board?

Matt Hancock: As I said before, it is a question of judgment. I think the EHRC made the right judgment in announcing this morning that it is going to investigate the matter.

Mark Menzies (Fylde) (Con): I was a member of the Committee on the Digital Economy Act 2017—the legislation brought about this change—so I thank the Minister for steering it through, in the teeth of resistance from the BBC. As several people have already said though, this is not just about how much women are paid; it is about pay equality full stop. It is about ensuring that everyone throughout the BBC gets equal pay. Will the Minister now really endeavour to ensure that everyone throughout this public sector organisation—not just the high-profile figures in front of the camera—gets equality within the law?

Matt Hancock: Yes, I agree with my hon. Friend. Sometimes the Committee work of this House is overlooked, but my hon. Friend gives a good example of a measure that was properly scrutinised in Committee, put into the Digital Economy Bill and made law, thanks to the work in Committee of Members on both sides of the House, including my hon. Friend, to whom I pay tribute.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Carrie Gracie is indeed to be praised for her stand on gender pay equality and for her comments more generally on pay equality. In her interview last night on “Channel 4 News”, she stated that her actions were not a personal plea for more money; indeed, she said that there may need to be a pay cut for all at her grade at the BBC to combat the pay inequality, which has risen in many organisations, including the BBC, over the past few decades. Is it not time that, as well as ensuring 1:1 gender pay ratios, the Government moved to ensure the fairness of ratios between the top and the bottom in many organisations such as the BBC, banks and many other companies? Wage inequality in this country has become staggering in the past few decades.

Matt Hancock: I welcome calls for pay restraint in public bodies from all quarters, including from the hon. Gentleman.

Mims Davies (Eastleigh) (Con): I declare two interests as chair of the all-party parliamentary commercial radio group and the former proud owner of a BBC pass. I strongly welcome pay transparency as the BBC is a publicly funded body. We are now in a very disappointing place. Does the new Secretary of State recognise that, despite what the Government have done, it is astonishing that we would not have discovered this underlying disparity without the singular bravery of individual women?

Matt Hancock: Yes. I pay tribute to my hon. Friend, who has worked hard on this issue during her time in the House. I also pay tribute to Carrie Gracie for her bravery and her actions.

Diana Johnson (Kingston upon Hull North) (Lab): Why does the Secretary of State think that it will take Lord Hall until 2020 to sort this out? It is an injustice. Surely the Secretary of State should tell Lord Hall to sort it out now.

Matt Hancock: It is, of course, for the commission to tell Lord Hall that. We have to be careful to ensure that the relationship between the Government and the BBC is proper, because the BBC is a public broadcaster, not a state broadcaster. The action that the Chair of the Select Committee on Digital, Culture, Media and Sport has announced—calling Lord Hall and potentially others to give evidence—will ensure that they can be held properly and directly to account.

Rebecca Pow (Taunton Deane) (Con): All credit to the Digital, Culture, Media and Sport Committee and the Government for exposing the problem we are talking about today. Pay ought to be linked to ability and experience, so it cannot be right that men in the BBC are so often paid more than women with the same ability and experience. Does the Secretary of State agree that the BBC must be held to account and soon, and that questions need to be asked about why the BBC has suppressed coverage of this story?

Matt Hancock: I think that there is plenty of coverage of the story. No doubt the House has aired the issue and will air it again, should we so choose. The Select Committee has done a good job and I look forward to its further work. I know that my hon. Friend, who is a member of the Committee, will do that work extremely well.

Ian Paisley (North Antrim) (DUP): I, too, congratulate the Secretary of State on his new appointment; I wish him well. Indeed, I also wish his predecessor well in her new role of power behind the throne in Northern Ireland. Does it not trouble the Secretary of State that the BBC’s suggested solution to Carrie Gracie was to give her a bung in excess of twice as much as the national average wage of people across the whole United Kingdom? Surely that highlights a systemic problem at the heart of the BBC and how it tries to solve problems.

Matt Hancock: I strongly agree with my hon. Friend. It matters because this is not just a case of putting women’s pay up; it is a matter of pay equality, of which pay restraint is an incredibly important part.

Julian Knight (Solihull) (Con): Does the Secretary of State share my disquiet, as an ex-BBC journalist, about any attempts in BBC policy to stop reporters reporting on this issue? Does he also share my concerns that a culture of unequal pay and ageism against women runs throughout the organisation right down to broadcast assistant level and does not just affect a few household names at the top?

Matt Hancock: It is incredibly important that the BBC recognises the level and strength of feeling in this House among people who have long championed the BBC, people who have long disagreed with the BBC, people who have been employed by the BBC and people who have never been employed by the BBC that the BBC must get to the bottom of this, root and branch.

Helen Goodman (Bishop Auckland) (Lab): When my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) brought before this House the Equality Act 2010, which provides for gender pay audits on every organisation employing more than 250 people, the Tories voted against it. Will the Secretary of State now say whether he thinks that that was the right thing to do?

Matt Hancock: I am a very strong believer in equal pay and tackling discrimination, because I believe in the equality of opportunity—wherever someone comes from and whatever their gender, sexual orientation or race. Those are the values that will guide me in this role.

Tom Pursglove (Corby) (Con): Should the BBC not sort out its act, is my right hon. Friend willing to take further steps?

Matt Hancock: Yes.

Tracy Brabin (Batley and Spen) (Lab/Co-op): The gender pay gap will never be tackled in big organisations like the BBC so long as women end up with disproportionate responsibility for childcare. Given that, does the Minister agree that the Government’s decision to reject a series of recent recommendations to close the gap, including three months’ paternity leave, means that the gap at the BBC and further afield will never close?

Matt Hancock: I am afraid that I dispute the premise of that question, because no Government have done more than this Government over the past seven years to bring in equal paternity and maternity leave, and more of it, so that men and women can be more equal in the workplace. I was one of the first to be able to take advantage

of more, and equal, paternity leave when my wife had a child. It is incredibly important that we tackle these issues, and nobody has done more than we have.

Henry Smith (Crawley) (Con): The Secretary of State is absolutely right that the BBC must comply with gender equality legislation with regard to pay. More than that, given the large salaries paid to some of the top presenters, will he send a very strong message to the BBC that it should be redeploying some of that resource to BBC local radio, which does so much to provide local information and entertainment on a pittance?

Matt Hancock: Yes, I agree incredibly strongly with that. The local news, and local TV and radio, are a vital part of what the BBC does. As we devolve more and more power locally, they are more and more important. I am very glad that the BBC recently announced that it was not going ahead with the cuts it previously proposed to local radio. Those cuts were completely unnecessary because the BBC has a very generous licence fee settlement. I am glad that it is now going to strengthen, not weaken, that local provision.

Julie Elliott (Sunderland Central) (Lab): I congratulate the Secretary of State on his new position and look forward to his first outing in front of the Digital, Culture, Media and Sport Committee. I want to put on record my praise and respect for Carrie Gracie for what she said yesterday: she is an outstanding woman. This is not about equal opportunity, as the Secretary of State has said many times that it is—it is about equal pay for work of equal value, right across the organisation. This has been known about for six months and the BBC has done nothing. It is illegal not to have equal pay. What are the Government going to do to bring pressure to bear on the BBC to act?

Matt Hancock: I agree that it is about equal pay for equal jobs, as I said right from the outset, and of course that underpins equal opportunity. On what we are going to do, the first thing we have done is brought in transparency. We are going to see what the BBC says in the next few weeks, when it will publish more on on-air presenters, and we do not rule anything out.

Huw Merriman (Bexhill and Battle) (Con): With some trepidation, I declare my interest as chair of the all-party parliamentary group on the BBC. The BBC promised to publish pay gap data and an independent audit on pay. This it has done, and the independent legal and accountancy firm doing the auditing found no systematic gender discrimination. The final review of presenters, editors and correspondents will be published shortly. Given that the BBC is required to deal in facts, does my right hon. Friend agree on the need to wait for that review before this House rushes to judgment?

Matt Hancock: Of course the BBC has to deal with this objectively, but some very serious allegations have been raised. The BBC has said that it is going to get to the bottom of it. It must get to the bottom of it, and we will hold it to that.

Deidre Brock (Edinburgh North and Leith) (SNP): I, too, declare an interest as a member of the APPG on the BBC. As such, I, too, welcome the BBC's commitment

to publish gender pay gap data and its independent audit of pay for most of its staff. However, the problem is that the BBC is in breach of the Equal Pay Act 1970. Surely 47 years is enough time to get its house in order.

Matt Hancock: One might have thought so. Now, thanks to the transparency measures that we have brought in, we are going to make sure that that happens.

Vicky Foxcroft (Lewisham, Deptford) (Lab): The BBC website reported yesterday that since 2011 so few equal pay cases have been formally recorded as having a successful or an unsuccessful outcome at tribunal that the Ministry of Justice has both figures at 0%. We know that these figures do not reflect the reality and that a large proportion of cases are either withdrawn or settled away from tribunal. Does the Secretary of State agree that this method of reporting prevents us from having a true understanding of the actual figures involved?

Matt Hancock: We have brought in stronger laws to ensure that there is transparency, not only at the BBC through the royal charter but statutorily for all large organisations. We have taken action in this area because it is very important to get to the bottom of it.

Peter Grant (Glenrothes) (SNP): Gender pay discrimination is partly a symptom of a much wider problem of sexist attitudes that prevail in too many large organisations. May I remind the Secretary of State that it is less than 24 hours since a colleague of his at the Dispatch Box defended the appointment of Toby Young as universities regulator for England, and less than two hours since another colleague at the Dispatch Box defended the offer of a state visit to Donald Trump? While I would agree with a lot of the Secretary of State's criticisms of the BBC, will he not accept that if the Government are going to throw stones at the BBC, they should get out of the glass house they are in and stop rewarding such blatant and horrific examples of sexist behaviour elsewhere?

Matt Hancock: As I say, tackling the sort of unequal pay that we have seen at the BBC is very important. That is why we brought in the measures that we did, which I took through Parliament as the Bill Minister and which we are very proud to have brought in.

Mike Kane (Wythenshawe and Sale East) (Lab): Sky News did some research in the summer that showed that the vast bulk of the best-paid BBC journalists went to a private or selective school and that we can count on the fingers of one hand those who did not. Does the Secretary of State agree that while there is much merit in pursuing this case, we have to end the self-serving, self-selecting elite bias in the appointments to some of the best-paid public sector jobs in this country?

Matt Hancock: I have a lot of sympathy with what the hon. Gentleman says. Making sure that we have equal opportunities is not only about the protected characteristics in the Equality Act; it is also about social background and making sure that people from all backgrounds get an equal chance.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for his responses so far. The BBC has been guilty of discrimination and a gender pay gap differential. The national average gap of 18.1% is wrong, but it is

[Jim Shannon]

hard to understand the satisfaction that the BBC seems to have and the feeling that 9.3% is not too bad. Does the Secretary of State agree that whether the figure is 18.1% or 9.3%, the BBC needs to put in place action to ensure that all receive equality of pay immediately?

Matt Hancock: The BBC would do well to reflect on the discussions that we have had in this House this afternoon, where we have seen, unless I am mistaken, unanimity from every single Member in demonstrating the need for action that we, as a House, hold to. The defence that, as an organisation, it is better than others and better than the average is frankly not good enough, not just because everybody should be doing better, but because the BBC should be held to a higher standard as a treasured national institution and our national broadcaster.

Parole Board and Victim Support

1.28 pm

The Secretary of State for Justice and Lord Chancellor (Mr David Gauke): With permission, Mr Speaker, I should like to make a statement on the Parole Board's decision to release John Worboys and the Government's response to the issues raised by this case.

I should like to start by echoing the statement made by my predecessor at the weekend, and expressing my unreserved sympathy to all the victims. They will never erase the emotional trauma of John Worboys' crimes, and the Parole Board's decision to order his release must have brought back painful memories. These were horrific crimes, and I take the concerns raised, including by many colleagues in the House, very seriously.

John Worboys was convicted of 19 offences in 2009, and received an indeterminate sentence of imprisonment for public protection with a minimum tariff of eight years in custody. Following the expiry of the tariff, he was eligible for review by the Parole Board, which was required to consider whether to release him. The board reviewed his case at a hearing on 8 November 2017, by which time he had served 10 years in custody, including a period on remand. A three-person panel considered a detailed dossier of evidence. Its subsequent decision to release him was communicated to my Department on 3 January.

There are two main concerns in respect of the contact with victims that I think it essential to address today: whether the correct procedures were followed in this case, and whether those procedures are right or improvements are needed. Turning first to whether procedures were followed in this case, all victims of the crimes for which John Worboys was convicted have a statutory right to receive information about parole hearings and decisions under the victim contact scheme. On the basis of the information I have received since arriving in the Department yesterday, it appears that, in relation to these victims, those who opted to remain in contact via the VCS were informed of the parole hearing. Of the victims currently in contact with the scheme, those who chose to be informed of the Parole Board decision by phone or email were contacted immediately on 3 January, although I have just become aware of the case of a victim who did not receive the email. Letters were also sent immediately to those who chose to be informed that way, but these of course took longer to arrive. Some victims entitled to this contact chose not to opt in, which is of course their right.

Any victims whose crimes were not prosecuted do not fall within the statutory remit of the VCS, so the arrangements are different. Discretionary contact can be considered, but in this instance, the National Probation Service has no record of any requests for discretionary contact.

While it appears that the correct procedures were followed, the fact that some victims learned of the decision from the media suggests that there is a need to review those procedures and examine whether lessons can be learned and improvements can be made. It is a priority for this Government that victims of rape and sexual assault have full confidence in the criminal justice system. Sentence lengths for these horrific crimes have increased by over 30% since 2010 and more victims are coming forward, but there is still more to do.

I should be absolutely clear that I think the Parole Board should remain an independent body, responsible for making decisions about the ongoing risk that individuals pose after serving their tariff. However, I agree with my predecessor's assessment that there is a strong case to review the case for transparency in the process for parole decisions and how victims are appropriately engaged in that process, and to consider the case for changes in policy, practice or Parole Board rules or other guidance or procedures, including the victims code.

With that in mind, I can confirm that I have instructed my officials to establish a review to examine these questions, and I will share more information on this shortly. I think it is appropriate that the Department leads this work, but that it consults victims' groups and others. I have spoken to the Victims' Commissioner, Baroness Newlove, and the chair of the Parole Board, Nick Hardwick, to discuss what changes we could make and how best to draw on their expertise and insight in this review. Finally, I note that the Chair of the Justice Committee, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), has signalled his intention to hold an evidence session, and my Department stands ready to provide the Committee with any information it may require.

I intend to prioritise this review, and it will conclude before Easter. I hope that this course of action reassures the House of the importance and priority I attach to the issue. As such, I commend this statement to the House.

1.33 pm

Richard Burgon (Leeds East) (Lab): I welcome the new Secretary of State to his post, and I thank him for advance sight of the statement.

Our criminal justice system must always have the interests of the victims of crime at its heart. It is all too clear that victims of the vile crimes committed by John Worboys feel that this process has failed to do so, and such failings risk undermining public trust in our wider justice system. Many women—both the victims and others more widely—will be very anxious indeed about Mr Worboys being freed. The current legal restrictions on the Parole Board mean that we do not know why this decision was taken.

I thank the Secretary of State for his statement today. With respect, however, we do not need to debate whether there is a case for greater transparency. The Worboys case has underlined once and for all that there is a need for greater transparency, and the chair of the Parole Board has already called for this. Will the new Secretary of State for Justice therefore guarantee that his review will be about how to achieve greater transparency, and not about whether this is needed?

The failures go much wider than the rules governing the Parole Board. In fact, this whole matter has been dogged by failures from the outset. In 2009, John Worboys was convicted of 19 offences against 12 women, but the police have also linked Worboys to about 100 other cases. The public are asking questions about the failings in the police's handling of the case, about why there were no further prosecutions and about failures of the victim contact scheme to notify victims of the parole hearing properly. The Worboys case raises so many serious questions that anything less than an independent

end-to-end review into the handling of the case—from first reporting to the police of an attack right through to the Parole Board hearing—would let down the victims and the wider public.

The previous Secretary of State did not take up my request to undertake such an inquiry, but the new Secretary of State can bring a fresh perspective to all of this. He has the opportunity to reassure the victims and the wider public by going further than his predecessor and agreeing to an independent end-to-end review. That would be the right thing to do, and if he does so, I will congratulate him. I therefore ask the Secretary of State: will he agree to this proposal today?

There are also questions about whether wider problems in the justice system, a sector now subjected to the greatest cuts of any Department, have had an impact on this specific case. The failure to allow women victims the opportunity to participate in the parole hearing through written and oral statements, or to notify them of the hearings properly, was a real breach of their rights. The National Probation Service manages the victim contact scheme, and I would say that the House is all too familiar with the deep problems caused to probation by the chaotic reforms undertaken by the Secretary of State's Government.

Does the Secretary of State believe that the changes to probation services have left the victim contact scheme more effective or less effective? Will he spell out today what his Department is doing to ensure that the scheme is functioning as it should and that we do not see a repeat of the failings witnessed last week? At the very least, will he consider amending the scheme so that victims opt out, rather than opt in to the system? Likewise, what is the Government's assessment of the effectiveness of the current sex offender treatment programmes in prison? Last year, the Ministry of Justice found that its core programme actually increased reoffending among sex offenders. Does he know whether John Worboys was on one of the core programmes that were subsequently withdrawn? Will the Secretary of State take the opportunity to clarify what the current procedure is for prioritising which imprisonment for public protection cases are dealt with most pressingly? Are those on the shortest tariffs dealt with first?

Finally, I am pleased that the Government are now focusing on victims' rights. However, in 2014, the High Court found that the Metropolitan police had breached the rights of victims of Worboys under the Human Rights Act 1998 by failing properly to investigate many of the crimes Worboys was linked to. That decision was later upheld by the Court of Appeal. I think that many will be surprised and disappointed that the Government—through the current Home Secretary and her predecessor, who is now the Prime Minister—backed taking Worboys' victims to the Supreme Court last year. Will the Secretary of State take this opportunity to express regret for treating the victims in that way?

Mr Gauke: I thank the hon. Gentleman for his remarks. He makes the case for transparency, as did Nick Hardwick, and I completely see and, indeed, sympathise with the argument being made. This case does demonstrate the need for us to look at the issue of transparency again, and it is important that we do so in some detail. I say to the House that I start off on the basis that more transparency is needed, as this case has demonstrated.

[Mr Gauke]

The hon. Gentleman asked me about an end-to-end review. It is right that we focus on how we can make this system more transparent to provide reassurance to the public that it is working in the way that it should. That should be a priority, as should victim support. The hon. Gentleman asked whether the basis of the system should be not opting in but opting out. That is something that the review will be able to consider.

We must be sensitive to the fact that, whereas some victims of crime will be keen to be fully informed at every stage, others simply may not want to hear the name of that criminal again. Different people will have different views about how they want to be treated, and we need to find a system that accommodates both approaches.

I was also asked about prioritising cases. Clearly, there is a need to look at cases in which the tariff has been completed. They will be higher priority than cases in which the tariff still has some years to run. That is what happens in practice.

The hon. Gentleman raised the Supreme Court case. The matter is sub judice and I cannot comment further on it, but I reassure him and the House that we need a system that has the confidence of victims. That is what we all want to ensure.

Robert Neill (Bromley and Chislehurst) (Con): I welcome my right hon. Friend the Secretary of State to his new post. It is nice to see that it is still possible for a lawyer to become Lord Chancellor.

I thank my right hon. Friend for his offer of co-operation with the Justice Committee investigation into this matter. I welcome his statement. Will he bear it in mind that Professor Hardwick has indicated a greater desire for openness in the system, and consider the suggestions that he made in his Butler Trust lecture last autumn? Will he start very swiftly with reviewing the provision in the parole board rules that prevents the board from giving reasons for its decision, even if it might want to do so? Giving the reasons might help to reassure both the public and victims.

Mr Gauke: My hon. Friend is right to raise that case. I met Professor Hardwick this morning and he is already participating in this debate. He has been making the case for greater transparency and, as I said in an earlier response, he makes a good case. There is a strong case for ensuring that the reasons for particular decisions are put in the public domain, where that provides reassurance.

Joanna Cherry (Edinburgh South West) (SNP): I welcome the Lord Chancellor and Secretary of State to his place, and I thank him for advance notice of the statement. I was pleased to hear him say that it is a priority for the Government that victims of rape and sexual assault have full confidence in the criminal justice system.

In Scotland, where these matters are devolved, we have put a huge amount of work into improving the prosecution of sex crimes, and Police Scotland works closely with the National Sex Crimes Unit—I was proud to be one of its first prosecutors nine years ago. In Scotland we have robust victim notification schemes. What has gone wrong with the notification scheme in

this case is just one issue. There were also very serious failings from the outset in the way in which the police approached the investigation, and the House needs assurance that those serious police failings could never happen again. Can the Secretary of State give us that assurance?

It is concerning that, as Home Secretary, the Prime Minister intervened to support the police against victims who had successfully obtained findings in the lower courts that the police had been in breach of the Human Rights Act 1998 in the way they investigated them. I appreciate that, as the Lord Chancellor has said, those cases are currently sub judice, but can he give an undertaking that when the judgment is issued he will make a statement to the House about why the Government took the side of the police against the victims?

Worboys is going to be free later this month unless further charges are brought. We are all aware that there were many more Worboys victims than those in respect of whom there has been a prosecution. *The Guardian* has reported that the police say there is no live investigation, but it has also reported that the victims would like to see proceedings brought. Can the Lord Chancellor confirm whether any of those cases are still live? Will there be any further charges?

Mr Gauke: Further charges are a matter for the police and the Crown Prosecution Service, and I am very limited in what I can say about that. What I can say is that of course it is a priority for us that rape and other sexual offences are pursued. As I mentioned earlier, sentences for rape have increased in recent years by approximately 30% on average. We take these matters extremely seriously, and we continue to ensure that these horrendous crimes are pursued. It is not for me to make a statement about likely further prosecutions in this particular case. We are talking about a case that was prosecuted in 2009, and I know that there is an ongoing debate about whether more cases should have been brought at that point. It is important that we learn the lessons from this case and, not just looking at the particular facts of this case, ensure that we have a victim support system that works for victims across the board.

Theresa Villiers (Chipping Barnet) (Con): I congratulate my right hon. Friend the Lord Chancellor on his new role and thank him for coming so swiftly to the House on this solemn matter. It is shocking and unacceptable that victims learned of Mr Worboys' impending release from TV coverage. I welcome his assurance that that will be investigated and reform will be considered, but can he tell us the size of the problem? How many other victims have found themselves suffering in that completely unacceptable way?

Mr Gauke: I thank my right hon. Friend for her remarks. The scale of the issue is likely to become clear in the course of the review. This is a high-profile case, but I will not pretend that it is unique. I have recently become aware that one of the victims did not receive an email when she had requested it—that email was sent, but it was not received. The procedures were followed, but the decision to release Worboys entered the public domain quickly, which meant that victims heard about it before they received the letters. We need to learn the lessons from that to ensure that it does not happen again.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I also welcome the Lord Chancellor to his post. He will note that some of the victims have still heard nothing from victim liaison officers and still do not know what the Parole Board terms are and whether this man may end up living near them. Given that Worboys had their addresses, will the Lord Chancellor urgently ensure that all the victims are contacted by victim liaison officers before this man is released? Given that some of them had no opportunity to put statements to the Parole Board, is he confident that due process has been followed in making this decision? Further to the Justice Committee's point about greater transparency in Parole Board decisions, will the Lord Chancellor introduce changes to the statutory rules that would allow the board to make open the decision in this case, not just in future cases, so that people can see what the reasons were?

Mr Gauke: The right hon. Lady makes an important point. There is clearly the potential to change the rules for forthcoming cases, but she particularly asks whether such a change could apply to cases that occurred before the change in the rules. I do not want to make any guarantees to the House at this point, because there are clearly complex legal implications and one would want to look at them, but if I may take that as a representation of what she thinks should happen, I very much take that on board.

On notification of victims, as I said, there will be cases where people do not want to be informed; there will be cases where people will want to receive a great deal of detail. We need a system that is sensitive to what victims want. The right hon. Lady raises the point about where Worboys will be and whether victims could be close by. The conditions of the licence are for the Parole Board, but I suspect I speak for the House as a whole when I say that we would expect the Parole Board to be sensitive to the concerns that victims might have about their safety, and indeed to the trauma of perhaps finding themselves accidentally in the presence of someone who has committed such terrible crimes.

Sir Mike Penning (Hemel Hempstead) (Con): As the new Lord Chancellor, my good friend, knows—I welcome him to his post—I was the victims and the police Minister in the previous Administration. One reason for that was the justice side cannot really be taken away from the police and the Crown Prosecution side. In the files on his desk will be a draft Bill for a victims law, which has cross-party support, which I believe was in both Conservative and Labour manifestos, but one of the biggest issues is what is a victim. It is obvious to us what a victim is, but in law that is often very different; so where there has not been a prosecution, victims very often will not be informed in the same way as someone whose case has been before the courts. Why the Crown Prosecution Service did not prosecute as many cases as we all know about now must be investigated as part of the review, but we must put the victim first, and a victims law would be a very good way to start.

Mr Gauke: I thank my right hon.—and very good—Friend for his comments. He is right; I believe that I do have advice on that very matter in my inbox, and I will want to look very closely at it. He is absolutely right to say that it is important that the position of victims is

properly respected. One of the first people I spoke to on taking office was Baroness Newlove, who has done some excellent work on the issue.

Ellie Reeves (Lewisham West and Penge) (Lab): I congratulate the right hon. Gentleman on his appointment. It is right that the Parole Board carry out its work to continue to review the backlog of prisoners serving IPP sentences. However, the public must have confidence that IPP prisoners are being released safely and responsibly. The decision to release John Worboys has undermined that confidence, and given that 3,000 IPP prisoners have been released since their sentences were abolished, what assurances can the Secretary of State give that public safety has not been and will not be compromised?

Mr Gauke: The hon. Lady raises a fair challenge. It is important that public confidence is maintained. It is also right, though, that the Parole Board, as an independent body, makes the decisions; I do not detect a consensus in the House that this matter should be returned to the discretion of politicians. However, the Parole Board clearly needs to be very mindful of public perception. It is, I know, very mindful of the risks that could be created on somebody being released. That is the test that the Parole Board must meet in making these decisions.

Dr Julian Lewis (New Forest East) (Con): When a minimum tariff is imposed, can it be challenged on grounds of undue leniency; and given that the tariff is a minimum, why does the sole test applied by the Parole Board appear to be simply whether the criminal still poses a risk to others? What has happened to the concept that the punishment should fit the crime?

Mr Gauke: Of course, the IPP cases are essentially historic in the sense that those sentences no longer apply; but while approximately 3,000 IPP prisoners remain in jail, it is a question of testing whether there is a risk to the public once the tariff has been met, as my right hon. Friend sets out. Of course, a different system applies to those who do not fall within the IPP test.

Stella Creasy (Walthamstow) (Lab/Co-op): I welcome the Lord Chancellor to his new job. He may be aware that on Friday, a cross-party group of 58 MPs wrote to his predecessor, to express our concerns not so much about transparency in decision making but about the right of victims to be heard by the Parole Board and for their information to influence decisions. His successor wrote back to us, stating that the victim support people had tried to make contact in October, for a hearing in November, with people with whom they had not had contact since 2009.

Will the Lord Chancellor, in his review, look explicitly, not at the transparency of how decisions were made, but at how victims' voices were heard as part of that process? If he is not satisfied, as it seems that many of these victims were not told how they could have their say, will he use his powers to instigate a judicial review of the decision?

Mr Gauke: The hon. Lady raises an important point about victims' voice being heard throughout the process. In the review, I want to focus on the areas that I have particularly set out, but it is important to look at the

[Mr Gauke]

whole process of victim support and ensuring that the voice of victims is heard, so that it works for victims in the way that we all want it to work.

Mr Philip Hollobone (Kettering) (Con): I think my constituents in Kettering would take the view that we are far too soft in this country on punishing sexual offenders. None of them serves their time in jail in full; too many are released far too early; and many go on to reoffend once they have been released. Will the Secretary of State publish in the Library details of the number of sexual offenders who have reoffended upon release, and how those who are responsible for their early release are held to account?

Mr Gauke: I am grateful to my hon. Friend for the question. As I mentioned, since 2010 the sentence for rape has gone up by 30%—something that I am sure he would support. On the figures that he asks for, if I may, I will take that question away and see what information can be provided to him.

Helen Goodman (Bishop Auckland) (Lab): My constituent, who was raped repeatedly in childhood, came to see me in considerable distress before Christmas because the first she knew that her perpetrator had been released was when he visited the pub next to her place of work. I have raised the matter with the Department, but the letter I received from the Under-Secretary of State for Justice, the hon. Member for Bracknell (Dr Lee), blamed her for not giving the victim contact scheme her change of address. I would like the Secretary of State to commit to looking again at her case and to apologising to my constituent.

Mr Gauke: Obviously, I am not familiar with the case that the hon. Lady raises. As I said earlier, we need to look at communication with victims very closely. Clearly, to communicate, it is necessary for the authorities to have contact details. [Interruption.] We need to find a way to ensure that the relevant authorities have those contact details, so that we can provide the support that the victims want.

Anna Soubry (Broxtowe) (Con): As a friend of one of the victims and a former criminal barrister, I take the view that the original sentence was the correct one in all the circumstances. Worboys, of course, was convicted on the basis that he was a dangerous predatory sex offender, and I have to be frank with my right hon. Friend, whom I warmly welcome to his position, that I and many others are struggling to believe that Worboys is no longer a danger. It is in the nature of this sort of offending that these men are often extremely cunning. We have to trust the Parole Board—I pay tribute to its work, and it must retain its independence—but if nothing else it must put a condition upon his release that he is not allowed back into Greater London. I know that that is not within the gift of the Secretary of State, but it is what the victims, who are very frightened of this man, need to hear.

Mr Gauke: I thank my right hon. Friend for her remarks. I quite understand why she is concerned about whether Worboys continues to pose a risk to the public.

The Parole Board made an assessment on the basis of the evidence—several hundred pages of information in front of it—and it was an experienced board, but I am also not in a position to make that assessment. As she says, it is important that we trust the Parole Board—the case for transparency is that it will provide some helpful reassurance. On access to London, she makes her point powerfully, but it is for the Parole Board to determine the conditions.

Several hon. Members *rose*—

Mr Speaker: Order. I gently point out, in respect of this extremely serious matter, that the statement has now been running for over half an hour, but we have had only 10 Back-Bench questions. To be candid, we need shorter questions—not people's observations, comments, tributes and commendations—and then brief replies from the Secretary of State.

David Hanson (Delyn) (Lab): There is a third aspect to this, which is post-release supervision. Given that Dame Glenys Stacey, the chief inspector of probation, says that there is a fractured system, will the Secretary of State, as one of his first tasks, consider strengthening that post-release supervision system?

Mr Gauke: The right hon. Gentleman makes an important point, and I would certainly hope and expect that in this case the conditions will be stringent and rigorously enforced.

Mr Jacob Rees-Mogg (North East Somerset) (Con): May I briefly congratulate the Lord High Chancellor on achieving the greatest and most distinguished office in the land? May I question his assumption, however, that nobody wants power returned to politicians in this area? It seems to me that final decisions on whether somebody is a danger should rest with those who may be held to account, not with unaccountable bureaucrats. It is not a scientific decision; it is a matter of opinion, and I would trust his opinion more than that of an unaccountable bureaucracy.

Mr Gauke: I thank my hon. Friend for his kind remarks and confidence in me. On this occasion, however, I fear that I am not entirely in agreement with him. I think that this needs to be a decision made by an independent body on the basis of the evidence in front of it, but it is also right that such independent bodies are conscious of the need to ensure that victims and the public more widely have confidence in the decision.

Jess Phillips (Birmingham, Yardley) (Lab): When I did the job of victim liaison, working with probation to keep victims informed, in the west midlands, where I worked, there were many people in probation working in that area. Since the privatisation of probation, in the west midlands, there is one victims officer—for an area with 3 million people. In this review, will the very welcome new Justice Secretary look at what was taken away and potentially why an email to a victim is not enough, when a relationship is what we used to have?

Mr Gauke: I thank the hon. Lady for her remarks. I do not think that this particular issue is, in truth, about resources. In terms of the requests for information

made by some of the victims and the forms in which that was to be provided, which were established in 2009, some of the victims also requested to be informed at a later date. I stress, however, that I want a system that works adequately for victims.

Mr John Whittingdale (Maldon) (Con): Will my right hon. Friend pay tribute to the courage of those women who gave evidence against John Worboys, one of whom is well known to us on the Conservative Benches? Does he agree that it is essential that his victims have full confidence that their safety is a priority in the decisions of the Parole Board, which does not appear to have been the case this time?

Mr Gauke: I join my right hon. Friend in paying tribute to the victims who came forward, very bravely, and in some cases waived anonymity to encourage others to come forward. It is important that their safety be paramount. It is important that the system has the confidence not just of the general public but of victims, and this case demonstrates that there is a need for changes to ensure that that can happen.

Emma Little Pengelly (Belfast South) (DUP): I also welcome the Lord Chancellor to his new position. The victims and survivors of sexual assault and rape continue to suffer the legacy of hurt and trauma for many decades and often a lifetime, which is why many people are appalled that this man will be walking the streets again after a mere nine years. I welcome what the Lord Chancellor has said about transparency, but will he give a commitment in his new role that he will do everything he can to ensure that these crimes are taken seriously by the police, prosecutors and the courts?

Mr Gauke: Yes, it is vital that these crimes be taken seriously. I think that there is consensus across the House and the country that they are, and certainly it is my intention that that continues to be the case.

Zac Goldsmith (Richmond Park) (Con): Worboys was a prolific sex attacker for up to 10 years, and there are likely to be hundreds of victims, yet in court he showed no remorse and dismissed his actions as “banter”. Just two years ago, he was claiming that he had done absolutely nothing wrong. It is impossible, therefore, for people to understand how the board could possibly have deemed this man to be safe. Will my right hon. Friend agree that, unless and until the board explains publicly the rationale behind the decision, people cannot possibly have confidence in our criminal justice system?

Mr Gauke: I completely understand my hon. Friend’s point. As it currently stands, the Parole Board cannot provide in public the reasons for its decision. The chair of the Parole Board has made it clear that he wishes that it could, but the Parole Board rules—secondary legislation, essentially—prevent that from happening. One thing we will have to look at is what can be done to review and potentially change that secondary legislation to provide for greater transparency, so that these things can be explained. As I said earlier, there is a question about whether the new regulations could apply to cases before any change, including this case, but that is something we will want to look at.

Christine Jardine (Edinburgh West) (LD): I welcome the right hon. Gentleman to his new role, the review he has announced today and the transparency he speaks about. Will he assure the House that that transparency will mean that the Parole Board can provide the detailed rationale, in each case, for why parole has been granted and that we will be able to guarantee that victims who wish to be informed are informed before there is a danger of them hearing it on the television or radio?

Mr Gauke: The review will need to consider exactly those points and seek to address the concerns arising from this case, which the hon. Lady has summarised.

Philip Davies (Shipley) (Con): For many years, I have conducted a rather lonely campaign in this House against soft sentencing in the criminal justice system, and I suppose that I should be grateful that so many of those who have decried me over the years are now leaping on to the same crusade. May I urge the Secretary of State not to think that the case of Worboys is unique, but to look at soft sentencing across the board, not least the ridiculous situation that we still have on the statute book whereby people given a determinate sentence by law have to be released halfway through their sentence, no matter how badly they behave in prison and no matter how much of a threat they still pose to the public? Will he deal with that nonsense in the criminal justice system, as well as this particular one?

Mr Gauke: As always, my hon. Friend has made his case in a forthright manner, and his consistency is very evident. I dare say that today is not the last occasion on which he and I will debate this subject. I think we all agree that the public must have confidence in our criminal justice system and our sentencing policy.

Tony Lloyd (Rochdale) (Lab): Both the Worboys case and the case raised by my hon. Friend the Member for Bishop Auckland (Helen Goodman) are examples of cases in which the victim is treated as an adjunct to the criminal justice process, and, as we have seen, that can apply throughout the process. Will the Secretary of State think carefully about the request from my hon. Friend the Member for Leeds East (Richard Burgon) for an end-to-end review? We must get the victim’s journey right when it comes to such harrowing crimes.

Mr Gauke: It is very important for victims to be at the heart of our criminal justice system. A great deal of work has been undertaken with, for example, Baroness Newlove in her role as Victims Commissioner. We continue to look into how we can improve our criminal justice system to ensure that victims are given the support that they need.

Tom Pursglove (Corby) (Con): My right hon. Friend speaks of victim support. Will he ensure that both the need for repeated victim impact assessments and the appropriateness of exclusion zones are given proper consideration in the review? For instance, a county-wide exclusion zone will be of very little comfort to someone who lives on a county boundary.

Mr Gauke: Those points could certainly be considered in the review.

Thangam Debonnaire (Bristol West) (Lab): The best predictor of future offending behaviour is, unfortunately, past offending behaviour. Victim impact statements also contain information that is important to a thorough and evidence-based risk assessment. Will the Secretary of State please consider in his review whether the risk assessment tools that the Parole Board is using are adequate and whether the intervention programmes are evidence-based and properly evaluated?

Mr Gauke: Whether the hon. Lady's points are considered in the review or more generally, they are important points about the need to ensure that we have a system that is working.

Mims Davies (Eastleigh) (Con): For the second time today, women's rights and transparency take centre stage in the Chamber. Again, we are discussing whether a system works and whether a process is letting women down. May I, too, welcome the Lord Chancellor to his role and urge him to use the review roundly to ensure that the system is fair and works for everyone, and women feel it is safe and works for them?

Mr Gauke: My hon. Friend has made an important point about the need for women to feel safe, and we must ensure that the system provides that reassurance.

Conor McGinn (St Helens North) (Lab): The appalling release of this dangerous man has heightened the anxiety of my constituent Marie McCourt that her daughter Helen's killer might be released in similar circumstances. Can the Secretary of State assure me that the review will look at parole guidelines and criteria on the release of convicted murderers who refuse to disclose the location of their victims' remains? Incidentally, his Department promised to do that two years ago.

Mr Gauke: I will look at that case and, if I may, respond to the hon. Gentleman subsequently in greater detail.

Huw Merriman (Bexhill and Battle) (Con): Rather than welcoming the Lord Chancellor to his position, may I tell him how sorry those who worked for him until yesterday will be that he is no longer at the Department for Work and Pensions? I welcome what he said about the transparency of Parole Board decisions, but may I urge him to put a timescale on when the House will know more? It is important for the public to be reassured that the Worboys case will not be forgotten and that we will not move on without a change.

Mr Gauke: I thank my hon. Friend for his remarks. As for the timescale, I said earlier that I expect the review to conclude by Easter.

Liz McInnes (Heywood and Middleton) (Lab): In the interests of transparency, will the review reveal which sex offender treatment programme Worboys underwent that satisfied the Parole Board? As my hon. Friend the Member for Leeds East (Richard Burgon) pointed out, the main programme used in England and Wales was found to increase the reoffending rate and was scrapped last year.

Mr Gauke: I hear what the hon. Lady says. When I set out the case for reviewing transparency, I referred to the reasons that the Parole Board gives for a particular

decision being put in the public domain. I think that we need to consider precisely what information can be put into the public domain, and that is the purpose of the review.

Kevin Foster (Torbay) (Con): As the Lord Chancellor knows, it is vital that justice is not only done but seen to be done. That is why judges hand down sentences and give the reasons for them in public, and it is why I think that the same should apply to the Parole Board, given what an important part of the process is involved. Will the Lord Chancellor commit himself to making a statement to the House when he has completed the review, outlining what action he then proposes to take?

Mr Gauke: The House would rightly expect me to keep it fully informed, and I certainly undertake to do that.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The public need to be confident that the Parole Board is making a balanced assessment of risk. Will the Lord Chancellor commit himself to reviewing how the board assesses the risk presented by offenders? Will he also undertake to consider the role of independent psychologists in advising on offender risk, especially when their advice conflicts with that of probation and prison professionals?

Mr Gauke: The hon. Lady makes an important point. Clearly, as we look at the issue of transparency for Parole Board decisions, we shall need to look at the evidence with which the board is provided and review the extent to which it should be put in the public domain.

Sir Desmond Swayne (New Forest West) (Con): Did he acknowledge his guilt?

Mr Gauke: I am not in a position to provide details of the case. Those details are given to the Parole Board, and I am afraid I cannot say more than that.

Mr Speaker: I have to say that the succinctness of the right hon. Member for New Forest West (Sir Desmond Swayne) is medal-winning. May I exhort him to circulate his text book on pithy questions?

Christian Matheson (City of Chester) (Lab): My question will not be quite as pithy, I am afraid.

Much as I support the idea of redemption and rehabilitation, my own view is that a sentence of nine years in prison for 19 rapes is simply derisory, especially given that, as was pointed out by the right hon. Member for Broxtowe (Anna Soubry), this was a predatory attacker. The Secretary of State said that IPP sentences were no longer in use. Is he satisfied that the current sentencing guidelines meet the need for decent sentences in shocking cases such as this?

Mr Gauke: First, let me briefly correct the hon. Gentleman: Worboys was convicted of 19 offences, and there was one conviction of rape. I do not say that in any way to undermine or belittle the seriousness with which his crimes should be considered.

As I have said, sentences for rape have gone up over the last eight years, and I think it right that that has happened.

Construction (Retention Deposit Schemes)

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

2.18 pm

Peter Aldous (Waveney) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about protecting retention deposits in connection with construction contracts; and for connected purposes.

Let me start by paying tribute to Sir Michael Latham, who died in November. He was a Member of this House for 18 years, from 1974. In 1994, he produced a report, commissioned by the Government and the construction industry, called “Constructing the Team”. The report had a significant impact on the industry and led to the passing of part 2 of the Housing Grants, Construction and Regeneration Act 1996, which is commonly referred to as the Construction Act. Unfortunately, one of Sir Michael’s recommendations remains outstanding, and has not been implemented. It relates to cash retentions in a secure trust fund. Two decades on, we should be rectifying that omission.

On 24 October, the Department for Business, Energy and Industrial Strategy began a consultation, which ends on 18 January, on the practice of cash retentions in the construction industry. That followed an independent and long-awaited review which confirmed that retentions are a critical issue that affect the viability and productivity of small and medium-sized enterprises in the construction supply chain. They also increase the cost of construction. Across the industry, there is very strong support for putting a solution in place now, with specialist engineering contractors recommending that a statutory ring fence of retentions is the best option.

I will now outline what the problem is. Retentions are deductions—usually 5%, but sometimes 10%—from moneys due to a construction business. Ostensibly, they are held as security in case a firm fails to return to rectify defects. However, in practice, they are often withheld to bolster the working capital of the group withholding them. Under standard industry contracts, they should be returned within 12 months of the handover of the works in question, but there are regular delays of upwards of three years, and in one case 12 years. According to Government figures, almost £8 billion of cash retentions has remained unpaid over the last three years. Most of that cash has been provided by SMEs. No other industry puts so much cash at risk and places such a burden on small businesses.

Research carried out by the Building Engineering Services Association illustrates the extent of the problem. Some 44% of contractors have suffered non-payment due to upstream insolvency in the last three years. Almost half of businesses that have had retentions held in the last three years have experienced non-payment due to upstream insolvency, with the average amount lost per contract being £79,900.

Tier 1 contractors suffer average delays of three months. There are delays of seven months for tier 2 contractors and delays of over nine months for tier 3 contractors. It seems that the smaller the business is, the harder it is hit. Research shows that retentions make construction more expensive than working without retentions. Most main contractors do not have automated release payments, and the average cost of taking legal action over the last three years was £16,300 per contract.

The abuse of retentions has a negative knock-on domino effect that cascades through the construction industry. It restricts investment in new equipment and facilities. It prevents firms from taking on more work, and it discourages them from employing more people and investing in apprenticeships. The Electrical Contractors Association comments:

“smaller businesses can’t invest enough in skills or equipment, or help to improve industry productivity, if their cash flow is restricted in this way.”

That is the problem; I shall now move on to the solution.

The previous failed attempts to resolve the problem confirm that the only solution is legislation that secures moneys so that they will be available to be returned, subject to the other party having right of recourse to the moneys. A solution would be along the lines of the statutory requirement in section 215 of the Housing Act 2004 under which deposits taken from shorthold tenancies must be placed in a Government-approved scheme. A similar scheme would work for retentions. Ring-fencing the moneys in such a way would mean that they would be secure and available to be released on time, rather than subject to the current wait of two or more years. That would help to increase the velocity of cash in the system, and if moneys were secured in this way, banks would be able to lend to firms on the back of such security.

It is appropriate that we look at the situation in other countries. We are now very much out of step with what happens elsewhere, where there is legislation to ring-fence cash retentions and/or to provide security for construction payments in general. In Canada and the United States, a system of charges can be placed on a building or structure by a firm that has not received its payment. Australia and New Zealand have legislated to ring-fence moneys. France has a statutory framework that requires bank guarantees to be used as security for payment in the construction industries.

Doubters might ask whether there is a cost associated with ring-fencing, but that should not be a problem. The tenancy deposit scheme to which I referred is self-funded through the interest earned on deposits, with any profit made transferred to a charity that provides training in the sector. Such a scheme would be a win-win for construction, as it would be a source of much-needed funds for training.

This Bill is relatively straightforward. It would amend the Construction Act to require the Secretary of State to introduce regulations to protect retentions. It would bring closure to the many efforts made in the past to address the problem. In doing so, it would transform the prospects of SMEs, which make up 99% of firms in the UK construction industry.

A key element of the Government’s industrial strategy is to create the right conditions for businesses to grow and to encourage them to invest over the longer term to improve productivity. The Bill would help to secure that objective.

This is not the first time that the matter has been raised in this House. When the then Trade and Industry Committee carried out an inquiry more than 15 years ago, it concluded that the practice of cash retentions was outdated and that abuse of the system was so widespread that the Government were invited to phase out retentions as soon as possible. Sadly, they did not do so.

[Peter Aldous]

Four years ago, a cross-party parliamentary inquiry into late payments and their impact on SMEs recommended that the Government should introduce a retentions money Bill, with money retained by a customer from a supplier to be held in a trust account. That inquiry was chaired by the hon. Member for Oldham East and Saddleworth (Debbie Abrahams). On 26 January 2016, the hon. Member for Upper Bann (David Simpson), a supporter of the Bill, initiated a Westminster Hall debate on the subject. As he will recall, the collapse of the Patton Group in Northern Ireland left £10 million outstanding by way of retention moneys. SMEs in Northern Ireland never saw that money again.

On 26 April last year, the hon. Member for Kilmarnock and Loudoun (Alan Brown) introduced the Construction Industry (Protection of Cash Retentions) Bill, also under the ten-minute rule. Unfortunately, the general election curtailed progress on that Bill. The hon. Gentleman is also a supporter of this Bill.

The Bill has strong support from the construction industry. At the last count, it was backed by 30 trade associations. Time, and the embarrassment of missing someone out, means I will not list them.

While the current consultation is welcome, there has been too much talking for too long. This matter must be addressed as soon as possible. If one of the larger construction companies were to fail, the consequences for SMEs and their supply chains could be disastrous. They could lose all their retentions, adding to the £220 million that is already lost annually. The Bill would help to avert such a calamity.

This is a critical time for the construction industry. We need to be building record numbers of homes. As Brexit approaches, the construction industry must be able to operate in top gear. This restrictive and grossly unfair practice acts as a brake on activity in the sector. If we remove it, we can unleash investment in jobs, apprenticeships and technical innovation.

Sir Michael Latham recognised the need for a partnership approach, with industry and the Government working together. It will be a fitting tribute to his work if, 22 years on, we could finally deliver the final piece in the jigsaw of his recommendations in “Constructing the Team”.

Question put and agreed to.

Ordered.

That Peter Aldous, Sir Henry Bellingham, Alan Brown, Kevin Hollinrake, Eddie Hughes, Mr David Jones, Caroline Lucas, Mr Barry Sheerman, David Simpson, Sir Mike Penning, Dr Dan Poulter and Mr Edward Vaizey present the Bill.

Peter Aldous accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 27 April, and to be printed (Bill 148).

Trade Bill

[Relevant document: Oral evidence taken before the International Trade Committee on 29 November 2017, on the Trade Bill, HC 603-i.]

Second Reading

Madam Deputy Speaker (Mrs Eleanor Laing): I must inform the House that Mr Speaker has selected the amendment in the name of the Leader of the Opposition.

2.30 pm

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): I beg to move, That the Bill be now read a Second time.

Free and fair trade is fundamental to the prosperity of the United Kingdom—that is something on which both sides of the House can agree. As globalisation and new technology have changed the face of the world economy, the old barriers of distance and time have been eroded. In an age in which data, knowledge and expertise are traded as readily as cars and steel, even the simplest transactions are no longer confined to one country or even one continent. The United Kingdom is one of the world’s leading trading nations. The total value of our trade with the rest of the world is equivalent to over half our gross domestic product. The UK is the most popular destination for foreign direct investment in Europe, and last year FDI created or safeguarded an estimated 108,000 new jobs. British companies operate across the globe with an international reputation for quality and expertise that few nations can match. That has enabled us to boost the total value of our exports by around 14% in the past year to some £617 billion.

Our current success is built on a long and proud trading tradition. From our unilateral adoption of free trade in the 1840s to our instrumental role in founding the World Trade Organisation, the United Kingdom has been at the heart of international trading innovations. Often, we have led the way, using our economic and diplomatic influence to guide the world towards a free trading future, confident in the benefits that the rules-based global trading system can bestow. For more than four decades, the United Kingdom has been unable to fulfil that leadership role, but soon this country will once again be able to pursue an independent trade policy, whether unilaterally or within bodies such as the WTO. We will be able to unlock some of the key areas of global growth, to offer preferential market access to developing nations of our choosing, to develop closer economic links with our Commonwealth partners and to influence, as we once did, the future of international trade.

Kate Hoey (Vauxhall) (Lab): One of the real problems with the EU in trade agreements was the lack of transparency and openness. Does the Secretary of State believe that we will be able to be much more open and transparent when we become involved in getting trade deals going between this country and other parts of the world?

Dr Fox: I do. As the hon. Lady knows, this Bill is not concerned with new trading agreements, but when the Government come forward with the mechanics for such agreements, I believe that it will be in the interests of all

to have as open and wide a consultation as possible—perhaps even more open than has been traditional in other countries.

Mr Nigel Evans (Ribble Valley) (Con): There has been much speculation over several weeks about the possibility of the United Kingdom staying in the single market or the customs union. The Secretary of State talks about an exciting world in which we will be able to do trade deals with a number of other countries. Would we be able to do that if we stayed in the single market or the customs union?

Dr Fox: We know that we would not be able to do that if we were constrained by the customs union, but I say to my hon. Friend that we need to look at where the growth in global trade is going to come from. According to the International Monetary Fund, about 90% of global growth in the next 10 to 15 years will occur outside the continent of Europe. It therefore makes sense for the United Kingdom to have the freedom to maximise our ability to trade with those countries whose economies are growing the fastest, if we want to generate the income that this country will need for the spending projects that we all seem to value.

Frank Field (Birkenhead) (Lab): This House voted overwhelmingly to begin the process of implementing the referendum decision. Since then, we have had two major Bills—this being the second—where the Order Paper looks as though the main aim is to interrupt the Government's carrying out that intention to follow through on the referendum decision. In the Secretary of State's opinion, what image does that give to people outside, given that 75% of the electorate now want the Government to get on with the job of taking us out of the EU?

Dr Fox: I was encouraged to hear reports yesterday that the Leader of the Opposition had made it clear that there was no chance of continuing in the single market or the customs union. It was therefore with some disappointment that I saw the reasoned amendment today, which seems to go in an entirely different direction. I am not sure what the reasoned amendment was drafted for, but it does not seem to have been drafted for this Bill, given that it concentrates on future free trade agreements, which are not covered in the Bill at all.

Several hon. Members *rose*—

Dr Fox: I will give way later.

The Government believe that we have an unprecedented opportunity to regain our former influence in trade policy. The United Kingdom will be able to put in place a trade policy that acts in our own interest and that of our friends and allies, but trade is not only about self-interested commercial gain. It is also about nurturing developing economies, eliminating poverty and building partnerships for the future. Closer to home, trade ensures that British consumers can access quality goods at a reasonable price, and foreign investment creates jobs and protects livelihoods the length and breadth of the country. Fundamentally, we will have the power to choose our own economic destiny and chart our own course to a brighter, more prosperous future.

Yet for all the high political ideals, we recognise that trade is carried out not by Governments but by individual enterprises. To operate, they require certainty and stability. Confidence is a very valuable commodity indeed, and the UK has been economically successful in part because our stability, our labour market flexibility and skills, and our regulatory environment all inspire confidence in investors and international firms. That is why we attracted the highest number of new foreign direct investment projects in our history last year.

Graham Stringer (Blackley and Broughton) (Lab): The Secretary of State mentioned increasing trade with the developing world. Does he agree that the European Union has been the greatest single mechanism for exporting poverty to the third world, with its high tariffs on foodstuffs, and that when we leave the European Union we will be able to give our own consumers the benefit of cheaper citrus fruits, as well as helping poorer farmers in Africa and elsewhere?

Dr Fox: Where I would particularly agree with the hon. Gentleman is on the European Union applying high tariffs to value-added exports from developing countries. In other words, those countries are able to export basic commodities into the European Union with zero tariffs, but if they try to add value, they face considerable penalties. One of the areas that I would like the United Kingdom to explore as we leave the European Union is our ability to help those countries to export with added value, so that they can trade their way out of poverty rather than depend on aid. I believe that such a policy would carry widespread support across the United Kingdom.

Alan Brown (Kilmarnock and Loudoun) (SNP): As the Secretary of State says, the Bill is about existing trade. It will need a legislative consent motion from the Scottish Government, but the Scottish Government say that it is not fit for purpose in its current form. He is probably also aware that yesterday the Holyrood Finance and Constitution Committee, including three Tory MSPs, voted to withhold a legislative consent motion for the European Union (Withdrawal) Bill. What will he and other Ministers do to ensure that both Bills are fit for purpose, so that they can get an LCM from Holyrood?

Dr Fox: We believe that this Bill is fit for purpose, as it merely continues what we have at the present time. I hope that, through the large number of Scottish National party Members in this House, we will be able to convince Holyrood that our case is correct and just.

Several hon. Members *rose*—

Dr Fox: I will give way later.

Before we can begin to forge new trading relationships, we must act to prevent disruption to our existing trade environment. As the Prime Minister has said, our ambition is to forge a deep and special new partnership with our European friends and allies; we will retain the bonds of friendship, security and trade that have united Britain and Europe for so long. If we want to achieve that, before we leave the European Union we must put in place the essential legal powers and structures that will enable the UK to operate an independent trade policy. That is what our trade legislation is designed to achieve.

[Dr Fox]

In this, as in all our legislation, the Department for International Trade will be guided by what delivers the greatest economic advantage to the UK and ensures the continued confidence of our partners and allies.

The Bill contains six delegated powers allowing the Government to make regulations to support and develop their trade policy. Two of the powers allow the Government to amend primary legislation; they relate to ensuring the continuity of EU trade agreements into a UK-only context and to the collection of exporter information by Her Majesty's Revenue and Customs. Both powers are subject to significant restrictions on how they can be used. The trade agreement continuity powers are limited in scope; in particular, they can be used to amend primary legislation only when it forms part of retained EU law. We intend to use the powers to make necessary amendments to domestic legislation as part of the transition project. By taking those powers, we can be sure that we have the ability to implement efficiently all obligations of existing trade agreements in our new context.

The EU's trade agreements, which we intend to transition and which are within the scope of this Bill, will have already been scrutinised by Parliament's EU Committees. Free trade agreements that the UK has already ratified have also been through the normal parliamentary scrutiny process. The Bill simply aims to enable us to continue those existing trading arrangements, allowing us to provide certainty and to reassure international partners, businesses and investors.

Sir William Cash (Stone) (Con): I am glad to hear everything that my right hon. Friend has said not only today, but throughout his tenure as Secretary of State. I am so glad that he is still in that post and that he will carry on.

Will my right hon. Friend confirm that we are running a trade deficit with the other 27 member states of the EU that has been accumulating for a long time? It increased from £71 billion to £82 billion in one year alone, which gives some indication of the fact that we are now looking outwards towards the rest of the world and that continuing to pursue a policy of exclusively working in the context of a strategy run by the EU Commission does not work for us.

Dr Fox: First, the fact that there is a large EU trade surplus with the UK is one reason why it is in the interests of the EU to want a good and open trading agreement with the UK. Secondly, on my hon. Friend's point about the direction of travel, it is certainly true that the proportion of UK exports that go to the EU has diminished from some 54% at the beginning of the millennium to about 42% today, so it is already true that the UK is exporting into other growing parts of the global economy.

Lady Hermon (North Down) (Ind): I want to bring the Secretary of State back to legislative consent. He gave some advice to the SNP Members, but he has more difficulty in Northern Ireland, where we have not had a functioning Assembly for a year. That is totally frustrating for the people of Northern Ireland, but how do the Government think they are going to obtain legislative

consent from the Northern Ireland Assembly—or are they preparing for direct rule in Northern Ireland? It is one or the other.

Dr Fox: The hon. Lady gives me a good opportunity to pay tribute to my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who stood down from the post of Secretary of State for Northern Ireland yesterday, for his work in trying to achieve a deal in Northern Ireland. We all hope that there will be a functioning Government that the UK Government are able to deal with, because it is in the best interests of all concerned in Northern Ireland that we get a functioning democratic Government in Stormont.

John Redwood (Wokingham) (Con): Will my right hon. Friend give way?

Dr Fox: I will give way once more to my right hon. Friend.

John Redwood: Will my right hon. Friend confirm that all the countries that have trade deals with the EU either have indicated that they would like to have a similar agreement with the UK or have certainly not indicated the opposite, so we can look forward to those deals novating, or transferring, to us?

Dr Fox: I can indeed confirm that there is considerable interest in the continuation of those trading agreements with the UK, for one overwhelming reason: we are the fifth biggest economy in the world and provide a large market to countries that want to trade with us, so they have every interest in wanting to continue those agreements.

Several hon. Members *rose*—

Dr Fox: I have given way a number of times, so I will make some progress.

The new legislation has four primary aims. First, as I have already mentioned, it aims to prevent disruption to UK businesses and consumers. I alluded earlier to the importance of the UK's ability to access other markets across the world. Currently, as a member of the European Union, we are part of about 40 free trade agreements across the world, as my right hon. Friend just mentioned. Maintaining that market access for UK companies is a priority. That is why, as we leave the EU, we seek continuity and have therefore been public about our aim to enter into our own agreements with our partner countries that maintain the effects of the free trade agreements currently in place with the EU. The Bill will create new powers to make regulations, where required, to ensure that we can fully implement these free trade agreements and our other existing trade agreements as we leave the EU. By ensuring continuity in our existing trade arrangements, we will provide certainty and stability for workers, consumers, businesses, and our international trading partners.

Secondly, we want to maintain UK businesses' guaranteed rights to access global public procurement markets worth approximately £1.3 trillion per year. The GPA, or government procurement agreement, is a plurilateral agreement within the framework of the WTO that aims to create an open market for Government procurement among participating nations. They include

many of the world's major economies, such as the United States, Japan and Canada, as well as the EU states. Currently, we participate in the GPA through our membership of the EU. It is worth pointing out that the UK creates around £68 billion of procurement opportunities within the GPA annually—over 25% of the total EU offering. After we leave the EU, the UK will need to join the GPA as an independent member, not only to safeguard continuity of access for UK companies overseas, but to ensure that we can tap into international expertise and obtain the best deal for the taxpayer here in the UK. The powers in clause 1 will allow us to make regulations implementing our obligations under the GPA as an independent member, reflecting our new status within the GPA. Parliament will be able to scrutinise the terms of our membership of the GPA through the Constitutional Reform and Governance Act 2010 before we join.

Mr Jonathan Djanogly (Huntingdon) (Con): I totally support my right hon. Friend's aims in clause 1 and the need for us to re-engage with the GPA. The clause also shows how vital it is that we leave the EU with agreements in place, rather than just falling off a cliff. We are not a member of the GPA through our membership of the EU, and we will have to rejoin in our own right—in the same way as we will have to re-engage with our schedules, which we have through the EU rather than in our own right.

Dr Fox: As a doctor, I have never thought that falling off a cliff is sensible. It is certainly clear that it is beneficial to the UK to have a number of agreements in place, which is why we have introduced the legislation—to provide maximal continuity and security. That is the whole point of the legislation. My hon. Friend is correct that we will have to do the same exercise with our schedules in Geneva, but if I may make one slight correction, we are already an independent member of the WTO in our own right and we simply operate our schedules through the EU. We are not a member of the WTO by virtue of our membership of the EU in the same way as we are with the GPA.

Caroline Lucas (Brighton, Pavilion) (Green): Given that the Bill covers only existing EU trade agreements, will the Secretary of State guarantee that there will definitely be a second trade Bill in due course to cover new trade deals with non-EU countries? If he cannot guarantee that, will he accept that it is even more important that the openness and transparency that he claims to support are reflected in this Bill? One way to do that would be to ensure that, like the European Parliament and the US Congress, this Parliament has the right to reject trade agreements. The negative procedure does not provide a real opportunity to say no.

Dr Fox: As I think I already said, we will use separate vehicles for new free trade agreements, and we will introduce a separate proposal on consultation. I am keen not to get to the position we got to in, for example, the Transatlantic Trade and Investment Partnership, where a whole negotiation was undertaken only to find there was insufficient public support. It is much better to seek support for a trade agreement mandate by having as wide a consultation as possible across the country with various ranges of stakeholders before we enter such negotiations. That is more democratic, and

the process is more efficient. Consumers will in future take a greater interest in trade agreements than they have perhaps taken in the past, so consultation is also politically prudent.

Andrew Percy (Brigg and Goole) (Con): The Secretary of State is absolutely right that the Bill will prevent anybody from falling off any sort of cliff edge. One of our most important trading relationships is, of course, with Canada, which is covered by the comprehensive economic and trade agreement. Will he confirm that the Canadian Government have committed themselves to reaching a free trade agreement with the United Kingdom once we leave the European Union and have established a joint ministerial council with us? Contrary to what we hear from some who seem unable to accept the result, many of our bigger trading partners, such as Canada, have quite a lot of enthusiasm for ensuring that we have a new relationship that perhaps goes further than the current arrangement through the EU.

Dr Fox: I confirm that we have had very positive discussions with the Canadian Government, and I also confirm it is our intention, as we have said, to ratify CETA before we leave the European Union. Once we have left the European Union, CETA will form a good basis for any future agreement with Canada, while taking advantage of the increased trading freedoms the United Kingdom might have, unrestricted by elements such as the data localisation restrictions that are currently placed on us by the EU's negotiating position.

Hilary Benn (Leeds Central) (Lab): This Bill is a consequence of the Government's decision to leave the customs union. Will the Secretary of State explain why, as we learned from his colleague the Secretary of State for Exiting the European Union, the decision was taken without any economic assessment of the consequences of leaving the customs union? Will he now set out why he thinks the gains will outweigh any potential losses?

Dr Fox: I hate to correct the right hon. Gentleman, but this Bill is a consequence of the British public's vote to leave the European Union. Leaving the European Union means that we are leaving our current trading agreements. If we want stability to continue for our businesses, we have to put the legislative framework in place for it to do so. That is exactly what we are doing.

Several hon. Members *rose*—

Dr Fox: I have given way a number of times. I will give way again later.

It is worth reminding the House that, on a number of occasions, we have made a commitment that decisions about public services, such as the national health service, will be made by UK Governments, including the devolved Administrations, and not by our trade partners. As we leave the EU, the UK will continue to ensure that rigorous protections for the NHS and other public services are included in all trade agreements to which it is a party.

The third aim of the Trade Bill, together with the Taxation (Cross-border Trade) Bill, is to create a new UK trade remedies framework overseen by an independent body, the Trade Remedies Authority. It is important to

[Dr Fox]

remember that free trade does not mean trade without rules. Free trade is not a free-for-all. Trade remedies are a vital safety net for firms operating in the global marketplace, protecting them from injury caused by unfair trading practices such as dumping or trade-distorting subsidies, as well as from unforeseen surges of imports.

After its creation, the TRA will be required to prepare both an annual report on the performance of its functions and an annual statement of accounts. Those documents will be laid before the House of Commons, ensuring that Parliament is able to fully scrutinise the TRA's functions and financial activity.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I am sure, when the Secretary of State visited Stoke-on-Trent, he heard from Wade Ceramics about the importance of a proper trade remedy body. May I press him regarding the report in today's *Daily Telegraph* that when trade remedies are considered, they will be weighed against any potential negative impact on a broader free trade deal? In the case of ceramics, we need protection from Chinese tiles and Chinese tableware. Can the Minister assure me that if that has an impact on a larger trade deal with China, British industry will be protected before trade deals are put in place?

Dr Fox: I totally agree with the hon. Gentleman on the need to set up such trade remedies, so I hope he will support the Bill today. Without the Bill, we would be unable to have such trade remedies as we leave the European Union. It is essential that we have a mechanism to protect the United Kingdom and that we do not allow unfair dumping or subsidy to harm UK businesses. That is why we are setting up the TRA. The details will be set out after the passage of the Taxation (Cross-border Trade) Bill. He is right that we need to have such trade remedies in place, but I reiterate that, if we do not approve Second Reading today, we will not have the ability to create those remedies to protect British business. If Opposition Members oppose the Trade Bill, they will be opposing the very measures that will be able to protect British businesses and British jobs.

James Duddridge (Rochford and Southend East) (Con): The good burghers of Southend will be glad that the Secretary of State is delivering the Brexit that they supported wholeheartedly. Will he confirm that the Trade Remedies Authority will be wholly independent? Will he give us an indication of how quickly some of the detail will come together once the Bill is enacted? What forms of consultation will there be on how to set up the Trade Remedies Authority, given that we have so little experience of trade remedies other than through the EU?

Dr Fox: As my hon. Friend knows, detail on the implementation of the Trade Remedies Authority will be in secondary legislation subsequent to the passing of the Taxation (Cross-border Trade) Bill, which we debated in this House last night. The Trade Bill merely creates the framework for creating the Trade Remedies Authority, which will be an arm's length authority. These issues are often commercially sensitive and market sensitive, so it is important that we are seen not to have overt political intervention. Likewise, if we want to be WTO compliant,

we have to be as transparent as possible. We will want to consult further, but we want to set out the details as soon as possible.

Closely related to that is the Bill's fourth aim. We want to enable HMRC to collect and share essential data on the United Kingdom's trade flows, which will enable DIT and bodies such as the Trade Remedies Authority to perform essential trade functions such as providing evidence to WTO panels that rule on trade disputes. It will also provide a vital insight into our export performance during our development of trade policy.

Hannah Bardell (Livingston) (SNP): Can the Secretary of State give us an idea of how much more resource HMRC will get so it can do that job of collecting data? Will the Government expand the number of HMRC offices, rather than reducing the number of offices, as he and his Government are currently doing?

Dr Fox: My understanding is that HMRC was given extra resource in advance, before we reached this point. It seems strange that we do not already collect this data. If we want better-informed policy, we need better datasets. It is merely a sensible option for any Government to collect this data as widely as possible, so that we operate on the basis of better information.

Before I further explain the process, this is a good juncture to correct some of the misunderstandings that seem to have grown, deliberately or otherwise, around the Trade Bill. As I have explained, the Bill contains two powers that allow the Government to amend primary legislation: the power in clause 2 to implement the trade agreements that the UK adopts; and the power in clause 7 to allow HMRC to collect the export information that the hon. Lady has just mentioned. Both these powers are limited in scope and restricted in their use. Contrary to the belief of some in this House and beyond, seemingly including the shadow Secretary of State for International Trade, this Bill does not legislate for powers that could be used when implementing new free trade agreements with countries with which the EU does not have a free trade agreement before exit day. An article in *The Guardian*—I do not avidly read it, but this was brought to my attention—written by him incorrectly asserted that the Government would only be obliged to present the text of new trade agreements under the convention of the Ponsonby rule. As I mentioned earlier, the scrutiny of new agreements requiring ratification is ensured by the Constitutional Reform and Governance Act 2010.

Barry Gardiner (Brent North) (Lab): Will the Secretary of State confirm that the 2010 Act proceeds by negative resolution and it is not open to any debate, any scrutiny, any vote and may not even be amended? Therefore, the sort of scrutiny that most Members of this place would expect to take place for any new trade agreements will not occur in the way he has led the House to believe.

Dr Fox: This Bill is not about trade agreements; I can only explain it to the hon. Gentleman—I cannot understand it for him. This Bill is about continuity of existing agreements. In any case, the 2010 Act effectively gives the Commons the power to block ratification, notwithstanding the fact that we have already scrutinised

these agreements in the past. He ought to know that, as the 2010 Act was passed by the Labour Government and he voted for it.

There is no attempt here to bypass parliamentary scrutiny or to obtain sweeping new authority for the Government over this country's trading structures. Rather, the Government seek powers in clause 2 that we think necessary for us fully to implement in UK law non-tariff obligations of the transitioned existing EU-third country trade agreements that we adopt. Any tariff-related obligations in such transitioned agreements will be implemented using powers conferred by the Taxation (Cross-border Trade) Bill, which had its Second Reading in this House yesterday.

Chuka Umunna (Streatham) (Lab): Will the Secretary of State answer three questions? First, on the existing agreements the EU has with third countries, which he says will be transposed, will he guarantee that those 65 agreements will be transposed by the exit day? Secondly, this Bill does touch on new agreements, to the extent that the Trade Remedies Authority will have a locus and oversight on those agreements. He was part of the campaign that promised that we would have all these new agreements, with Canada, the US and Japan, and would immediately start negotiating with all these countries. It is right, is it not, that none of those negotiations has actually started?

Dr Fox: I look forward to the hon. Gentleman's extension of that intervention in his speech. Let me deal with the last of those issues. He is well aware that, under our duty of sincere co-operation, while we remain a member of the EU we are not able to negotiate new trade agreements. We will want, first, to get continuity of the existing agreements, which number about 40. We will want to have as many of them as possible—all of them, if possible—transitioned before we leave the EU. I absolutely confirm that. We already have 14 working groups with 21 countries in preparation for future negotiations in the trade agreements that we want to take advantage of when we leave the EU.

Mr Dominic Grieve (Beaconsfield) (Con) *rose*—

Dr Fox: I will make some progress.

When the UK enters directly into its own arrangements with our partner countries, the Government will seek, as far as possible, to maintain the effects of the existing arrangements they have with the EU. This means we will be able to deliver the continuity that businesses, consumers and our trading partners, and this House of Commons, desire. It will maintain market access and allow us to continue to abide by our obligations to our international trading partners. The UK has used the European Communities Act 1972 to implement existing EU trade agreements and the GPA. The European Union (Withdrawal) Bill will repeal the 1972 Act. This means that the UK will require a new way to ensure that our transitioned agreements are fully implemented in UK law and remain operable over time. Clauses 1, 2, 3 and 4 of the Trade Bill will give the Government the necessary powers to do so in relation to the non-tariff elements of those transitioned agreements, including amending legislation, where necessary. They will also grant these powers to the devolved Administrations to

ensure that they, too, can implement transitioned agreements and reflect the UK's independent GPA membership in areas that fall within their devolved competence.

The powers to implement free trade agreements will be available only if the partner country has signed an FTA with the EU before exit day. In other words, and as I said earlier, this Bill does not legislate for powers that could be used when implementing new FTAs with countries with which the EU does not have an FTA before exit day.

Helen Goodman (Bishop Auckland) (Lab): Will the Secretary of State explain to the House why, if this is just to roll over existing FTAs, he will need the power to change primary legislation?

Dr Fox: We have said that where we needed to change legislation to bring into UK law the non-tariff elements of existing agreements, we would do so, but these powers exist for no other reason. They are very limited, and I make it very clear today that they are limited to these particular circumstances.

Mr Grieve: I wish my right hon. Friend well in this task of ensuring continuity of the trade relationships we currently have within the EU. I fully understand the point he has made about the fact that this is about those relationships and not new ones, but does the delegated powers memorandum not make it absolutely clear that the powers are broad enough to enable not just the implementation of these agreements, but their substantial amendment, including the creation of new obligations? Does that not then make it sensible—I urge him to do this—for the Government to look, as the Bill progresses, at ways to ensure that those can be properly scrutinised, because the methods we currently have of the European Scrutiny Committee and the European Parliament will no longer exist? That is a relevant issue for this House, and if the Government were to look at it in a sensible light, the Bill would be improved.

Dr Fox: I am sure that in Committee my right hon. and learned Friend will again wish to bring his expertise to bear, but I say to him again that the Government do not seek to make any substantial changes to the agreements that already exist. There are some unavoidable changes—for example, the disaggregation of tariff-rate quotas—that we will have to introduce, but they will simply be done to bring the greatest continuity possible to arrangements. As I have said several times, when it comes to new agreements, the Government will bring forward new proposals, where we can ensure that there will be adequate scrutiny of any new agreements that we want with countries once we have left the EU.

Ian Murray (Edinburgh South) (Lab): I wish just to push the Secretary of State on one point. What will be the process in this House if, for example, the South Korea trade deal, which is currently an EU trade deal, is transposed to UK law to be a UK trade deal and the South Koreans decide to renegotiate the deal on Scotch whisky? What goes through this House?

Dr Fox: Having had substantial discussions already with the South Koreans, I can tell the House that there is no plan to do anything such as the hon. Gentleman suggests.

[*Dr Fox*]

That is why I say to him that this is not about new trade agreements; it is about continuity of what we have at the present time.

Several hon. Members *rose*—

Dr Fox: I will make a little progress.

The Government are taking a similar approach on the transitional trade agreements and on the GPA, looking to maintain the guaranteed access created by our current participation to ensure stability and continuity for UK businesses. As I mentioned earlier, the UK participates in the GPA through our membership of the European Union. Clearly, if we are to retain the benefits of the GPA, we will soon have to join as an independent participant. This legislation will enable the UK Government to make any changes required in domestic law as part of the UK becoming an independent member of the GPA and provide the power to make changes in future to reflect new countries joining the GPA or existing countries withdrawing from it. It is in the UK's best interests for its businesses to continue to have guaranteed access to the GPA's global procurement markets and for us to continue to work with our partners in the GPA to address trade barriers within the government procurement sector. We intend the UK to join the GPA, while maintaining our existing terms of participation. Clause 1 will allow the UK to legislate to reflect our new independent GPA status.

John Redwood: Will the Secretary of State confirm that a helpful and comprehensive trade facilitation agreement came into effect at the WTO in spring last year? It should be reassuring to all those who are worried about possible disruption to UK-EU trade—pending any agreement—that a lot of it will be governed by those helpful provisions because we and the EU will of course remain members of the WTO.

Dr Fox: My right hon. Friend is right. That agreement was the first multilateral trade agreement for decades, which shows how difficult it is to get such multilateral agreements. It does reduce friction for customs arrangements worldwide, but although, as he said, the benefits are great, it is still in the best interests of the UK to come to an open and comprehensive trading agreement with the EU itself.

The Bill provides powers for HMRC to collect and share trade data, as has been mentioned. Those powers include the one in clause 7 that allows primary legislation to be amended to provide for HMRC to collect exporter information. Clause 8 will grant HMRC the authority to share data with those bodies that require those data to carry out a range of public functions relating to trade. Currently, HMRC collects a range of data from import and export declarations that is shared with the European Commission, as well as with other Departments and public bodies, under information gateways governed by EU law. Such gateways will, of course, cease to apply once we leave the European Union, and numerous functions that are currently carried out by the European Commission will be transferred back to the United Kingdom. HMRC will therefore need to be granted the legal authority to request data from exporters and share that data to ensure the continued smooth operation of

the UK's trade frameworks and clear and informed policy making from my Department, as I said to the hon. Member for Livingston (Hannah Bardell). The powers in clauses 7 and 8 will grant that authority, and nothing more.

Lady Hermon *rose*—

Dr Fox: I give way once more to the hon. Lady, whose charms I cannot resist.

Lady Hermon: Thank goodness I am blessed with bundles of patience. I am exceedingly grateful to the Secretary of State for giving way. I am really worried about clause 7, which is extremely broad and gives enormous powers to HMRC. The Secretary of State will be well aware that there are hundreds of farms that straddle the border in Northern Ireland. Under clause 7, if those farms trade in machinery and cattle across the border—as they do daily—they will be obliged to give information to HMRC. The clause says that “any person” may be asked for such information. Would Sinn Féin MPs who represent border constituencies be obliged to give HMRC such information, as well as farmers?

Dr Fox: When we discussed this proposal with the Treasury and HMRC, we were keen to ensure that it applied to information related only to those elements needed to continue what we currently do and to gain the information that we believe we need for better trade policy making. HMRC was insistent that before it made any changes we restricted the power as much as possible, because HMRC did not want to become a huge bureaucratic organisation, as the hon. Lady suggests. We intend to define the power tightly when we set the regulations. I have had discussions with HMRC on the basis that we will not want to carry out a hugely bureaucratic exercise. Nevertheless, it makes sense for us to know exactly how much we are importing and exporting and which businesses are doing that. That is the basis for good future policy making.

The time will come when we can begin to forge new trading relationships around the world, building a truly global, outward-facing Britain—a country at the very heart of international trade—but this Bill is not about those new relationships. Instead, it is about preserving and ensuring continuity. We want to protect the access to global markets that is so vital to thousands of British businesses. We want to abide by our obligations to those economies that have already negotiated free trade agreements and other trade agreements with the European Union. The Bill grants us the powers necessary to achieve those aims.

We present the Bill for Second Reading with an eye to the future. It is explicitly designed to prepare for our departure from the European Union, while building the foundations that will facilitate successful future trading relations with the wider world. I hope Members from all parties recognise the value of the Bill and the measures it contains, as well as its importance in helping to provide much-needed certainty to businesses and consumers as our departure from the EU next year approaches. Trade is an issue that transcends party politics: it is an intrinsic part of our very way of life and our prosperity. The Bill is just the beginning, but it is a first step towards a stable, secure and prosperous future for the United Kingdom and our friends beyond.

3.15 pm

Barry Gardiner (Brent North) (Lab): I beg to move an amendment, to leave out from “That” to the end of the Question and add:

“this House recognises that on leaving the European Union, whether or not the UK concludes a new long-term customs union with the EU, it will need effective legislation to implement agreements with partner countries corresponding to international trade agreements of the European Union in place before the UK’s exit, to implement procurement obligations arising from the UK becoming a member of the Government Procurement Agreement in its own right, to establish a Trade Remedies Authority to deliver the new UK trade remedies framework, and to establish powers for Her Majesty’s Revenue and Customs to collect and disclose data on exporters, but declines to give a Second Reading to the Trade Bill because it fails to set out proper procedures for Parliamentary consultation, scrutiny, debate and approval of future international trade agreements, fails to protect the principle of Parliamentary sovereignty in the implementation of those trade agreements previously negotiated by the European Union and in respect of changes to existing government procurement regulations arising from the UK’s or other countries’ accession to the Government Procurement Agreement, fails to establish sufficient scrutiny procedures to replace those that have pertained while the UK has been a member of the European Union, fails to guarantee that European Union standards and rights will be protected in future trade agreements, and fails to render the Trade Remedies Authority answerable to Parliament or representative of the full range of stakeholders.”

May I take this opportunity to wish you, Madam Deputy Speaker, and all those in this place who in their various ways serve the public, a very happy new year?

Our country is in the throes of an extraordinary change in our constitutional arrangements. At this stage, no one can be entirely certain what the structure of our future relations with the European Union will be, but the Labour party is clear that the country cannot be left without the capacity to defend our manufacturing industry against unfair trading practices. Indeed, many Opposition Members will wish that the Government had been more keenly aware of the need for strong action on trade defence when our steel industry was put into crisis by the unfair dumping of Chinese steel, or when the United States took entirely unjustified action against Bombardier in Northern Ireland.

The need for a Bill to establish a trade remedies authority, to establish our independent membership of the WTO government procurement agreement, to enable us to maintain strong trading ties with partner countries that have had historical agreements with us through the EU, and to establish the power to collect and share trade information—all are uncontroversial requirements. However, the way in which the Government have gone about this process is not uncontroversial; it is quite the opposite.

On the face of it, this is a modest little Bill that has a lot to be modest about. The four things that the Bill does, it does badly. But what is worse is that the one thing it absolutely should have done well—namely, to provide appropriate parliamentary scrutiny and oversight of our country’s trade agreements—it fails to do entirely.

We were repeatedly told that the Trade Bill would provide the basis for the country’s future trade policy once we had left the EU. To quote the Queen’s Speech policy paper from last June:

“The Bill will put in place the essential and necessary legislative framework to allow the UK to operate its own independent trade policy upon exit from the European Union.”

It does not do that. Instead, it represents yet another attempt by the Government to appropriate to themselves powers that should by rights be afforded to Parliament.

I must acknowledge my bias: I voted to remain in the EU and I think our country has embarked on an act of economic self-harm. But I am 100% certain that those of our fellow citizens who did vote to leave the EU did not vote for sovereign powers to be taken away from the bureaucrats, as they regarded them, in Brussels, only to be handed over to the Secretary of State for International Trade. They thought—indeed, they were told—that we were taking back control to our sovereign Parliament, yet the Bill contains Henry VIII powers that explicitly give Ministers the right to amend primary legislation.

Catherine West (Hornsey and Wood Green) (Lab): Does my hon. Friend agree that it is somewhat anomalous that for the past 18 months we have talked about nothing but the sovereignty of Parliament, yet we as parliamentarians now have to beg for a role in our future trade arrangements?

Barry Gardiner: My hon. Friend makes an entirely fair point, and it is a criticism that I hope will be prosecuted fully in Committee.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I slightly disagree with my hon. Friend when he says that he is 100% certain about what people thought they were voting for, because leaving the customs union was not on the ballot paper at the referendum. Can I persuade him to encourage our Front-Bench colleagues to support participation in the customs union because, as he will know, that is the view of 85% of the Labour party membership?

Barry Gardiner: I am grateful to my hon. Friend, and I commend him for the article he published this morning on LabourList, which I thought was an excellent exposé of the Bill. To answer his specific question, once the UK leaves the European Union, it cannot remain in the EU customs union, because by definition when a state leaves the European Union all EU rules cease to apply to it, as set out in article 50. The customs union is an institution of the European Union; it has its legal basis in the European treaties and its functioning is set out in EU regulations.

Angela Smith (Penistone and Stocksbridge) (Lab): Will my hon. Friend give way?

Barry Gardiner: I will happily give way to my hon. Friend once I have answered our hon. Friend the Member for Nottingham East (Mr Leslie).

As we will no longer be a signatory to the European treaties and no longer come under their territorial scope, we cannot formally be a member of the EU’s customs union. As the EU’s treaties currently stand, only EU member states, and territories attached to those states, are actually members of the customs union. However, it is possible for the UK to enter into a customs union with the EU after Brexit, whereby we choose to have a joined external tariff and no tariffs on trade between the EU and the UK. That would, in effect, mirror the current arrangements. I think that my hon. Friend the Member for Nottingham East, like me, will have been

[Barry Gardiner]

interested to find that provision to do just that was incorporated in clause 31 of the Taxation (Cross-border Trade) Bill, which we debated last night.

Dr Fox: Just for clarity, is the hon. Gentleman telling us that it is now the policy of the official Opposition to enter into a customs union?

Barry Gardiner: No, I am not telling the House that at all. I am happy to try to answer not only the letter of the Secretary of State's question, but the spirit. Those on the Labour Front Bench have always tried to make it clear that we recognise the benefits of the single market to this country, and the benefits that traditionally the customs union has brought and that a customs union could bring. However, we are focused in the negotiations on achieving the benefits, rather than putting red lines around the structures, which is what the Government have done, and ruling those off the table.

Several hon. Members *rose*—

Barry Gardiner: I will make a little progress, because that was a very interesting diversion, but one that we will leave there.

Angela Smith: Will my hon. Friend give way?

Barry Gardiner: I will press on.

The Bill fails utterly to establish the legislative framework for the UK's future trade policy, which it leaves entirely in the hands of Ministers. It also risks undermining the rights of the devolved Administrations through its undue centralisation of powers in Westminster. The impact assessment accompanying the Taxation (Cross-border Trade) Bill, which the House debated only yesterday, confirms that this Trade Bill was to provide the key measures necessary

“to build a future trade policy for the UK once we leave the EU.”

We were looking forward to a full debate today on the future of the powers that we will have repatriated from Brussels, and how we might like to use them to make Britain what the Secretary of State calls

“a great trading nation once again”.

Some of us believe that we still are a great trading nation, but clearly he does not.

Yet somewhere along the way the Secretary of State seems to have lost his nerve. Instead of the legislative framework for a future trade policy that we were promised, he has left us with this hollowed out little embarrassment of a Bill, which extends to just six pages and four schedules. We have no more than a vague suggestion that at some point in future we might return to the business of discussing whether Parliament may or may not play a role in overseeing our relations with trading partners around the world.

Angela Smith: Will my hon. Friend give way?

Barry Gardiner: I will now happily give way to my hon. Friend.

Angela Smith: I thank my hon. Friend. His earlier comments about the UK being unable to remain a member of the customs union after leaving the European Union are surely incorrect. Surely it would be possible

for the UK to negotiate fresh membership of the customs union, in the same way that Turkey has done. Equally, surely it would be possible to negotiate membership of the single market on departure, in the same way that Norway and Iceland have done. It is entirely possible for the UK to renegotiate membership of both.

Barry Gardiner: I am very happy to respond to my hon. Friend, and I understand the distinctions she is making, but she will also understand what I have already set out about the force of the treaties, which is simply a matter of law. We will not be bound by the treaties and therefore we would not be able to continue as a member of the EU, and therefore as a member of the EU customs union, although, as I have pointed out, we could then come back and form a customs union with the European Union.

My hon. Friend asked specifically about Turkey's relationship with the European Union. Turkey has a customs union agreement with the EU customs union, but it is not a member of the EU customs union—she should be aware of that—and there is therefore an asymmetry in the way in which its trade relations are conducted. The EU conducts the deals and agreements with third-party countries on behalf of Turkey that set its tariffs and quotas. Indeed, that has caused Turkey great concern, because while the Mexico-EU agreement means that Mexico can import cars into Turkey tariff-free, there is no reciprocal liberalisation of Mexico's markets for Turkey's textiles, and Turkey is extremely aggrieved about that.

Were we to have the same arrangement, we could be in a position in which the European Union concluded an agreement with the United States—for example, perhaps along the lines of the Transatlantic Trade and Investment Partnership, which many Members would have concerns about—to the detriment of this country but the advantage of the European Union, which we would have no control over, and without liberalising US markets to British exports. That would be an extremely bad deal indeed. I trust that fully answers my hon. Friend's question.

Vicky Ford (Chelmsford) (Con) *rose*—

Anna Soubry (Broxtowe) (Con): Will the hon. Gentleman give way on that point?

Barry Gardiner: I will not give way again on that point.

International trade agreements have the status of treaties under international law. They cannot be repealed in the same way that domestic legislation can be repealed, and they create real and binding obligations on future generations to uphold their provisions. In a word, they are serious undertakings that demand the most rigorous procedural safeguards if they are not to cause lasting harm. As we take back responsibility for trade policy from Brussels, do hon. Members really think we should end up with less scrutiny and accountability than we currently have as a member of the EU?

My party made a manifesto commitment to ensure proper transparency and parliamentary scrutiny of all future trade and investment deals. That means parliamentary approval of negotiating mandates for future trade arrangements; proper consultation with trade union, industry and civil society stakeholders; comprehensive

impact assessments of the likely social, economic and environmental risks; a new scrutiny committee to fill the vacuum created by the loss of the existing powers over trade agreements; unrestricted access to the consolidated texts of trade and investment treaties as they are being formulated; the most rigorous ratification process, with a debate and vote on the Floor of the House—[*Interruption.*] The Secretary of State is chuntering away from a sedentary position, saying, “That’s not what this Bill is about.” My point is that that is what it should be about, and it is what the Government promised it would be about. That is why, when it comes to the new agreements that the Bill is creating, we need the powers that I am talking about.

Anna Soubry *rose*—

Joanna Cherry (Edinburgh South West) (SNP) *rose*—

Barry Gardiner: I will give way a little later to both the right hon. Lady and the hon. and learned Lady, but in the meantime I propose to make a little progress.

There is nothing particularly remarkable about any of the strictures that we laid down in our manifesto. Many other countries around the world have such procedures to exercise oversight over their Executives. New Zealand requires its Government to present national interest analyses before its Parliament. Australia has a separate joint scrutiny committee on treaties. Even in the EU, Germany requires all trade treaties to undergo a process of scrutiny by parliamentary committee before ratification can take place.

Currently, the Council of Ministers sets a negotiating mandate and the Commission is charged with implementing it. Our representatives in the European Parliament debate it and scrutinise it in the trade committee. The resulting treaty is then put under the powerful microscope of the hon. Member for Stone (Sir William Cash), who chairs the European Scrutiny Committee in this House. Once we leave the EU, all those institutional levels of accountability are stripped away and we will fall back on the 1924 Ponsonby rule. It was interesting to hear the Secretary of State say, “No, no, it’s all about the Constitutional Reform and Governance Act 2010.” Does he not realise that CRAGA actually gives legislative effect to the Ponsonby rule, an arcane procedure from the last century that allows our Government to ratify a trade agreement—an international trade treaty—by simply laying the text before the House for 21 sitting days, with no need for a debate or vote? That is simply not good enough in a modern democracy. Hon. Members hold this House’s dignity very cheap indeed if they vote tonight to govern ourselves after the fashion of a tinpot dictatorship.

The Government have a woeful record on transparency and democratic oversight when it comes to international trade agreements, so it pains me to remind the House of the exchange of letters, which were revealed just before Christmas, between the Department and the Office of the United States Trade Representative, in which the Secretary of State gave assurances to President Trump’s Administration that he will deny Members of this House access to information on the substance of talks held in the UK-US trade working group. The letter says that the following approach will be taken:

“Proposals, accompanying explanatory material, emails related to the substance of the working group, and other information, exchanged in the context of the working group, are provided and will be held in confidence unless otherwise jointly decided.”

Yet when the Secretary of State responded to my hon. Friend the Member for Vauxhall (Kate Hoey), who asked a trenchant question about the need for transparency, he said that of course he believed there should be full transparency. In fact, this obsession with secrecy should not be taken for a prudent desire to conceal our negotiating hand from the Americans. The provisions agreed by the Secretary of State are expressly designed to deny British MPs and the wider public any knowledge of what has already been discussed with the United States’ representatives. He will not tell us what he has already told them.

Anna Soubry: Talking of telling the House about policy, will the hon. Gentleman now tell us Labour’s Front-Bench policy on our future relationship with the European Union when it comes to the customs union? How does that differ from the Government’s policy, because I suggest that the Labour Front-Bench team is in agreement with the Government’s Front-Bench team?

Barry Gardiner: The right hon. Lady is free to suggest whatever she likes. I have dealt with the customs union at great length this afternoon and made our position quite clear.

All information exchanged between the UK and US officials will be kept secret until four years after the working group has been concluded. That is why hon. Members should not take on trust any verbal reassurances that the Government or the Secretary of State might give this afternoon. One has to establish good faith to earn trust.

Vicky Ford: Will the hon. Gentleman give way on the subject of transparency?

Barry Gardiner: On transparency, yes. The hon. Lady has been very persistent, so I will give way.

Vicky Ford: If I may, I want to take the hon. Gentleman back to his suggestion that the European Parliament is somehow a far more transparent organisation when it comes to discussions on trade deals, especially trade deals with the US. My memory is that the discussions with trade negotiators and MEPs were held behind closed doors, with only trade committee members and committee chairs present. The papers held by the European Parliament were all kept behind closed doors and were not transparent. I have heard the Minister say that he wants us to have a transparent process in which the House will be consulted and able to scrutinise future trade deals in a better manner.

Barry Gardiner: Look, the hon. Lady is of course right that the European Union held a lot of those discussions in private, particularly over TTIP. However, she may be unaware though that although European Members of Parliament were able to access the text of the TTIP agreement, this Secretary of State refused for nine months to set up a reading room so that Members of this House could access the very same information that was available to her colleagues in the European Union.

Joanna Cherry: The hon. Gentleman has made a very powerful case for more scrutiny of future trade agreements by this Parliament, but it is not the only Parliament in

[Joanna Cherry]

the United Kingdom—there is a Scottish Parliament and a Welsh Parliament, and, I hope that, eventually, the Northern Ireland Assembly will be up and running again. With the CETA process, we saw the powerful influence of not only national and regional Parliaments in the European Union, but provincial Parliaments in Canada. Will the Labour party support such influence for the Scottish Parliament, the Welsh Parliament and the Northern Ireland Assembly?

Barry Gardiner: I will deal with issues around devolution later in my speech. Indeed, that is something that my hon. Friend the Member for Sefton Central (Bill Esterson) will be addressing in his winding-up speech.

Having set the context, let us look at the detail. The Bill's opening clause sets the tone for the power grab that is to come. It gives Ministers the power to implement regulatory changes as a consequence of any country acceding to or seceding from the WTO's government procurement agreement. This is not a temporary power. It is not simply to facilitate our transition from a member under the wing of the EU to a member in our own right, as the explanatory notes to the Bill claim, but a power in perpetuity without the requirement for any scrutiny by Parliament.

The Government will use the sweeping powers of the Constitutional Reform and Governance Act 2010 to push through the UK's independent membership of the GPA without a vote in Parliament. The Bill confirms that any future changes to the terms of the GPA will go the same way. We can talk about the merits of the GPA—I am sure that we will find much common cause across the Dispatch Boxes—but the Secretary of State said that we would be acceding on the “existing terms of participation”, if I wrote that down correctly. That is something that Members should be free to scrutinise and debate. The United States, Canada, South Korea and Japan have all put annexes to their schedules for the GPA that allow them to set aside and disapply regulations on behalf of small businesses and other organisations. That is something that we might wish to consider. It would be quite proper for us to do so, to boost trade for our small businesses, but the Bill, as currently formulated, would not allow that.

I have to confess that when I first looked at the GPA, I wondered what material difference this might make to British business. I was quite impressed to find that the Government's explanatory notes showed that the GPA opened up £1.3 trillion of contracts to UK business—we should all rejoice in that—but when I checked the Bill's impact assessment, I learned that the total cross-border earnings of our businesses from GPA contracts outside the UK is just £1.2 billion, which is less than 1% of that amount. I also learned that the total earnings by foreign companies from the £68 billion of GPA contracts inside the UK was £16.7 billion, which is about 24.5%. Will the Minister explain what the saving to the public purse was from this procurement agreement that merited £16.7 billion going to foreign companies while just £1.2 billion came back to the UK? There might well be a very good answer, but is this not precisely the sort of issue on which Parliament should have a proper role of scrutiny and holding the Executive to account? Of course, the Bill denies us the capacity to do so.

Clause 2 gives the Secretary of State the most far-reaching powers to implement new international trade agreements without the need for even a debate in Parliament. As his Department has confirmed, the clause includes the Henry VIII power to modify primary legislation without a vote. On that point, we were treated to the extraordinary spectacle of the Secretary of State resorting to the letters page of a national newspaper to deny what is printed in black and white—actually in black and green—in his own legislation. He must have been piqued by a number of articles in response to the Bill's publication in November that accused him of appropriating powers that should, by rights, lie with Parliament. He responded on *The Guardian* website on the evening of 20 November, saying:

“In an editorial (13 November) you claim that the trade bill is ‘effectively granting ministers the power to write law behind parliament's back’ with ‘Henry VIII powers’. This claim is repeated in a column by George Monbiot (18 November). This is untrue. The powers in the bill will only allow for amendment of secondary legislation covering existing trade agreements, and secondary legislation is still subject to parliamentary oversight.”

Yet it was not *The Guardian* that was wrong; the Secretary of State was wrong. He knew that he was wrong, although he did not correct his remarks, because clause 2 of the Trade Bill, which he had published just two weeks earlier, states quite clearly that the powers in the Bill make provision not only for the amendment of secondary legislation, but for “modifying primary legislation”. Lest there should be any doubt about this, the delegated powers memorandum published by the Secretary of State's Department to accompany the Bill, which was quoted by the right hon. and learned Member for Beaconsfield (Mr Grieve) with such devastating effect earlier, states on its very first page:

“The Bill contains 6 individual provisions containing delegated powers. Two of these, clauses 2(1) and 7(3), include a Henry VIII power.”

This was not the case of a Cabinet Minister misspeaking or being ambushed in a broadcast interview; this was a written communication that the Secretary of State placed in a national newspaper in the cold light of day that contradicted plain fact and the considered explanation of his own officials. I will happily give way to the Secretary of State if he would care to come to the Dispatch Box and explain himself by putting on the public record why he chose to suggest that there are no Henry VIII powers in this Bill when his own Department had already confirmed the opposite to be the case. I cannot claim to have served with Henry VIII. I cannot claim that Henry VIII was a friend of mine. But, to misquote Senator Lloyd Bentsen's remark to Dan Quayle, I can say, “Secretary of State, you are no Henry VIII. This Bill is an affront to the dignity of your office and to the authority of this House.”

Clause 2 provides the Secretary of State with unprecedented powers to implement international trade agreements without a vote in Parliament. It is perhaps the most egregiously anti-democratic provision of the Bill, in that it allows the Secretary of State to engage in secret negotiations with a trading partner of the EU, to lay the results of those negotiations before Parliament without the need for a debate or a vote, and to proceed to incorporate the resulting treaty into UK law without the need for a vote either.

The Government have tried to justify this power grab with the sham argument that these are simply roll-over agreements—existing agreements that are just being

grandfathered. They claim that the corresponding agreements between 60-plus countries and the EU have already been through the process of scrutiny, meaning that the UK's new agreements can go through on the nod. Yet the Government have been forced to admit that the UK's new trade agreements are legally distinct from those previously negotiated by the EU. They are new agreements in international law. If we allow the Bill to go through as it stands, the Secretary of State, as the Government have acknowledged, will be given *carte blanche* to agree substantively new obligations with third countries and to implement them without a vote in Parliament.

The Government are aware of the magnitude of what they are attempting. The delegated powers memorandum could scarcely disguise its shame with regard to this part of the Bill. It says:

"It is recognised that Parliament will want considerable assurances from the Government that this power will not be used beyond what is necessary to ensure a seamless transition of the agreements in scope."

The Government have given that assurance, but they cannot deny that the power is there. In the next breath, the memorandum claims, apparently without irony:

"The Department considers that this power is appropriate for the negative procedure."

The negative procedure is the least rigorous procedure available to this House, as it allows the Government to bypass the need for a debate or a vote, or the possibility of amendment—there is nothing.

I ask the Minister to come clean and confirm to the House that the delegated powers memorandum is correct. Will he assure us that the Government will bring forward their own amendment in Committee to ensure that these new internationally binding agreements must go through a due process of proper scrutiny by Parliament, rather than being signed off by Ministers without a vote?

Geraint Davies (Swansea West) (Lab/Co-op): I applaud my hon. Friend's speech. The Government are making out that this is all about roll-overs and business as usual. Does he accept that what will actually happen is that countries will want to negotiate new terms of trade because we will be a small minnow compared with the EU giant? What is more, when an EU quota is involved, countries within Europe such as Spain may want to take some of our quota. We will keep our quota only if we give better terms of trade, with lower standards, lower prices and a worse deal for us. That is why we must have scrutiny in this place.

Barry Gardiner: The honest answer to my hon. Friend is that I do not know, although I share his suspicion that that might well be the case. The point is that the Bill shows that the Government's expectation is that these are not simply roll-over agreements and that, precisely as he suggests, third countries may demand additional features in new agreements. On that point, he is absolutely right and the Secretary of State is absolutely wrong.

Ian Murray: My hon. Friend will know that trade agreements require negotiation—it takes two to tango. This Parliament will be asked to delegate powers to the Secretary of State and the Executive to make changes to bilateral agreements with countries that already have

EU bilateral agreements, so decisions that might involve sectors such as the Scotch whisky industry being thrown under a bus to protect other sectors will not come to this House.

Barry Gardiner: My hon. Friend is absolutely correct to say that that is a possibility, but while I have disagreements with the Secretary of State, do I think he is so foolish as to throw the Scotch whisky sector under a bus? No, I do not, because it is a very important player in our economy, as my hon. Friend knows. However, the point he makes is entirely right: it is possible that new interpolations in old agreements may do damage to other sectors. The point remains that this House—I repeat, this House—is the appropriate place for that to be scrutinised.

Clauses 5 and 6 deal with the establishment of the Trade Remedies Authority. We of course welcome the establishment of a new authority as an essential pillar of our international trade policy to ensure that British manufacturers are not exposed to dumping or other countries' unfair trading practices.

Gareth Snell: I tried to push the Secretary of State on this point earlier, but my hon. Friend may be able to help. It is reported in *The Daily Telegraph* today that the economic interest test that the Government will apply will balance potential trade remedies against the impact that they may have on the wider negotiations for a free trade agreement. We could therefore have the perverse situation that, much as with the Scotch whisky industry, the ceramic industry in my constituency could be put to one side in the interests of the greater good of a trade deal with China. I do not believe that that is a good idea, and I am sure my hon. Friend does not, but the Government will not say so.

Barry Gardiner: I was very interested to hear the Secretary of State's response to my hon. Friend's question. It was a feat of Dispatch Box prestidigitation such as I have not seen for many years, because the Secretary of State appeared to agree with my hon. Friend while in fact disagreeing. My hon. Friend is absolutely correct. As we saw with the Taxation (Cross-border Trade) Bill, which we debated yesterday—that Bill sets out the role and powers of the Trade Remedies Authority—the Government certainly envisage a key role for not only the lesser duty rule, but such economic impact assessments. Of course we must conduct economic impact assessments—I know my hon. Friend does not disagree with that—and a balanced decision must then be taken, but, again, it is right that the House should scrutinise those things and ensure that they are genuinely in the wider interest. In particular, hon. Members with specific constituency interests—the ceramics industry; the Scotch whisky industry; the steel industry—should have the opportunity, at the appropriate point, for scrutiny.

Stephen Kinnock (Aberavon) (Lab): While the TRA will clearly play a very important role, does my hon. Friend agree that it cannot take a balanced decision unless it includes a wide range of stakeholders, such as the trade union movement, producers and representatives of the devolved Governments?

Barry Gardiner: I cannot tell you how pleased I am to have taken that intervention, Madam Deputy Speaker. Mindful of your strictures on time, as I always am,

[Barry Gardiner]

I had actually excised a paragraph about that from my speech, so I am grateful to my hon. Friend for his well-made point.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. While the hon. Gentleman is addressing my strictures on time, I know that he will be thinking about concluding quite soon, because he would not want to be in danger of having taken even more of the House's time than the Secretary of State.

Barry Gardiner: Indeed, Madam Deputy Speaker. The Secretary of State spoke for quite long enough; I will try to beat him by a short head.

The House will recall that the consultation on the Trade Remedies Authority ended on the evening of 6 November, but by early morning on 7 November, hard copies of the Trade Bill were already being delivered to Parliament. One can only suppose that the Secretary of State did not receive the updated consultation principles that were issued to all Departments in 2016, which state:

“Take consultation responses into account when taking policy forward...Do not ask questions about issues on which you already have a final view.”

Worse still, the Secretary of State has chosen to appropriate to himself the power to appoint all the key postholders of the TRA without any constraints on their representative function—that point echoes what my hon. Friend the Member for Aberavon (Stephen Kinnock) was just saying. He will even decide without limit how much those people will be paid. The Bill creates a lapdog, not an industrious and independent guard dog.

Labour believes that the Trade Remedies Authority should be formally constituted, so that it is fully representative of the key stakeholders affected by unfair trading practices. That means the experts within business and the trade unions who face the reality of dumping and unfair state subsidies as an existential threat to their jobs and industries, not a *côterie* of Rabbit's friends and relations.

Finally, I must alert the House to the threat that the Bill presents to the devolved Administrations. Today's international trade agreements reach far behind the border into the policy space of national, regional and local authorities. The Welsh Government have already established that several of the clauses in the Trade Bill pertain to areas covered by its legislative competence and have found restrictions on Welsh Ministers in the Bill that they consider inappropriate. The Welsh Government have therefore stated that whether they consent to the Bill will depend on the Government's response to amendments tabled to address those shortcomings. The undue concentration of powers in Westminster to the detriment of the devolved Administrations mirrors the undue appropriation of powers by the Secretary of State to the detriment of this Parliament.

This Bill fails to establish the proper framework that would allow our country to develop a sound, legitimate and properly scrutinised trade policy for the future. Instead, we are faced with another sordid power grab by a Government forced to hide their own weakness behind a legislative veil that is technically and morally incompetent. The Opposition believe that the British

people deserve better. That is why we have tabled the reasoned amendment. If it is not accepted, we will vote against the Bill.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The House will appreciate that while the Secretary of State and the shadow Secretary of State have been very thorough in their arguments this afternoon and patient in taking an enormous number of interventions, thus allowing a full and meaningful debate, the *quid pro quo* is that we have a short amount of time left. A great many people still wish to speak, so I have to impose an initial 10-minute limit on Back-Bench speeches, although that is likely to be reduced later in the day.

3.58 pm

Mr Mark Prisk (Hertford and Stortford) (Con): I note your strictures, Madam Deputy Speaker, and I will do my best to keep within that timeframe. I state for the record that I am a former Business Minister and a former interim Trade Minister, and I am now the Prime Minister's trade and investment envoy to Brazil and the Nordic and Baltic nations.

I welcome the Bill and the fact that we will now have a legal structure that will create an opportunity for both continuity and consistency—which is somewhat more than can be said about the Opposition's policy on a customs union. I welcome the fact that this is one of the very first Bills that addresses the issues that this nation will face after Brexit. Trading will be one of the top issues for all of us as politicians, not just for Ministers. If we are to be an outward looking nation, it is crucial that, both as a House and in government, we embrace trade, but what principles should inform that trade policy? What kind of approach should we take as we leave the European Union? In the short time available, I will offer three broad suggestions.

First, I agree with the strong sentiments expressed by the Secretary of State that we should renew our advocacy of free trade. I strongly believe in open markets—that free trade is the way in which we stimulate innovation and create new jobs. For the consumer, it means greater choice and lower prices; and by encouraging firms to specialise, which is one of the key drivers of trade, it increases productivity. Indeed, recent evidence shows that in companies that export, productivity rises by a third in the first year of trading. That is good for them, but it is also good for the wider economy. The Secretary of State was right to say that trade is also crucial for developing nations—indeed, it is through trade that millions of the world's poorest citizens have been lifted out of abject poverty.

I strongly believe, therefore, that once we are outside the European Union, one of our core principles should be that the UK leads the way in advocating open markets and free trade. But as we have heard in this debate, free trade does not mean a free-for-all—trade without rules. For international markets to work, there have to be clear rules that we agree on, so my second point is that we must consistently work for a rules-based multilateral trading system, based on fairness and proportionality.

I strongly commend the Government, and particularly the leadership of the Secretary of State, for their engagement with the World Trade Organisation. In the last year,

British Ministers have been building up good working relationships within the WTO; they have taken the key steps needed to enable us to be an effective, independent member in the future. That is why the Bill is absolutely right to empower the Government to rejoin the GPA in our own right. Government procurement is a £1.3 trillion market, so it is clearly in our interests, but it is also important at this point for us as a nation to signal our intention to engage in that sort of plurilateral agreement.

A rules-based trading environment also means that we need to create new powers, so that we can challenge unfair or injurious practices when others break the rules; equally, we need to be able to respond when the market becomes distorted. That is why I very much welcome the creation in the Bill of the Trade Remedies Authority. I am sure that in Committee we will debate how that will work, but to be effective the TRA will need to be objective, it will need to be evidence-based and—as questions in this debate have already suggested—it will need to be free of political interference in individual cases. If I am a member of the Committee, I will want to ensure that the legal framework and the authority itself are able to pass these tests. Clearly, when there are unfair practices that are damaging UK businesses, the Government of the day and the TRA must act, but we must be careful to avoid creating rules that can be bent for political expediency.

As a former Business Minister, I know how intense the political and the media pressure can become. A really awkward case suddenly comes out of the blue—perhaps it involves a totemic, major British brand or company, or perhaps substantial job losses are threatened, affecting an individual town. The tempting path for us as politicians, quite naturally, is to instantly demand, “The Government must act! The Government must retaliate! The Government must intervene!” regardless of the evidence. But we should be clear as a House that if we go down that path—if we seek to bend the rules for uncompetitive British businesses—we will have created a cover for protectionism, and that path leads to economic failure. Protectionism makes an economy less competitive, reducing its ability to create new jobs. Domestic prices rise, which hurts those on the lowest incomes the most. If we gain a reputation for being protectionist, what will happen? Others will retaliate. In the end, if we want others to follow the rules, we must lead by example.

That leads me to my third point. We need a cultural change in both business and politics if we are to succeed as a global trading nation. We need not just more exports but more exporters. Our current trading is far too reliant on a small proportion of British companies—11%, according to recorded figures. I suspect that that does not capture everything, but even if it were 15%, that would still be less than half the proportion in Germany. We need to challenge the business world to change the culture.

As the Prime Minister’s trade envoy to the Nordic and Baltic nations, I have seen for myself the success of companies in those countries. It is already our sixth-largest export market, and there is a strong appetite for British goods and services, but the business groups can do more. They can use their networks and resources and set the expectation that British firms should export. That should be the norm and should be expected of people in each and every business sector. It is the reverse at the moment. We need to change that culture. I hope that Ministers, and all of us as Members of Parliament,

will continue to challenge the business groups that say they speak on behalf of business to ensure that they promote exporting.

We also need to change our thinking about trade agreements. A lot of the debate—I heard it again today about trade and Brexit—is all about comprehensive multilateral trade agreements. They will be important, particularly with our European neighbours and other regions, yet because of their scale and complexity few will be fully implemented in the next five, six or seven years, so we need to change our thinking. We need to recognise the role of bilateral and plurilateral agreements, particularly in regions such as the Pacific. The Secretary of State is absolutely right to take the pragmatic view and say, “Where is the growth coming in the world in the next 20 years?” It is in the far east, and we need to be in that market. We need to change our thinking.

The circumstances for most exporters are such that billions of pounds of exports are being undertaken today in areas where there is no formal trading agreement. We need to be pragmatic; we need to be smart; we need to be sharp. We should not always assume that this is simply about national Government to national Government. I have learned from my work in Brazil, for example, that the regional state of São Paulo, on its own, has an economy larger than most Latin American nations. We need to be sharp in how we engage with the regions and nations abroad and with their city states.

Free and fair trade is crucial, but we in the House should not kid ourselves that when awkward cases come up, those discussions will be easy. I want a remedies environment that is free of individual political interference; one that is objective and evidence-based. This is a strong Bill that will allow us to move from where we are to the next stage in our transition. As the Secretary of State has rightly said, there are more legislative measures to come, but the Bill has considerable merit. It is a shame that the Opposition seem to be trying to amend a Bill that is not before the House.

4.8 pm

Hannah Bardell (Livingston) (SNP): It is a pleasure to speak on behalf of the Scottish National party. I will do my best not to take up too much of your or the House’s time, Madam Deputy Speaker.

The UK Government have an opportunity in the Bill to show leadership, to engage widely and to consult with devolved nations, business and other stakeholders about what should be contained within it, but it seems like a paper-thin effort—and not a very great effort at that. Given the magnitude of Brexit and its potentially damaging ramifications, this pretty paper-thin Bill is an affront to democracy and lacking in any real detail—not a great start as we enter this new territory.

A hard Tory Brexit would be disastrous for the economy and completely undermine the Scottish Government’s efforts to boost Scotland’s trading position. We found out just a few moments ago that the UK Government have dropped their promise to amend devolution aspects of the European Union (Withdrawal) Bill and that they plan to do it in the House of Lords. That is shameful, because the Secretary of State for Scotland made a promise on the Floor of the House to the people of Scotland and Scottish MPs.

We have significant concerns about trust in the Government and about whether they can stick to their word. Regarding withdrawal, the Scottish Parliament

[*Hannah Bardell*]

should not have its powers in any way diminished. As we know, the Government cannot be trusted. The Law Society of Scotland, for instance, says:

“We are concerned by the extensive scope of delegated ministerial powers under the Act, mirroring concerns previously identified in relation to the use of Henry VIII powers in the context of the European Union (Withdrawal) Bill. It is not clear why the Government considers such wide powers to be necessary.”

It would be interesting to hear from the Secretary of State what his take on that is. In its excellent briefing, the Law Society of Scotland refers to “Clarity of drafting”, which it says is

“central to good law-making.”

It says:

“Under clause 2(2) an international trade agreement means a ‘free trade agreement’, however ‘free trade agreement’ is not itself defined.”

That is a very important point. In all these discussions about free trade agreements, the actual definition is not given. The briefing points out that clause 2(2) also

“refers to ‘an international agreement that mainly relates to trade, other than a free trade agreement’. However, ‘mainly’ does not grant sufficient certainty in terms of interpretation.”

I am no legal eagle, but I am sure that my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) will give us her take on matters later.

Lady Hermon: There is a very significant omission from the definition section in clause 4, which relates to Northern Ireland. When I asked the Secretary of State about that in an intervention, he repeated the Government’s mantra that there is hope of restoring the Northern Ireland Executive. If there were indeed that hope, one would expect to see some reference to the devolved authority meaning the First Minister and Deputy First Minister, hopefully acting jointly, but there is zero mention of those Ministers. The clause defines a devolved authority as “a Northern Ireland department”. The Government, I suggest, are clearly preparing for direct rule, and I am deeply concerned about that.

Hannah Bardell: I share the hon. Lady’s concern. It seems very much as though the Government are making policy on a wing and a prayer.

It is just over 20 years since the people of Scotland voted for devolution, for progress, to move forward and have power over some, but not all, of their own affairs. In 1997, voters in Scotland backed the creation of a Scottish Parliament by 74% to 26% and voted by 63% to 37% for it to have tax-raising powers—powers that we are very proud to be using.

The Scottish Parliament’s pillars of establishment include accountability: it is answerable to the people of Scotland. It should be open and encourage participation. It should be accessible, and should involve the people of Scotland in its decisions as much as possible. I remind the House of that not to give a history lesson, but to highlight what the people of Scotland voted for and what was delivered in devolution, on a cross-party basis. This Bill, and more generally Brexit, are not what Scotland, or indeed the rest of the UK, voted for. The Bill threatens devolution in Scotland, and it threatens the vote that took place 20 years ago.

Joanna Cherry: My hon. Friend quoted the Law Society of Scotland. Does she agree that it is important for the Tory Government to understand that it is not just members of the SNP who are concerned about the Bill, but that a wide section of Scottish civic society is completely behind the devolved settlement for which it voted so overwhelmingly in 1997? The Law Society’s trenchant comments should give the Government pause for thought about what they are doing. They should bear in mind that it is not just a political party that says they are undermining the devolved settlement, but an apolitical, professional association with great expertise behind it.

Hannah Bardell: I absolutely, and not surprisingly, agree with my hon. and learned Friend. It is true that Scotland voted by 62% to remain in the EU. My colleagues and I are here today to stand up for Scotland and what it voted for in that referendum and to defend and protect the powers of our Parliament in Scotland and the rights, protections and equalities that we enjoy by virtue of our membership of the EU. I for one am not going to let this chaotic and reckless Tory Government diminish or damage the powers of the Parliament, country and economy of Scotland without a very real and determined fight.

We should not have to fight for our voice to be heard here or in trade negotiations and any trade deals that are done. Scotland and the devolved nations should be treated as equal partners, and if we are not, we reserve the right to make a decision about our constitutional future.

Stewart Malcolm McDonald (Glasgow South) (SNP): Just today we learned that the Scottish Parliament’s Finance and Constitution Committee unanimously endorsed the view that it could not recommend legislative consent to the Scottish Parliament for the withdrawal Bill, and the Committee includes no less than Adam Tomkins, spokesperson on the constitution for the Conservative party in the Scottish Parliament.

Hannah Bardell: I thank my hon. Friend for that intervention. I am not given to agreeing with Professor Tomkins, but on this matter I do.

The SNP had a manifesto commitment to call for greater transparency in any proposed international trade deals following Brexit, with the UK and Scottish Parliaments being given a say. As I am sure the Secretary of State will know, there are 111 powers returning from the EU that intersect with the devolution settlement in Scotland and that must come back to Scotland and not be seized by Westminster.

The Law Society of Scotland has been much quoted, but I shall quote it again because, interestingly, it has highlighted the importance of extending a whole of governance approach to trade negotiations, and we very much endorse that. The Secretary of State will also know that we held a roundtable this morning with my right hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford). The Leader of the Opposition was sorely missed; we would have loved to have seen him there. The Law Society of Scotland has said:

“We would urge further consideration of how trade negotiations will be handled where they intersect with the powers of the Scottish Parliament and other devolved legislative authorities where any proposed trade agreement will affect an area of devolved competence.”

Devolved Governments inevitably have different priorities. Indeed, as the hon. Member for North Down (Lady Hermon) has said, there is a country in the UK that does not have a Parliament, and we need this Government not to be making deals or imposing direct rule by the back door; they need to be up-front about what they are doing and how they are going to ensure that the devolved nations of the UK have their say in this process.

They have different priorities, and therefore trade negotiations must be carried out with their involvement. For example, the Scottish food and drink sector has had record growth year on year and has outstripped the rest of the UK. Under the protected geographical indication—PGI—scheme, the EU guarantees no trademark interference with the name of an area, specific place or, in exceptional cases, a country.

Mr Nigel Evans: The hon. Lady will have heard from the Secretary of State that our exports have increased dramatically since the decision of the British people to leave the EU. What aspects of the rolling over of the trade deals that already exist between the EU and other countries does she object to in this Bill?

Hannah Bardell: I am not sure that I have referred to that at all; what I am referring to—*[Interruption.]* The point I am making is that the powers that will be given to this Government and the deals in place and the powers that intersect with the devolved nations will not be protected, so any future trade deals might well be imposed or impinged on, and our powers will be diminished.

Joanna Cherry: The point my hon. Friend is forcefully making—*[Interruption.]* Conservative Members laugh, but this is very important for the Scottish and British economy, because the biggest export from Scotland and indeed of the whole UK is Scotch whisky; that is what is keeping the economy afloat. It is very important to Scotland that trade deals such as that with South Korea are perpetuated on the same terms and that Scotch whisky's geographical indication is protected. These are not just my concerns. I am holding an email from the Scottish Whisky Association, with which I am in regular contact. It wants these matters to be raised; it is used to hearing assurances from the Government, as am I, but we do not hear much else. Does my hon. Friend agree that the point is this: she is talking about the importance of—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. First, the hon. and learned Lady, whose eloquence is far above average in this House—that is meant to be a compliment—knows that she should not make such a long intervention. Secondly, she cannot have a private conversation with her colleague the hon. Member for Livingston (Hannah Bardell) and be looking away from the Chamber towards her; she must look this way. I call Hannah Bardell.

Hannah Bardell: Thank you very much, Madam Deputy Speaker. I absolutely agree with my hon. and learned Friend. The point is that we do not want to leave the EU; we did not vote to leave the EU. The legislation as it stands is insufficient, not only by our standards but by those of others.

As I was saying, some of our most globally renowned brands, such as Scotch beef, Scotch lamb and Scottish farmed salmon are among the 14 protected food names

in Scotland, along with the Arbroath smokie, Dunlop cheese and Stornoway black pudding. Those are among the localities to have been given PGI status. In any trade deal after Brexit, we must be able to protect those Scottish brands. Scotch whisky is an important example. It is the UK's biggest export and, quite frankly, we are getting a bit fed up with that trade propping up the UK Government and their economy.

Last month, the SNP Government published a legislative consent memorandum outlining why they do not intend to lodge a legislative consent motion in relation to the Bill. We firmly believe that policy responsibility and expertise for matters within devolved competence lie with the Scottish Government, who are accountable to the Scottish Parliament and to the Scottish people. We take democracy seriously in Scotland, and we do it pretty well. When we had a referendum in Scotland on independence, we had the widest possible participation. We included the future of our nation in it—the 16 and 17-year-olds who were sadly left out of the EU referendum but who will reap what is being sown by Brexit. We also had a proper timescale for the debate. We asked people what kind of nation they wanted to live in and be part of, rather than trying to exclude some people from society, to “other” them, and to blame them for the failures of the UK Government's austerity plans.

This trade Bill is lacking in detail. It takes some serious and worrying paths, and it is just the starter for 10. We are told that there is going to be a further Bill later, but why not get it right now? Why not be bold and stand by that old adage that Scotland is leading the UK, not leaving the UK? The Government could have put forward proposals for the devolved nations to have Trade Remedies Authority offices and their own permanent commissioners. A truly collaborative approach could have been possible.

Stewart Malcolm McDonald: My hon. Friend asks why the Bill is before us now. Is it not simply to cover for the fact that the Secretary of State—nice man though he is—does not really have a job?

Hannah Bardell: I thank my hon. Friend for that intervention, but I do not want to be uncharitable to the Secretary of State.

The trade White Paper was issued on 16 October, with a deadline of 6 November. That is not exactly a long period for the consultation and it did not give anyone much time to respond. When the Trade Bill was published the very next day, there was concern at the speed with which the process was concluded. The Manufacturing Trade Remedies Alliance, which I met recently, voiced anger on behalf of its members, saying that officials would have no time to analyse reaction to the trade White Paper or to brief Ministers on the industry's concerns. This goes back to the point about conducting a proper process in a timeous manner.

Angus Brendan MacNeil: It is an excellent suggestion that the Trade Remedies Authority should have an office and a commissioner in Scotland. The balance that feeds into the equation of what remedies are taken cannot be properly achieved by an authority based only in London that has a London-centric point of view.

Hannah Bardell: Absolutely. This was an opportunity to move away from that London-centric psychology.

[*Hannah Bardell*]

In Scotland, Dave Tudor, the chairman of the Life Sciences Scotland Industry Leadership Group, published an open letter to the UK's Brexit negotiators warning of the damage that uncertainty is already inflicting on the industry. These are his grim words, of which we should all take note:

“Widespread concern over regulation, movement of goods, access to talent and research and development and the negative impact this uncertainty is causing is set to intensify.”

I genuinely wonder when it will dawn on the UK Government and others across this House that our universities cannot staff their courses and are having to close departments, that they are dropping down the world rankings because they cannot attract talent and European funding and that we are becoming a union of diminished importance and influence. I for one have no intention of letting that happen to Scotland or, if I can help it, to the rest of the UK. As our First Minister, Nicola Sturgeon, said recently,

“no Brexit is preferable to no deal.”

We accept that the UK Government should make preparations for the UK's withdrawal from the EU, particularly with regard to maintaining the important continuity of current trading arrangements. This is of vital importance to businesses across the UK and the EU. However, we are concerned about the direction of travel in the Bill.

Since 2007, Scottish exports to the EU have grown by more than 25%, which is a clear demonstration that the single market is Scotland's real growth market. Being part of the EU means that our businesses are operating within the world's largest trading area. With 500 million potential customers, it is eight times bigger than the UK alone and contains eight of our top 12 export destinations. The financial services sector alone employs 40,000 people in Edinburgh, and over £500 billion-worth of assets are under management in the city. We have already seen banks move from London due to fears of a hard Brexit when we lose our membership of the single market. Just a month ago, the European Banking Authority announced it will move from London to Paris.

Patrick Grady (Glasgow North) (SNP): My hon. Friend is making a serious point that is in stark contrast to what the Government were originally coming out with, which was that Brexit would somehow lead to empire 2.0 and that the floodgates would open in terms of opportunities for the United Kingdom. In fact, the floodgates are opening in the opposite direction and people are fleeing the UK at the prospect of what is happening with Brexit.

Hannah Bardell: I do not want to be a “doomsday-scenarioist” but the reality is that these things are happening now. The European Medicines Agency is off to the Netherlands, which is a significant loss to the UK and diminishes its role in regulating medicines, taking away 900 great jobs and a serious amount of influence.

As for my constituency of Livingston, which is at the heart of West Lothian, around 4,500 to 5,000 jobs are sustained by exports to the EU. Members from across the Chamber will have been contacted with the numbers that their constituencies could lose. Owing to its relatively strong manufacturing base, the proportion of West Lothian's international trade with its EU partners is

estimated to be higher than the Scottish average, so I have real and grave concerns as a constituency MP. Many of the business people I have spoken to have expressed deep worries about the lack of experience in the Brexit and International Trade Departments. I pay tribute to the staff in those Departments, but those are real concerns that have been raised with me none the less. The Secretary of State for International Trade admitted in an interview last year that

“Britain has turned down countries wishing to strike free-trade deals after Brexit because the government does not have the capacity to negotiate them”.

That somewhat contradicts his previous comment that securing a post-Brexit trade deal with the European Union should be the “easiest in human history”, but it is not so easy if the Departments do not have any staff.

The potential impacts are significant, ranging from planes being grounded the day after Brexit to fresh Scottish produce rotting in a protracted customs process, to prohibitive tariffs and diminished access to labour. Let us look at airlines for example. As the London Market Group explained to me, a broad range of EU-based businesses, often undertaking activities critical to the EU economy, require specialist cover from the London insurance market, including airlines. Currently, the UK insurance market is the only location with the specialist aviation insurance knowledge and financial capacity to provide the full coverage for all risks faced by an airline. If airlines cannot get that insurance when we leave the EU, there is a risk that planes could be grounded at the end of March 2019.

I raised that on the Floor of the House on 11 September, and I was laughed at from across the Chamber, but lo and behold that very risk was raised almost a month later when the Chancellor became the first Cabinet Minister to admit that no deal could ground all flights. It took so long because, as we know, the Government had not done a proper assessment of the economic consequences. Without contractual certainty, which is the fear following Brexit, there could be market disruption and dislocation in a range of sectors.

Iain Stewart (Milton Keynes South) (Con): The hon. Lady has repeated the scare that flights will somehow be grounded on the day the UK leaves the EU. May I suggest that she look at the transcript of the Transport Committee evidence session when the heads of major airlines and airports said that such a fear was completely groundless?

Hannah Bardell: I thank the hon. Gentleman for his intervention, but not all of them have said that. I am quoting directly from someone who has brought that information to me, but I appreciate that there are different views and different takes.

Angus Brendan MacNeil: Some in the airline industry think that they can go back to the agreements that existed from 1945 to 1955, but those bilateral aviation agreements stipulate London airports, so maybe Heathrow is okay, but the rest of us will be left in hock.

Hannah Bardell: I thank my hon. Friend for his intervention, and I remind the hon. Member for Milton Keynes South (Iain Stewart) that it was the Chancellor who said that flights being grounded is a concern.

Financial services of all kinds, from insurance to loans to derivatives, could be disrupted because UK firms are not able to continue servicing EU customers, or vice versa. EU banks that have derivatives cleared through UK central counterparty clearing houses might be in breach of regulations, as those central counterparties may not be authorised. I appreciate this is a technical point, but it is important. Contracts may have to be unwound, or may become unenforceable. According to reports from the Association for Financial Markets in Europe, €1.3 billion of bank assets, including loans, securities and derivatives, may need to be moved from the UK to the EU. I am sure the Secretary of State is familiar with those issues, but I wonder what he and his colleagues will do about it.

This Bill also gives the Government power to implement agreements with partner countries corresponding to the EU's free trade agreements. We have serious concerns about that, and we hear that the UK Government are off negotiating deals in the US—top-secret deals that the Secretary of State has said should remain classified for four years after a deal is struck, which beggars belief.

This Trade Bill also provides measures for HMRC to collect data on behalf of the Government—the hon. Member for Ribble Valley (Mr Evans) asked whether I did not agree that should happen, and I have no problem with it. It is important that it happens, but it is about how it happens. It is vital that data is collected in an appropriate fashion, and the Law Society of Scotland has expressed concerns:

“We are concerned that clause 7(1) grants a very wide discretion to HMRC to require information. The scope of this provision should be more clearly defined to give greater certainty as to the extent of information and the anticipated frequency and method of data collection.”

The focus of the Scottish Government, and of the Scottish National party in power in Scotland, has always been to preserve our place in Europe for the benefit of business, the economy and families everywhere. The only way a hard Tory Brexit can be avoided is if Labour joins the SNP in supporting our continued membership of the single market and the customs union in these Brexit negotiations. I know these Benches are not very comfy, but some of the bums opposite must be pretty sore from sitting on the fence. We really need to get together on this issue.

Liberty has expressed deep concerns:

“The plans are the latest attempt by ministers to undermine democracy and bypass parliamentary scrutiny of the Brexit process, after the EU (Withdrawal) Bill and Data Protection Bill contained similar ‘Henry VIII’ powers.”

The EU (Withdrawal) Bill defines “retained EU law” as including primary legislation that gives effect to EU mandates, such as the Equality Act 2010 and the Modern Slavery Act 2015.

The concerns continue to be wide ranging not just on the Opposition Benches but across society.

I close by sharing a little lyric I wrote that sums up the current situation:

“B-R-E-X-I-T

Fed up with Brexit, me three,

Trading relations headed down the ‘swanee’

If it doesn't fit on the side of a bus,

Then let's not say it, don't make a fuss

Phase one was a floundering mess

The Prime Minister said she did her best

The Irish border was the sticking point, and the DUP

Cross-border trade we're told it's possible, it's about wording, you see

A fudge not a dodge

Or has the right hon. Lady for Maidenhead, really lost the thread?

The Brexit spool unravels

Our economy headed south and what about travel?

Blue passports we're told

Ah, perfect, imported they'll be, that's me, I'm sold

Choose Brexit, choose a new queue,

At the airport, we'll be going through

It's for the next generation of children I fear

Erasmus, international trade, travel will be lost, I shed a tear.

LGBT rights, workers' rights, equal pay,

All important things, the EU has paved the way,

On the night of the referendum, and then the next day

Promises made were dead straightaway

How will history judge, our politicians of today

All of us here, not well, I'd say

Not all of us want to be facing this mess,

In Scotland we voted to stay in, we think it's for the best

So let's get together and stop this guddle,

For the sake of our future, we need out of this Brexit muddle.”

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order.

I had not expected this part of our proceedings to take quite so long. I now have to reduce the time limit to seven minutes.

4.34 pm

Anne Marie Morris (Newton Abbot) (Con): I will be brief. First, Brexit has already been a great success. We have seen great improvements in our economy and great opportunities for many businesses. Despite her wonderful ditty, I take issue with the sentiments of the hon. Member for Livingston (Hannah Bardell).

I am pleased that today we are talking trade because, when we talk about Brexit, trade is the key win as far as I am concerned. For me, it is vital that the 50 or so EU FTAs are properly transitioned. That is absolutely right. My right hon. and learned Friend the Member for Beaconsfield (Mr Grieve) rightly explained that the powers are wide, but when we are trying to transition that number of agreements in a relatively short period, we need the ability to make necessary changes. Let us remember that third parties have a say in this; it is not just about the UK going to these countries and saying, “Let's do it the old way.” This is also an opportunity for us to do it in a way that benefits the UK economy.

This Bill is an important part of the whole Brexit piece. Although I understand that the prime objective of this legislation relates to the existing EU relationships and trade deals, there will be some new agreements and, de facto, the potential of their setting some form of precedent for the Government's approach to doing future trade deals with other countries. I do not think it is appropriate to put this in the Bill, but it would be helpful to have something on the record from the Government about what exactly their trade policy is. What theme will bind their approach to these 50 agreements and future agreements with other states?

[Anne Marie Morris]

The Government have said that they believe that they now have a great opportunity to set themselves up as the new global leader for free trade, a position that some might say has been vacated by the USA. Therein lies a question: what is free trade? We need to be clear that it does not mean free without any limitations. Every FTA has its exclusions and every country that is part of an FTA will negotiate for what is in its best interests. Complete free trade would work only if the law of comparative advantage could come into play, but that would apply only if we were all one country, with no boundaries, and with the same laws and taxes, and that is simply not the case.

Inevitably, therefore, all FTAs include some element of protectionism and it seems that now is the time for the Government, in carving out these exclusions, as is the norm, to make it clear to the country where they want to be on the balance between totally free trade, with no exclusions and no protections for our industries, and having some protection. I recall that way back the Prime Minister talked about ensuring that some of our core industries were protected. That is a key issue and I want to hear something from the Government on it. If we are talking about the economy versus the community and jobs issue, if I may put it that way, I want to hear that there is some commitment to retraining in those areas where there will be fallout. Clearly, those will be minimised, because the opportunity under Brexit is greater than the threat, but it would be naive not to recognise that there is that potential fallout.

People are increasingly talking about something called “fair trade”. That also has an old meaning—ensuring fair access to markets in developing countries—but it is now being twisted. The President of the USA is redefining “fair trade” to talk about “fair” support for his national industries, which is interesting because it is a way of trying to make protectionism look like fair trade and free trade. It is important that we remember that these words are now being twisted. It is important that the Government are clear about what is meant. Let us forget for a minute the lingo and think about what we want to achieve through these agreements for our domestic economy and for our domestic security. That issue came to light specifically when the Hinkley Point contract was reviewed. In the end it was affirmed and it is going forward, but there is an issue about security, which we have not yet referred to in this debate. We need to consider whether there are key infrastructure areas that we believe should never be in foreign ownership. Would we like to see the BBC or BT owned by China or Russia? I do not think so, but it would be helpful if the Government made that clear.

So let us get rid of the labels. We must look at what the Government really want to do and have some clarity for industry. I have two significant ceramics businesses in my constituency and they are concerned that the TRA and the future protection will not be enough. Looking at this industry sector by industry sector is going to be important.

In conclusion, I do not agree with the solutions put forward by the Opposition because, given the speed required, the Henry VIII powers are necessary. Indeed, exactly the same conditions applied under the European Communities Act 1972. I do think, though, that there would be some benefit to the country were the Government

to clarify exactly what their trade policy is. They should consult industries to find out where the opportunities are, so that we maximise rather than minimise the real win-win here. We should also put in place clear guidance on what we will do to support retraining. Of course there will be cost-benefits for consumers and higher salaries, but it would be wrong to ignore the fact that there will be a few losers, and we need to look after them.

We should never forget that trade agreements are not for the Government to determine on their own; they are also for the third parties with which we enter into agreements. International trends are moving and the notions of fair trade and free trade are parting company, depending on which part of the world one considers. Let us have some clarity from the Government. The Bill is a good start, but let us now have a little detail about how their ideas will be taken forward.

4.40 pm

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): It is a great pleasure to speak in this debate as the Chair of the International Trade Committee. My Committee took evidence on the Bill in November to aid the House in its scrutiny, but as yet we have not taken a position on the legislation, as often happens with Select Committees. The views I express today are my own, not those of my Committee colleagues.

This is a significant day for the current UK’s future as a trading entity. The Bill is one of a suite of legislation promised by the Government to establish the framework for an independent UK trade policy. It must be noted that the current UK has not operated an independent trade policy since 1973, when I was three years old. To create a new trade policy after a 40-year hiatus is an immeasurable challenge. It is paramount that we get it right and have in place the right legislation.

According to the background briefing to the Queen’s Speech, the Trade Bill was intended to create the “necessary legislative framework to allow the UK to operate its own independent trade policy”

after Brexit. The Government said that the legislative framework would include two key features: first, a power to strike new trade deals with third countries, and secondly, the establishment of a UK trade remedies system. On reflection, it is interesting and striking to see how little of the original stated purpose the Trade Bill achieves. There is nothing in it about striking new trade deals with third countries, and the establishment of a UK trade remedies regime is largely left to the Treasury to achieve in the Taxation (Cross-border Trade) Bill. The point made by my hon. Friend the Member for Livingston (Hannah Bardell) was also striking: we need the Bill not to have a London-centric point of view.

I have three observations that concern the breadth of the powers conferred by the Bill; the lack of parliamentary scrutiny offered in the Bill; and the relationship between the Trade Remedies Authority and the Secretary of State—sadly, just the Secretary of State. On the breadth of the powers, the Government are seeking to maintain their trade arrangements with third countries with which the EU has trade agreements.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The UK Government are seeking to strike a deal with South Korea. Has my hon. Friend noted, as I have, that that might not be as straightforward as was hoped by the UK Government?

Angus Brendan MacNeil: Absolutely; a number of deals with third countries will not be straightforward, and I will address the one with South Korea in particular—my hon. Friend pre-empts my speech very well.

It is striking that the UK, finding itself leaving the EU, now wants to ape exactly what the EU has been doing. It is as though the UK is tipping its hat to the EU and thanking it for leading the way—the EU has been doing such a good job that the UK wants to do exactly the same after we leave.

David Linden (Glasgow East) (SNP): As we take back control.

Angus Brendan MacNeil: Indeed.

This is to be done by the UK establishing partner agreements with third countries that correspond as closely as possible to the agreements the EU has with those countries. As my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) pointed out, South Korea is a particularly striking example because the 55% provision on rules of origin in the automotive sector cannot be replicated by the UK because the UK cannot produce the 55%. That would give South Korea licence to export to the UK automotive sector and disadvantage UK manufacturers. If we want to change that percentage, any Korean trade negotiator who hopes to keep his job for a further week is not going to just nod his head. He is going to look for some sort of quid pro quo. The question then becomes whether that is the ceramics of Stoke-on-Trent, Harris tweed or Stornoway black pudding. What could it be? Is it the whole of agriculture? We just do not know. That is the reality of how trade works. If I give something, I want something back in return. I do not just give something for nothing in a trade agreement.

The trade agreements to which the Bill applies include free trade agreements and international agreements that relate mainly to trade, other than free trade agreements where the other signatory and the European Union are signatories to the agreement immediately before exit day. Furthermore, all but five countries around the world are involved in regional trade agreements. Therefore, the UK would be joining company with East Timor, Somalia, South Sudan, Mauritania, and São Tomé and Príncipe in the gulf of Guinea. More strikingly, the UK will find itself with higher trade barriers with 27 countries in Europe, plus another 67 that are covered under another 40 agreements with the EU, making a total of 94 countries. When I asked the Prime Minister about that in the Liaison Committee, she seemed unaware that the UK could be disadvantaged in its trade with up to 94 countries.

Much could be said about the breadth of the powers that the Government are taking, but I think that the point should come from the Department for International Trade, whose second permanent secretary told my Committee that replication

“will depend as much on whether the party at the other end is prepared themselves or will seek to have some agreement that will allow common content. Until we have that detailed discussion on the replication, neither we nor they will be 100% sure of exactly how you will define what is as close as possible to what we have had with the EU.”

Time is against me, as I had hoped to have 10 minutes but have only two and a half remaining. One of the major issues that we have to consider is parliamentary scrutiny. Many countries allow parliamentary scrutiny

of their trade Bills, including the United States, Australia, New Zealand and Canada—even the European Union allows that—so we are not asking for anything new. In the United Kingdom, whether it is Henry VIII powers or James II powers, which the Williamite revolution got rid of, this is the situation we might be left in. In trade negotiations there is give and take, with winners and losers within the negotiating countries.

Drew Hendry: My hon. Friend makes a powerful point about the need for proper and effective scrutiny. Does he agree that it is reckless to embark upon this course without first ensuring that Parliament has proper powers of scrutiny?

Angus Brendan MacNeil: My colleague is again absolutely correct.

In here, there are Members representing many constituencies—today they are on the Government Benches—who think that they will be okay. Governments change over time. Who makes the decisions and according to what criteria? Will decisions be made such as the bilateral aid agreements run from 1945 to 1985, in which the UK Government had a deliberate policy to support only London airports, for example? When Iceland wanted flights to Scotland, the UK Government tried to get them to fly first to London and then north to Scotland. It was Iceland that broke that. That was a deliberate policy of the UK Government. London is not the place it is today because of anything magical about London; it is the result of UK Government policy over many years. Other areas of the UK could be sacrificed in future, just as they have been sacrificed in the past, for the benefit of London or elsewhere. If there is no parliamentary scrutiny, on what basis will that be done? Will it be on the basis of the Secretary of State having a meeting in an airport departure lounge? It is not at all clear.

Hannah Bardell *rose*—

Angus Brendan MacNeil: I am running out of time and cannot give way.

Surely the devolved Administrations must be involved. My hon. Friend the Member for Livingston (Hannah Bardell) mentioned the 111 powers coming back from Brussels. I am tempted to say that we must free the 111 powers from the grasp of the Westminster super-state, because that is what is happening at the moment. Those 111 powers should be going to Scotland.

Polls show that the EU has 68% support in Scotland and that the UK has 51% support. If Members were wise, they would not treat Scotland in the highhanded way the UK super-state is trying to do, because that will lead—I want it to—to an independent Scotland. If they were sensible, they would be more measured in what they are doing. The new Trade Remedies Authority should exactly mirror that point. *[Interruption.]* The Minister chunters from a sedentary position, “What does this have to do with the Bill?” It has everything to do with the Bill, because if you continue with your London-centric point of view, you will regret it in future—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I cannot let the hon. Gentleman say that. I will not regret anything; it is the Minister who will regret it. I will give the hon. Gentleman an extra 30 seconds to make his point properly.

Angus Brendan MacNeil: I am very grateful, Madam Deputy Speaker—you are indeed a great Madam Deputy Speaker—for the extra 30 seconds.

The Trade Remedies Authority needs to be current UK-wide, otherwise it will face the real temptation of being only a London-centric body. As things are given, things are taken. Some people are going to win and some are unfortunately going to lose. We have to ensure that that happens on the basis of thought-through decision making involving this place. I urge the House to be a champion for democracy and accountability in trade policy. This Bill needs to be amended accordingly, as my Committee more than knows. I think on that we can agree.

4.50 pm

Iain Stewart (Milton Keynes South) (Con): It is always a pleasure to follow the Chairman of the International Trade Committee, although I suspect that the only part of his speech with which I will agree is his praise for you, Madam Deputy Speaker. The rest of it, I suspect, we will disagree about.

I am grateful for the opportunity to speak in favour of the Bill. Many of the contributions we have heard in the debate confirm my fear that too many people want to re-fight the referendum and quite possibly deny the democratically expressed will of the British people to leave the European Union. As we heard from the right hon. Member for Birkenhead (Frank Field), who is no longer in the Chamber, the vast majority of fair-minded people, however they voted in the referendum, want us to get on with it and stop trying to re-fight the battles of 2016. That is what the Bill is about. It is not about re-fighting old battles or trying to shape future trade agreements; it is an important, practical, common-sense set of measures that will form part of the framework in which we can negotiate further agreements. The Bill is about giving continuity to our traders and investors, particularly companies with an interest in countries with which we have an existing trade agreement through the EU.

Several hon. Members have mentioned Scotch whisky. I declare an interest—I do my best to keep that industry going. However, the fear that the powers in the Bill will allow the agreements with third countries that we have through the EU somehow to disadvantage the Scotch whisky industry are completely wide of the mark, because this is about the continuity of existing arrangements. If there was a substantial rewriting of the basis of an agreement, that would be a new trade agreement, and would therefore not be covered by the principles of the Bill. It is important that we have the Bill, because doing nothing is not a credible option. Our agreements with countries that we have through the EU would simply come to an end if we did not have these measures in place. Whatever shape our future UK-EU trade arrangements take, the Bill gives us the flexibility to mirror those important third-party agreements in our domestic law.

I welcome all the provisions in the Bill, but in the time available, I wish to focus on part 3, which relates to trade information. It is clear to me from my previous work in the Department for International Trade that for too many years this country has underperformed its potential for exports and overseas investment. As we try to remedy that, it is critical that we obtain complete

data on our exports and overseas investment. It is important, too, that we have more clarity about what constitutes exports and overseas investment, because many services that UK-based companies provide overseas, particularly with the advent of modern technology, might not be captured in the export data. For example, if a professional services company gives a software upgrade to one of its subsidiaries overseas, that might not be counted as an export.

If such data is available, it will allow both the Department and private companies better to support those who wish to expand their export activities. The Secretary of State's Department has already made an important start in boosting our export performance through the new digital platform to provide enhanced and affordable insurance cover, which may be used where there is a political risk in the country to which the exports are destined, and the ongoing appointment of new trade commissioners, which will better reflect where our export markets are. My hon. Friend the Member for Hertford and Stortford (Mr Prisk) made the point that the traditional capital-centric model and distribution of our trade proponents does not necessarily reflect where the growth markets are. It is critical that we have flexibility and such additional resource. In addition, we need to work with banks, insurance companies, legal firms and other professional services, so that we can tap into their knowledge of export markets. It is critical that the Government, working with these bodies, are allowed to better provide export assistance.

We also need to go further and, like the Germans, use our chamber of commerce network better to support our exports. There is much that we can still be doing to learn from that. Not having an independent trade policy for 40 years has left us sluggish. We are starting to catch up, but there is much more to do. The Bill is an important part of that process.

Let me conclude by referring to an article that the Secretary of State published last week—his new year message. He hit the nail on the head when he said that one of his most frustrating experiences last year was returning from a very positive and optimistic overseas trade visit only to encounter waves of negativism at home. There is huge interest in British products, services and investment, yet too often we have self-defeating pessimism here.

My right hon. Friend the Secretary of State gets accused of not having a job and of not yet signing new trade agreements. Well, of course he cannot at the moment, because that is prohibited under our current membership, but he is doing a lot of preparatory work to ensure that, on the day we leave, we will be in the front seat to get these new agreements, whether they are complete free trade agreements or some other form of bilateral co-operation. That is the work that is going on. As we enter the new year, I hope that an important positivity—a can-do attitude—can prevail, instead of the self-defeating pessimism that so many seek to ply.

4.57 pm

Kerry McCarthy (Bristol East) (Lab): I believe that the Bill is unnecessary; that we should be seeking to stay in the customs union and the single market; and that we are better off in a union with no tariffs or quotas, as well as with the elimination of non-tariff barriers.

The EU market accounts for nearly 50% of our total trade, and trade under EU agreements with third countries, including the likes of Canada and South Korea, comprises a further 13%. Last month, the EU-Japan trade agreement was finalised, and the EU is starting to open negotiations with both Australia and New Zealand. We would benefit from all those agreements if we were to remain in the customs union.

I chair the all-party group on agroecology, which launched its report into post-Brexit trade at the Oxford real farming conference last week. The report sets out the importance of the EU for our food, feed and drinks market. In 2016, 60% of UK exports in those sectors were to the EU, compared with just 16% to Asia and 14% to North America. The picture is even starker for imports: 70% from the EU, compared with just 8% and 6% from Asia and North America.

Currently, we negotiate as a bloc of 500 million consumers in a market renowned for its high standards. After Brexit, we could be negotiating from a much-diminished position, and I have to say that, on our current record, we are not very good in this area. In January 2008, Gordon Brown announced a deal to sell pigs' trotters to China, following years of complex negotiations. In November 2017, nearly 10 years later, *Meat Management* magazine—I am an avid reader, as hon. Members can imagine—reported that the UK had finally got the go-ahead to start shipping those trotters out to China. This followed a lengthy process of technical negotiations led by the Agriculture and Horticulture Development Board in collaboration with the Department for Environment, Food and Rural Affairs, the Food Standards Agency and others, as well as inspections of UK facilities by the Chinese authorities. That example shows that it took 10 years just to get the pigs' trotters protocol off the ground. Imagine how long it will take to negotiate comprehensive trade agreements covering more than that.

There are a few general points of concern that I want to raise about our future trading relationships and the way in which trade deals and rules can affect people involved in the sectors in which I am interested. In 2014, I visited El Salvador to look at the impact of climate change on its farmers. I was told how its Government's efforts to promote native seeds and more traditional, organic forms of farming had been thwarted because following the central America free trade agreement, they were unable to stop Monsanto peddling its wares. That raises concerns in my mind about what will happen when products come on the market that we do not have the power to reject post deal, even if we manage to carve out concessions when we negotiate trade agreements now.

The North American free trade agreement is held responsible for the tripling of obesity in Mexico, as fast food companies came in and flooded the market with high fructose corn syrup. To give a quite obscure example, the republic of Samoa has among the highest rates of obesity, hypertension and diabetes in the world. In 2007, in a bid to combat that public health crisis, its Government banned the imports of two favourite delicacies: turkey tails from the US and mutton flaps from New Zealand. But when Samoa joined the WTO in 2012, it had to lift that ban. A deal was struck that allowed it to add a 300% tariff to turkey tails for two years, and then a 100% tariff for one more year on top of that. After that, Samoa was told that its only mechanism was to

resort to public health education. The lack of freedom that countries have under current trading arrangements concerns me.

Perhaps many Members here think that the people of the republic of Samoa should not be deprived of their freedom to eat deep-fried turkey tails, if that is what they really want to do, but the broader point is that if the United Kingdom is taking back control, we should be able to decide. We should set standards for what we want to import into this country. It is not about protectionism; it is about ethics, the economy and the type of sustainable and healthy society we want. That makes it all the more important that we have full scrutiny of not just the trade deals covered by the Bill that we are seeking to carry over—they cannot possibly be exactly replicated—but future trade deals. As it stands, MEPs and members of other EU countries' national Parliaments will have more influence than we will, and it is not just national Parliaments. After all, it was the regional representatives in the Parliament of Wallonia who blocked the CETA deal.

The European Parliament does not have a formal role in EU treaty negotiations with third countries, but it is kept

“immediately and fully informed at all stages of the procedure”, because its consent is often required. For example, it voted against the proposed anti-counterfeiting trade agreement in 2012.

The Library's useful briefing on the Bill states that there are four ways that Parliaments can be involved in treaties:

“Setting the negotiating mandate...Scrutinising negotiations... Approving or objecting to ratification...Passing implementing legislation”.

Yet the Bill only deals with the fourth of those points. The Government plan to limit Parliament's role on such agreements by taking powers through secondary legislation, with only the negative procedure available to Members. The Government should heed the advice of the Institute for Government, the Trade Justice Movement and others, and include in the Bill a guarantee that all future trade deals will be subject to a full debate and vote in this place.

Parliament should have the right to set a thorough mandate for each trade negotiation. We should have the right to amend and reject trade deals and the ability to review them and withdraw from them in a timely manner if we think it is in our interests to do so. We should be able to consider the need for environmental protections or human rights clauses in agreements and to seek reassurance about how they would be enforced. This is too important to be left to the say-so of Ministers. We already know about the spats that have occurred in Cabinet between the International Trade Secretary, who is all in favour of chlorinated chicken, and the Environment Secretary, who has said the United States would have to “kiss goodbye” to a trade deal if it wanted to include chlorinated chicken.

The Americans, meanwhile, are telling us that we must adhere to their rules and not set our own standards. Wilbur Ross, the US Secretary of Commerce, has said that the UK must ditch EU food safety laws. Last week at the Oxford farming conference, Ted McKinney, the US Under Secretary for Trade and Foreign Agricultural Affairs, said that the UK should consider the “reset

[Kerry McCarthy]

button” on our food standards. There are many examples other than chlorinated chicken, including hormone-injected beef, food colourings and brominated vegetable oil. I make the plea for proper scrutiny; we must not let this be only in the hands of Ministers.

5.4 pm

Mark Menzies (Fylde) (Con): It is a pleasure to follow the hon. Member for Bristol East (Kerry McCarthy).

I am one of the Prime Minister’s trade envoys—I wanted to make that clear at the outset—but I speak today less as a trade envoy than as a constituency MP for a constituency that exports perhaps more than any other in the UK. We build Typhoon and Hawk fighter jets, and we make nuclear fuel, so we are dependent on international export markets. Tens of thousands of people are employed, directly and indirectly, as a result. I will focus on what this Bill is about and not what it is not about.

I pay tribute to the Secretary of State and the Minister for Trade Policy—I am delighted that both remain in their posts—for the work that they have done and the work, much of it unseen, that their very capable officials, both in-Department and in-country, do day in, day out on behalf of the United Kingdom. By so doing, they are securing hundreds of thousands of export-related jobs. Once again, I put on record my thanks for what these hard-working civil servants do.

In countries around the world, not just those that I represent as a trade envoy but those that I visit, the one thing that comes up, particularly in a post-Brexit environment, is a desire to do trade with the United Kingdom—not just to continue the trade that we do, but to build trade relations where they do not currently exist. The countries that I represent—Peru, Colombia, and Chile—are three markets with high growth potential. They are also three countries where we massively under-punch; we are nowhere near as significant as we ought to be. The work that has been put in by the Department for International Trade is a genuine effort to redress that, but we can do that and meet the concerns in these countries only if the Bill receives its Second Reading tonight. The main question that one gets asked, not by people on the street but by senior Government officials and business leaders, is, “What’s Brexit all about?” The question behind the question is, “What does this mean for the trade agreements and the terms of business that we have?” A fruit grower in Chile exporting to Tesco, Morrisons or Sainsbury’s wants to know what Brexit will mean, in a post-2019 environment, for the thousands of people employed supplying UK consumers.

When I was in Chile and Colombia in November as a trade envoy, I was able to tell people that the British Government were putting measures in place through this Bill that would ensure the continuity of the relations and the agreements that we have in place with those countries as a member of the EU. The Bill is not about putting new trade agreements in place; it is about ensuring that at the moment of exit the terms and conditions of trade flip over, so that British businesses out there trying to secure export orders, or British companies that are importing from key markets, are able to do business with certainty of that continuity. If we do not give them that certainty, they will have to tell their

constituents who are worried about potentially losing their jobs as a result of Brexit that tonight they stood in the way of giving businesses that export to or import from key markets that continuity and certainty. This applies to businesses big and small, and people in all parts of this country.

Wera Hobhouse (Bath) (LD): In a former life, I was the export manager for our family manufacturing business, and I was very much involved in exporting to other countries. It was certainly not the EU that stopped us from exporting—there were many other factors. Can the hon. Gentleman tell me how this Bill is going to make a difference?

Mark Menzies: Unlike the hon. Lady, I do not live in a former life; I live in the here and now, and I am thinking about what happens post 2019. The Bill will give continuity and certainty to companies that export. The trade deals that we have with, for example, Colombia, Peru or Chile are the result of our membership of the EU, and unless those deals are rolled over, as the Bill will enable us to do, there will be a gap that is disastrous for all the men and women living in our constituencies. The Bill is about looking to the future and dealing with the world as it is, not how we would like it to be.

Another key provision in the Bill gives the Government the ability to collect important trade data. That will ensure that the Government—the Department for International Trade or any other branch of the Government—can better serve the interests of British exporters and of British companies that import into this country. It will ensure that we put money into the supply chain and show that we intend to add value to the exports we are involved in producing. This sensible and practical measure shows that the Government are looking to the future.

The United Kingdom must, by agreeing this Bill on Second Reading tonight, send out a clear message that, in the post-2019 environment, we want to trade with the rest of the world. As part of the conversation with individual nation states, we must make sure that their respective legislatures—their congresses, senates or parliaments—put in place reciprocal legislative changes where necessary. Although that will not be necessary in every case, some such measures will be needed to ensure that the reciprocal arrangements also flip over in advance of 2019. Unless we send out such a clear message tonight, confusion will reign because, as I said at the outset, there is a distinct lack of clarity in many countries across the world about what the future looks like for them.

I urge on the Government in their work. I recommend that the Secretary of State and the Minister ensure that our trade commissioners, where they are in place, continue the excellent work they have already begun and that DIT offices in such countries continue to be well resourced. I urge them to be ambitious.

Stephen Kerr (Stirling) (Con): Does my hon. Friend agree that the tone of the message we send out is also important and that it shows we are looking forward to the future, embracing existing opportunities and are positive?

Mark Menzies: Absolutely. The Bill is about Britain looking outwards, not inwards. It is about dealing with the world as it is becoming, and it is also about ensuring

that British companies and the British people working in those companies are best placed to take advantage of such opportunities. Only by earning our way in the world, not by making life difficult for British companies or creating uncertainty, can we pay for the public services that all of us expect and demand. By not voting for the Bill's Second Reading, we would be making life even more difficult for British companies and sending countries around the world conflicting messages about what Britain will be like in a post-Brexit environment. I honestly ask Members to look at what the Bill is—

David Linden: A power grab.

Mark Menzies: Oh, we hear from a sedentary position that this is a power grab. We have not really heard from Scottish National party Members what they plan to do to support the Scottish whisky industry. If by voting against the Bill tonight, they frustrate the Scottish whisky industry, then shame on them. Conservative Members are committed to supporting British exports, dealing with the world as it is and continuing to battle for Britain.

5.14 pm

Ian Murray (Edinburgh South) (Lab): Happy new year, Madam Deputy Speaker, to you and everyone in the House. I want to send a clear message to my constituents, in response to the invitation of the hon. Member for Fylde (Mark Menzies), that I hope this Parliament votes some time to continue to participate in the single market and the customs union to protect the very jobs, businesses and future prosperity that he wants his constituents to be part of.

I am sorry if I sound slightly cynical this early in 2018, but the Secretary of State—I am sorry that he is not in his place—said on 15 June 2016, a matter of days before the referendum, “After we Vote Leave, we would immediately be able to start negotiating new trade deals”. Then, a year ago, on 9 January 2017, he said, “We are unable to negotiate new trade agreements while we are members of the EU.” He repeated that in the House during his opening statement. I am sorry if I appear slightly cynical about trusting the Government and believing that the powers will be used only if necessary, but I just do not believe that the intentions of the Government in these kinds of trade deals are honourable. I will highlight that with another point.

This Parliament will have no decision-making power at all on trade deals that are currently bilateral trade deals with the European Union. The point that I made to the Secretary of State and my hon. Friend the shadow Secretary of State is that it takes two to tango in trade deals. If the bilateral partner is unhappy with any element of the trade deal, they will seek to renegotiate it. This Parliament will have no say on that. We will have no power to change any single trade deal that is negotiated, whether it be chlorinated chicken, beef containing antibiotics, car parts or anything in the supply chain. When Governments negotiate trade deals, there have to be trade-offs: not every party can get everything. I have an awful lot of respect for the Minister for Trade Policy in the job that he is trying to do in the Department, but I would like him to come to the Dispatch Box and tell Parliament, the country and the people employed in the manufacturing of goods and services in this country what sectors the Government are willing to throw under the bus to protect the sectors that he thinks are important.

The Minister for Trade Policy (Greg Hands): The hon. Gentleman is making some important points, but like his Front-Bench colleague he is conflating future trade agreements with current trade agreements. To the best of my knowledge, no one we are speaking to is seeking significant revision of those trade agreements. They are speaking to us to roll over the existing trade agreements, which has nothing to do with a future free trade agreement, which I think the hon. Gentleman is deliberately conflating.

Ian Murray: So the Minister is telling the House that the 65 trade agreements currently between the EU and other countries will be grandfathered across to UK law without any changes. I am sorry, Madam Deputy Speaker, but that is utterly, completely impossible.

Greg Hands: I am sorry, but the hon. Gentleman has misquoted me. I am not saying that. What I am saying is that none of those third parties is seeking significant changes to those agreements. I am not saying that we will be successful in rolling over all those agreements. We are seeking to be successful in doing so, and that is a very different matter.

Ian Murray: Whether it be mutton flaps, which my hon. Friend the Member for Bristol East (Kerry McCarthy) talked about in the case of Samoa, the Scotch whisky industry, car parts or anything that this country currently exports, the people who have been watching this debate tonight should look at the television, rewind to 5.15 and listen to the Minister's two responses. His first response was, “Nothing will change.” His second response was, “Nothing significant will change.” Whatever the process is, and whatever does change, this Parliament will get absolutely no say.

The Minister is right, and the Secretary of State hid behind this as well. The Secretary of State says, “Everyone is wrong today because we are talking about current trade deals.” So am I. Let us take South Korea as an example. The South Korea trade deal took a long time to conclude. A significant proportion of the deal affects the Scotch whisky industry—an industry that is doing rather well at the moment. If the South Koreans decide that that part of the agreement is not quite what they want, but this Government decide, “It's okay; it is an existing trade deal so it is covered by this Bill. We will grandfather it across, but we will renegotiate that part,” this Parliament, I representing my constituents and people who represent the food and drink industry in this country will get no significant say. That is exactly what the Bill does.

Greg Hands *rose*—

Ian Murray: The Minister can maybe clarify when he sums up the debate, and I hope he does, because he has created a bit of confusion.

I say this in the greatest of spirit to my own Front Benchers. I do not disagree with their movement on retaining the customs union and the single market during the transitional phase, but I do disagree with them on this. I say, with all due respect, that is no difference in principle, or even in practice, between a customs union and the customs union. I just hope that at some point, somebody looks at the significant detriment that this country will suffer from ceasing participation in both the single market and the customs union, and realises it is bad for the country.

[*Ian Murray*]

I do not say that to be rebellious or to undermine the Front Bench. I say it as a constructive comment from someone who disagrees with the current policy of my own Front Benchers. I hope we are able to move on that, because it is not about membership of the single market or the customs union; it is about the participation in them. If the EU decides that the negotiating position should be a certain way for this country, it will fall on future generations to take that burden.

It is beyond my comprehension that the Government have taken off the negotiating table participation in the single market and the customs union. The European Union (Withdrawal) Bill, the customs Bill—the ways and means Bill that we debated yesterday—and the Trade Bill that we are debating today, all boil down to one singular point. We could have extended our Christmas and new year holiday by another week, two weeks or three weeks by staying in the single market and the customs union, because all this legislation would be completely and utterly unnecessary. It would solve the Northern Ireland border problem, so the north-south problems on the island of Ireland would be resolved. It would solve the east-west problem between the island of Ireland and the United Kingdom. It would solve the problem with our having to renegotiate the trade deals between the EU and the UK—the very trade deals that may not have any significant changes, but may have significant changes—and it would take away the unmitigated, unprecedented and unnecessary Executive power grab from this Parliament to Downing Street that, in my view, is completely and utterly unacceptable.

I shall finish by saying why I think the Minister and the Government are on the wrong track. The Secretary of State for Foreign and Commonwealth Affairs, appearing before the Foreign Affairs Committee, talked about 50 new staff to enable us to enhance our embassies across the European Union to create bilateral trade deals when we leave the European Union. That is not 50 new staff at all; it is a reallocation of Foreign Office resources. It is new staff in those particular offices, but they are being reallocated in some way or other from other offices, and therefore our bilateral trade potential with third party countries outwith the EU is diminished because resources are having to be put into bilateral negotiations with individual EU member states. That surely shows that the best way for us to move on is to stay in the customs union.

I tabled my amendment to the Bill yesterday to be published today not in any way to undermine anyone and not in any way to undermine my own Front Bench, but merely to continue to make the point that for the future prosperity of this country, to try to turn a very bad situation of our leaving the EU into not quite such a bad situation, we should continue to participate in the two things that would take away all these issues—the single market and the customs union.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. Because of the pressure on time, I am going to have to reduce the time limit. For the next speaker, it will be six minutes. After that, it will be five minutes. I remind colleagues that if there are a lot of interventions, I will have to reduce it further.

5.23 pm

Julia Lopez (Hornchurch and Upminster) (Con): Admid the sparring over Brexit, it is easy to overlook our privilege in being the first MPs in over 40 years to debate the UK's independent trade policy. This generation of parliamentarians stands at the foothills of an important new chapter in British history. When we come to look back on this era, I believe it will be regarded as a moment of crucial transition during which the post-war frameworks governing international politics underwent a crucial reform to reflect the reality of a globalised world and its changing power dynamic.

The character of that reform is up for grabs, and I therefore believe the UK has a huge role to play in ensuring that change delivers prosperity and security to people across the world. At its best, Brexit can aid in rebooting stalled progress in trade liberalisation and the setting of international standards in services and data, to govern and benefit properly from new technology, confounding the pessimists who see post-Brexit Britain as a diminished force.

Before I get too caught up in the moment, however, I record that the Bill before us today is relatively limited in its scope. Like the customs Bill yesterday, it is instead about preparedness. It sets us up for our independent status at the WTO, rolls over existing FTAs and EPAs, gives HMRC new powers to collect and share data on exports and makes way for a new trade remedies authority.

It would nevertheless be wrong to regard the Bill merely as administrative tidying, and I hope to offer my thoughts on its provisions in my capacity as a new member of the International Trade Committee. Reflecting the approach evident in the EU withdrawal Bill, this Bill is an understandable compromise between how our trade approach would look if we were starting with a blank sheet of paper and what necessarily needs to happen to prepare for March 2019 if we are to minimise disruption to UK businesses and consumers. I sympathise with the concerns expressed about the limited opportunity to scrutinise this and the customs Bill, but I accept that that is largely a result of practical constraints, rather than an Executive power grab. In time, though, it will be essential to have mechanisms in place for effective public scrutiny of new trade deals and to ensure that delegated powers do not extend beyond narrow technical changes.

The Secretary of State has been upbeat about the translation of existing trade deals when we cease to be party to the EU's FTAs post Brexit by keeping it to a very narrow technical process without the possibility of renegotiation. I must express my own concern that that risks not proving to be such a straightforward process. I touched yesterday on the issue of tariff-rate quotas in my contribution to the customs debate. Existing trade partners might not wish to commence discussions on translating deals until they can see the shape of any EU-UK deal and might seek to change the terms of their FTAs with us. Those terms could actually improve, given that deals would be made without needing to account for the EU's producer interests, but any renegotiation could prove time consuming. It is not clear how existing TRQs will be administered during any transition after March 2019. I would therefore welcome clarity from Ministers about which existing FTAs we are prioritising in the grandfathering process and what is being done to recruit even more specialist negotiation staff around any bilateral discussions.

In the creation of the Trade Remedies Authority, we have an opportunity to establish a globally respected, independent body that cements the UK's credibility and reputation as a champion of competition, open trade and legal certainty. The EU's own trade remedies process is unwieldy, bureaucratic and politicised, so there is a lot of room for improvement, but I should like to express my concern at the proposed powers being bestowed on the Secretary of State in imposing trade remedies—a structure considered to be 1970s thinking by panellists at a recent International Trade Committee hearing.

Many of us on the Conservative Benches like to think of ourselves as pro-free trade and pro-competition. None the less, our membership of the EU has sheltered us from the raw political choices that these ideas can entail. The politics of trade can be highly contentious and emotional, wrapped up in people's livelihoods and an area's industrial history. Less competitive domestic industries that benefit from protection often form powerful interest groups that can make trade protection measures politically alluring to any Trade Secretary, particularly when set against a consumer benefit that is very dispersed or sometimes apparent only in the medium term.

It is vital that we establish a robust, dispassionate and transparent trade remedies authority that has a clear duty to the wider economy and can unpick genuine concern about dumping or market distortion from protectionist producer interests. I should be grateful, therefore, if Ministers would consider commissioning detailed analysis of equivalent authorities in nations such as Canada, the US and Australia, in search of best practice. We might wish to establish a bifurcated model of two separate specialist bodies, the first working out whether dumping or subsidy has occurred and the second establishing whether injury has been caused. This could speed up the trade remedy process and lead to more objective outcomes. We might also want to look carefully at the TRA's board to ensure that it contains a consumer representative.

The Bill proposes the automatic grandfathering of EPAs with developing nations. I should like to see a time limit or a mechanism for automatic review placed on these agreements. Brexit ought to spur a new approach on trade and aid, particularly with Commonwealth countries, but I fear that EPAs might prove counterproductive and even damaging to our relationship with developing nations in this regard.

There will be much to say in future trade debates about how we incorporate commitments on data sharing, cross-border services, technology and standards into modern trade deals, entrenching British values and opening up new markets to services. I would also like to talk about the UK's high animal welfare and safety standards and traceable livestock systems, but these are things for another day. For now, I will finish with my concern that the political imperative to conclude trade deals swiftly post Brexit does not lead us to overlook our long-term economic interest. To avoid such a scenario, I ask the Minister to consider setting up an independent organisation to provide impartial and dispassionate advice on our trade policies options, which is what happens now in the US and Australia.

5.29 pm

Hywel Williams (Arfon) (PC): I shall not repeat the points that have already been made by other Members, including the hon. Member for Livingston (Hannah Bardell), who made an excellent speech.

I shall begin my own brief speech by explaining why I think that turning our back on the economic institutions of Europe is an error. I shall then explain why I support the current stance of the two sitting devolved Administrations in denying the Bill a legislative consent motion. Finally, I shall refer to changes that should be made to the Bill to ensure that any future trade deals are based on the principles of fairness, clarity and reasonable representation. I hope to speak about those matters in more detail during the Bill's later stages.

The free trade agreements that we have with countries as a beneficial consequence of our membership of the European customs union account for nearly £140 billion of UK trade. Wales is a trading and exporting economy, which has recently been in surplus, and that is extremely important to us. The Minister said earlier that he believed that the Bill would simply translate these highly effective deals into domestic legislation. That was a bit like the characterisation by the Secretary of State for International Trade of a post-Brexit trade deal with the EU which he said could be the "easiest in human history". However, we just do not know. We have no guarantee, and common sense suggests that it might be otherwise. Getting equal or better terms for our trade outside the EU after Brexit is a bit of a punt, to say the least.

Furthermore, while we remain members of the EU, and possibly throughout the transition phase, our Government will be precluded from finalising any negotiations with third countries. If we are to grandfather agreements and continue with the status quo ante Brexit, we will be reliant on the co-operation and good will of the 50-plus nations with which we have existing deals. This is a £140 billion gamble to try to secure trade terms that we already have.

My second point concerns the power grab. The Government's default position on Brexit legislation now seems to include clauses seeking to claw back the powers of the devolved Parliaments. We have seen that in, for instance, this afternoon's U-turn. Clauses 1 to 4 and schedule 1 to the Bill do just that by giving Westminster the power to change devolved legislation without consultation and without the consent of the devolved Parliaments. As I have said in previous Brexit speeches, this is no longer the 1980s or the early 1990s, and it is certainly not the 1950s. The UK is not a two-party, one-Parliament state, latterly globally dominant. Things have changed, but the Government seem to be in denial—and up with this we will not put. That is why I support the decision of the two sitting devolved Administrations to reject the legislative consent motion.

However, I will not leave it at that. Plaid Cymru is a pragmatic, positive party. We are determined to secure the best deal that we can for our country, even in these dark times. The Bill would set us on a deeply concerning path. Ministers might barter away the advantages of our high-quality agricultural industry and aspects of the NHS, perhaps to secure a "genius" trade deal with Mr Trump. Our amendment would ensure that trade deals were at least based on those principles of clarity, fairness and representation.

For clarity, we would require proper impact assessments, geographically focused and published at the beginning and the end of any trade negotiations. They would outline the impact of any potential trade deal on Wales and the other countries of the UK, and they would

[*Hywel Williams*]

empower the public and elected politicians by giving them the information that is necessary for the making of democratic, ground-level decisions.

Hannah Bardell: Will the hon. Gentleman give way?

Hywel Williams: I am afraid that I have agreed not to take interventions.

For fairness, we propose parity of voting power. Any trade deal would require a ratification vote in all the UK's Parliaments. That would be a genuine partnership. It is an unremarkable approach, which is common to European states and others throughout the world. For representation, as a first baby step, there must be Welsh, Scottish and Irish representation on the board of the new Trade Remedies Authority.

Let me end by saying this. I have been to a horse race only once in my life. Tempted to place a modest bet, I asked an experienced friend how I should judge the assembled nags for winning form. He drew me closer and says confidentially, "Count the legs. If there are four, you are in with a chance." As far as I can see, the Bill has only three, and is stumbling away from the finishing line in any event. We in Plaid Cymru will not support it tonight.

5.34 pm

Eddie Hughes (Walsall North) (Con): I am going to speak only very briefly because I appreciate that people want us to move on.

Part of the reason for my getting to my feet is that, if you live in Walsall North, you can believe that the country voted for Brexit. In my constituency a substantial proportion of people—over 70%—voted for Brexit. That is the same for Walsall generally and for the west midlands, so we would have to travel some distance from my constituency to get to a place where people did not vote for Brexit.

It is useful for me to have been in the Chamber for the entirety of this debate because I have learned a lot. It was good to hear the candid comments of the hon. Member for Brent North (Barry Gardiner), who said he voted for remain and his intention is to protect the UK from a path of economic destruction—I think that was the phrase; it was something along those lines. He is protecting the country from itself, effectively, because the people of Walsall North did not know what they were doing when they voted for Brexit and they need to be protected from their own decisions. What are they going to be protected from? Let me tell Members what I have learned during the debate. One of the things they are going to be protected from is the fact that when we leave the EU planes might not be able to take off from our airports. People of my age may remember hearing that the millennium bug was going to do the same thing. In fact, I was terrified to either fly or go to hospital because I was completely convinced that, if I was in a plane it would drop out of the sky, and if I was on a resuscitator it would stop functioning immediately. I was terrified, but what happened? I got walloped and went to bed because I thought that, obviously, the world would end the next day. Incredibly, when I got up on 1 January 2000 everything was fine.

I heard the same sort of protestations in the debate on whether we should Brexit or not. It was said that economic Armageddon was coming the day after we voted if we voted to leave. So I woke up the next morning, excited that I had voted to leave, and expecting the world to end, but it has not; it has continued to prosper. Why has the UK continued to prosper? It is because we are an amazing country. We have some of the best—if not the best—universities in the world at one extreme in terms of academia, and we have Scotch whisky, which I learned only yesterday is such an important export to South Korea.

What do we want now for Brexit? We want certainty. Those who export or import at the moment want to know things are going to stay pretty much the same initially while we find our feet and develop new trading arrangements around the world. They also want to know that we are going to maintain access to the £1.3 trillion-worth of opportunities we have through the GPA.

I trust our excellent ministerial team to deliver these services and the process as part of the general Brexit process. I trust them not to use those immense powers for evil. I am trusting them to just put those powers to good use and to continue to ensure that the UK trades globally and in a way that is good for the people of Bloxwich and Willenhall. Why is that? Because if we trade internationally we know we get better access to a wider range of goods and services at the best possible price.

I will therefore be voting for the Bill this evening—the people of Willenhall and Bloxwich would expect no less—and I hope we can have a small amount of positivity for the rest of the debate.

5.38 pm

Emma Little Pengelly (Belfast South) (DUP): I welcome the Bill and its provisions. Along with the setting up of the new trade dispute mechanisms and enhanced trade information powers in relation to HMRC, the Bill is about protecting the UK against regression. It is about compounding and securing where we are now. To some, that may sound a little dull in ambition, but it is undoubtedly absolutely necessary and, in my view, is a prudent and timely approach to this matter, for, to grow and maximise the opportunities in relation to Brexit, we must first ensure that there is no regression.

As indicated by the Chairperson of the International Trade Committee, we on the Committee have been examining the issue of transitioning or grandfathering the existing EU trade deals with third parties. Regardless of how we voted in the referendum, we have to acknowledge the reality that, in the context of leaving the European Union, that is the sensible thing to do if we are to secure where we are at the moment. I welcome the fact that the Bill provides a legislative framework to allow that to happen.

Many people across the United Kingdom, regardless of how they voted in the referendum, want the Government to get on with the process of leaving the European Union, and they want two things to happen in that regard. First, they want the best possible trading deals and arrangements for the United Kingdom. Secondly, they want an orderly, sensible and smooth journey towards the Brexit destination. That journey will be aided significantly by ensuring that existing deals can be moved across and transitioned into the UK and third

party agreements, while addressing any required minor changes or any necessary redrafting. We have heard a little about that in the evidence to the Committee.

There has been a great deal of misinformation in relation to the Bill, and I can only imagine that that is why the amendment has been drafted as it has been. The Bill does not cover new deals; it covers only non-tariff barriers. As has been indicated, the agreements on the categories of deals to be transitioned have already been through the European Union scrutiny process. I have my own view about the quality, appropriateness and depth—or lack thereof—of accountability in European scrutiny, but there is an irony that those who praised the European scrutiny process are now, according to the amendment, questioning its adequacy. They are saying that the measures now need to be scrutinised again.

There are two aspects of this subject that have not been covered in detail in the Bill or the explanatory notes. I have not heard Ministers cover them. The first scenario relates to what would happen if there were a significant amendment in terms of the transition. I think we all acknowledge that it is not ideal to transition the current arrangements across because of the different nuances relating to, on the one hand, European Union and third party agreements and, on the other, United Kingdom and third party agreements. However, in recognition of the timeframe and of the need for security, that seems to be the prudent thing to do. However, there may be an opportunity to make a beneficial and significant amendment to the existing deals, and I would be keen to hear from the Minister what consultation he would be minded to carry out if that were the case.

Likewise, in a second scenario in which the deals are transitioned across, I think that many of us would want to build on that existing relationship and, in so doing, improve the deal in due course. In that way, the transition deal would be revisited. Perhaps this will come up in Committee, but I would like to hear from the Minister what scrutiny mechanisms would be used if these deals were revisited in a number of years' time.

Faisal Rashid (Warrington South) (Lab): Will the hon. Lady give way?

Emma Little Pengelly: Unfortunately I will not, as time is really tight.

I want briefly to touch on two issues. The first relates to clause 7 and the additional reporting requirements to HMRC. There are many farmers and businesses around the border, and I say to the Minister that we do not want to create even greater burdens for them in this regard. Secondly, and in conclusion, I want to highlight the difficult situation in Northern Ireland. Today marks a full year since the resignation of Martin McGuinness as Deputy First Minister of Northern Ireland, which triggered the collapse of the Assembly. There is no Government in Northern Ireland. There are no Ministers, and there is no democratic accountability. That needs to be addressed, and I would like a commitment from the Minister that he will engage with the elected representatives from Northern Ireland in creative ways to ensure that the voices and interests of Northern Ireland are heard in the trade deals and the transition deals.

5.44 pm

Mrs Kemi Badenoch (Saffron Walden) (Con): I welcome the Bill, and I am pleased to see these first steps towards building an independent trade policy. I look forward to

exciting new trade deals, but this Bill is about ensuring that we have continuity with the existing EU bilateral trade deals. I am a great believer in free trade and free markets, and I do not want to see any unnecessary barriers to trade. However, today, those true market values and principles—those rules-based values—are under threat. It is important that the rules are followed because, if they are not, that will destroy trust and faith not just in free markets, but in capitalism, and businessmen and women in this country who play by the rules will be unfairly penalised. That is why I welcome the establishment of the Trade Remedies Authority.

We need trade remedies because anti-dumping, anti-subsidy and safeguarding measures are necessary to ensure that a level playing field whenever people bring goods into this country. I mention that in particular due to the farmers in my constituency. I have had many meetings with them, and safeguarding comes up time and again. Our farmers work to some of the highest food and environmental welfare standards in the world. The Red Tractor scheme, for example, guarantees animal welfare, food safety, traceability and environmental protection in the UK. As we pursue a free trade and free market agenda, it is vital that we demand the same standards of farmers in other countries as we do of our own. We must have a level playing field.

I look forward to seeing more trade with developing countries—in particular, those badly affected by the common agricultural policy. This is an opportunity not just to get food at cheaper prices, but to use the strength of our large market to help other countries to achieve high standards in food production and animal and environmental welfare. I cannot think of any reason for voting against this Bill given the benefits that it will bring. For that and many other reasons, I am happy to support it and will be voting in favour of its Second Reading this evening.

5.46 pm

Geraint Davies (Swansea West) (Lab/Co-op): Members have talked about free trade, but Brexit is of course the biggest reversal of free trade in the UK's history. Margaret Thatcher was a great proponent of the single market, which is the probably the greatest example of free trade in the world. She also did not like referendums and quoted Attlee, who said that they were the instrument of demagogues and dictators because of their use by Hitler. Unfortunately, we now appear to be withdrawing from the customs union and the single market. We are withdrawing from the EU, making ourselves much weaker in negotiations with other countries. We are also making the EU weaker. The EU is currently the biggest market in the world, but that title will go to China after we leave, so there will also be significant impacts on human rights, democracy and the rule of law.

Of course, this Bill is not directly about our relationship with the EU, but we will be reducing our trade with it due to the tariffs that will be imposed if we do not have membership—I hope we will—of the single market and the customs union. This Bill is about our relationship with third parties—the 65 agreements—but it is not fit for purpose in that respect, because it does not do what it says on the can. It claims that it can guarantee the continuation of those 65 agreements on existing terms, but it is intuitively obvious from a business point of view that other countries will see Britain up against the

[Geraint Davies]

wall, on its own and weaker, and they will demand better terms, whether lower quality, lower standards or lower prices. What is more—

Greg Hands *rose*—

Geraint Davies: I will let the Minister intervene, but he can respond to this as well. The EU has quotas for various countries, but other EU27 countries will want to take some of that business, and we will lose again and again.

Greg Hands: I am not sure whether the hon. Gentleman has been listening to the debate or my previous interventions, but that process has already begun. We are in conversations with third parties and none of them is behaving in the manner that he is describing. Let me put his fears to one side: I cannot promise that we will be able to transition every single agreement, but nobody is behaving in that manner.

Geraint Davies: The Minister tells us that third parties are not behaving like that at the moment, so he implies that they will not behave like that in the future—what false logic; what naivety.. That is absolutely ridiculous. Any negotiator or country that sees Britain with its back to the wall, turning away from the biggest market in the world, will ask for more. If they did not say that they will give the money to Spain or wherever, they would not be doing their job. What is more, they will be dragging their heels, because they will know that the clock is ticking and that we need to get something sorted out. They have everything on their side. The Minister is so naive. All the negotiations over the past 40 years have been done by EU negotiators. We do not have the negotiating capacity. He is smiling glibly and pretending that it will be all right on the night, but it will not. People will remember what he has said today and how naive he was.

This Bill is simply not fit for purpose. It takes two to tango, and the Bill presumes, as the Minister does, that the EU will tango and not trip us up in the process.

The other facet of the Bill is secrecy and hiding what will happen. My hon. Friend the Member for Brent North (Barry Gardiner) said that the US-UK deal will be hidden for four years, and there are all sorts of fears about our having to import substandard food products from the US, including chlorinated chicken, which the Secretary of State looks forward to eating—his name is Fox—and hormone-impregnated meat. In the US, medicines are introduced into meat and asbestos is for sale. All those standards may end up coming through the back door under the cloak of darkness in these secret deals.

I know that the Bill is not about the US-UK relationship at the moment, but the Minister and the Secretary of State have mentioned CETA, which already enables certain changes to occur. There is a real risk that we will take on some of these problems. Indeed, there is a real risk that we will lose out on opportunities that the EU is creating, particularly in the trade relationship with Japan. That trade relationship will involve 600 million people and comprise 30% of the world's GDP. The Europeans have built in environmental conditions, particularly through the Paris agreement, and other rights and protections

that we enjoy in the EU, and the real problem is that downstream, due to both changing the existing bilateral relationships and as part of future trade relationships, the protections and rights we enjoy through our trade relationships in the EU will be bargained away. Whether it is human rights, environmental rights or consumer rights, those things are now inadvertently on the table, and that table is under the cloak of darkness, as there will not be public scrutiny.

There should be a guarantee of scrutiny, and we should ensure that the rights and protections we enjoy in the EU are sustained in future trade relationships. In my view, we should stay in at least a customs union, and ideally the customs union and the single market.

Mr Nigel Evans: The British people voted to leave the European Union, and they were told before and during the referendum that leaving the European Union meant leaving the single market—[*Interruption.*] Yes, they were. The Prime Minister at the time, David Cameron, said exactly that.

The hon. Gentleman clearly wants to use smoke and mirrors to drag Wales back into some form of European union in which we have to pay money to access the single market and the customs union. Surely that is money that should be spent on the NHS in Wales.

Geraint Davies: As we know, 51% of people currently want to remain while 41% want to leave. On the day, it is the case that the people of Wales voted as the hon. Gentleman said, but he will also know that Wales is the beneficiary of billions of pounds of EU, convergence funding, that 70% of our exports go to the EU and that 25,000 jobs in Swansea bay rely on the EU. It is very much in the interests of Wales to be in the single market and in the EU, and that is increasingly the view of the people of Wales. The people of Swansea West certainly voted to stay in the EU.

As everything unfolds, people are essentially saying, “I voted for more money, market access and a greater say, but I find that I am not getting any of those things. I am not getting what I was promised, and I want a final say on the exit deal.” People should have that final say.

Specifically on the money, we know from the *Financial Times* that we are losing £350 million a week, that the divorce bill will cost £1,000 per family and that the increase in inflation is costing the average worker a week in wages. That was not what people voted for, and people are worried about these deals. I have been contacted by Liberty, for instance, about the loss of workers' rights and environmental rights, and even about issues such as slavery.

We want open and transparent trade agreements. We want the protection of being in the single market and the customs union, and we want people to have the right to a final say—to think again—on the basis that the facts have changed. That is what democracy and a sensible future for Britain is about.

5.54 pm

Vicky Ford (Chelmsford) (Con): It is enormously important that as we move through the period of the Brexit negotiations and into the future, we give businesses and consumers stability and continuity in trade agreements—not only in our trade relationship with the EU, but in our relationships with the 60-odd other

countries with which we currently trade via our relationship with the EU. We are living in a time of unprecedented change in the world, with the fourth industrial revolution and the digital revolution, and trading flows are ever-changing. It is crucial that at this time we hold on to the principles and remember the benefits of free trade. Free trade is not just about helping big business; it brings benefits for all. Opening markets brings opportunities for exporters and importers, large and small. Those businesses can then help to deliver growth, real jobs and opportunities. For consumers, trade brings more choice and lower prices.

It is incredibly important that we look at what this Bill does and does not do, because the entirety of our new FTAs will not be set just in this one move. This is an enabling Bill that maintains the right of British companies to bid on government procurement contracts in other parts of the world. We are talking about £1.3 trillion—there are so many zeroes on the end of that number—and we must protect that business. The Bill also protects our national interests such as the NHS and our broadcasters. It transitions our existing trade deals with those 60-odd countries into British law from the current EU relationship. I do not know how many Members have read CETA, but it is 1,568 pages long and I have read a lot of it. There will need to be changes when it comes into British law, which is why the Minister needs powers to make technical changes. The Bill allows us to collect and share vital information on our existing and potential future trade flows—this is information currently shared under EU premises. It will allow us to share and understand that information domestically.

Free trade is not a free-for-all; we have global rules that protect us. It is important that when those rules are broken, we can take remedies, which is why the Bill also establishes the new Trade Remedies Authority. It is incredibly important that it is up and running, and staffed with strength, well in advance of our new era. That is why we must make sure in Committee that its powers are made very clear, as I mentioned last night.

The Bill does not set a long-term trade policy. It is important that it does not do so today, because that needs to be properly consulted on with not just Members of this House, but the many stakeholders who are involved. There has been a lot of scaremongering about what free trade could involve. Free trade does not mean lowering our standards. It does not mean throwing out our environmental standards, our consumer protections, our environment law or our long history on human rights. All that can be preserved and should continue to be preserved in the new era, but it is right that the Government take time to consult stakeholders across the country on the priority of our new law.

The Bill also does not say, as Opposition Members were suggesting last night, that we should stay in the customs union. There seems to be some confusion about the benefits of a union with the customs union, and I would like to remind the shadow Minister about the deficiencies of the Turkish solution, for example: Turkey opens up its market to any trade that the EU signs itself up to, but Turkey cannot get access to the Canadian market in return, for example. The UK needs a better, more bespoke and more workable and practical relationship with the EU, as well as the rest of the world. I hope that we can start to work together this year to deliver that.

5.59 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): Had the Secretary of State been in his place, I would have reassured him that the Labour party knows that the Bill is a deliberately limited piece of legislation concerned with continuing the existing trade arrangements after Brexit. However, the fact that the Bill is about transmuting EU agreements into UK law does not mean that we do not have questions about, first, the process the Government are adopting; secondly, the degree of parliamentary scrutiny of the arrangements, or lack thereof—after all, the Institute for Government recommended that the Bill should ensure that there is parliamentary time for debate and scrutiny, but the Government seem to have ignored that; and thirdly, the possible effect of the Bill on future trade deals.

The Opposition recognise that the UK will need to formalise trading relationships with those third countries that have a trade agreement with the EU because, should Brexit happen, we will no longer be party to those agreements. However, the Government intend to award Ministers sweeping Henry VIII powers to amend retained EU law, so that they can fast-track the agreements. I join my colleagues in opposing the use of Henry VIII powers for such fast-tracking, especially when those powers might be used to water down or remove standards, safeguards, rights or protections. We heard no reassurance from the Secretary of State on that.

We want a truly independent Trade Remedies Authority to help to protect UK industry, but that authority should report directly to Parliament rather than to the Department. That seems so obvious that I do not know why the Minister has not already caved in on the issue.

The Bill awards to HMRC new powers to share limited taxpayer information with international bodies and Departments, including the Department for International Trade, but the circumstances in which the Government intend those powers to be used has not been made clear and the wording of the legislation is opaque. More clarity on that from the Minister would be helpful.

Many organisations are saying that the Bill is a missed opportunity to align Britain's international trade and international development policies. The Government have been clear that trade is a route out of poverty, so they should be saying through the Bill more about how the sustainable development goals in particular could be used to achieve that aim. The Fairtrade Foundation has raised the potential effect of Brexit on Fairtrade, but it seems the Government have not fully considered it. The fair trade market is currently worth £1.6 billion and is dependent on an effective trading relationship with the EU27. Many fair trade goods are exported to one EU country before being processed and re-exported to other EU countries. It is not clear whether the Bill takes that into account.

Mr Nigel Evans: Does the hon. Lady believe that there will be an opportunity in future deals for value-added goods such as chocolate and processed coffee to come into the UK from continents such as Africa, rather than just the raw materials coming in and us adding the value?

Dr Blackman-Woods: The hon. Gentleman makes a good point, but the point I am making is that it would have been extremely helpful to have had things like that flagged up in the legislation, partly to give reassurance to developing countries.

Global Justice Now has highlighted the problems with some existing economic partnership agreements because some countries have refused to sign them. It would have been useful for the Government to have taken that on board in the Bill and stated clearly that they would seek to improve on those agreements in future trade deals.

The Overseas Development Institute has presented some recommendations for the Government, which I think it would be helpful if the Minister addressed. It recommends that the UK should, first, apply the principle of “do no harm” so that, at the very least, existing unilateral preference schemes should be rolled over; secondly, prioritise the roll-over of existing free trade agreements with developing countries; and thirdly, align its trade and development policies.

There is a lot at stake. When I was in Bangladesh recently, I met a fair trade co-operative that has extremely good working practices and can export to a range of countries, including the UK. I urge the Government to support those sorts of projects and businesses, in this legislation and in future legislation.

6.5 pm

Giles Watling (Clacton) (Con): I shall endeavour to be brief, Madam Deputy Speaker—in fact, I have spent the past 10 minutes furiously editing my speech.

I welcome the Trade Bill. It is a breath of fresh air to be able to talk about the opportunities of global trade rather than just the process of Brexit. As the Secretary of State and many other Members have pointed out, the Bill does not cover new trade agreements, but rather aims to help with the process of transitioning the EU’s trade agreements to UK agreements. It is worth reflecting on some of the opportunities that will provide.

My constituents in Clacton voted strongly for Brexit. Of course, there was a range of issues behind that, including control over our laws, borders and money, as well as trade, but one key aspect of trade is ensuring that the deals we strike are consistent with British values, and specifically British values with regard to animal welfare. I fully recognise and support the reasons for transposing existing EU law into UK law: to provide business with certainty and consistency. To my mind, the Bill does just that; it provides a great deal of stability for business. However, in our recent debate on animal sentience, it was clear to me and to many others that existing British law is far more robust than EU law in this area. Therefore, as we go through the Brexit process and consider the trade implications, we need to look past EU law and maybe use these transposed regulations as a starting point to see how British trade policy and law could do more for animal welfare once we are outside the EU.

My message for Ministers is this: the Bill is a great step forward, but we must not simply fall back on adopting unreformed EU law where there is clearly a case to use EU regulations as a stepping stone to a better place. For example, an EU pet travel regulation introduced in 2014 brought further measures to strengthen enforcement, which was welcome. As the UK withdraws

from the EU, there will be opportunities to re-evaluate the rules to ensure that they are fit for the modern world and to exercise our trade laws and regulations more efficiently than the EU could.

Animal welfare has always been dear to my heart—indeed, I fought against some outrageous puppy farming in Wales in the mid-1990s. Please do not assume that I am simply rubbishing the work that the UK and the EU have already done on animal welfare and trade. The EU regulation on the welfare of animals in transport, for example, has achieved dramatic improvements, but does it go far enough? Animals must be transported in a way that will not cause them injury or suffering. European law that governs the welfare of animals during transport applies to anyone who transports live vertebrate animals in connection with “economic activity”—a business or trade. That is something that I am sure we all support.

My point is that with a more dynamic trading relationship with the world outside the EU, we cannot simply use old EU regulation as default. Rather, we should put British values of animal welfare, and the need always to improve, update and refine these rules, at the heart of our trade initiatives and associated laws. Let this Bill lay the ground work for a future trading policy that makes us proud of how we discharge our duties towards animals within the trading system.

Finally, the Executive need the powers to negotiate with the strength of the knowledge that what they say goes. More importantly, those with whom they negotiate must know that our Executive have that power, because otherwise we are all weakened. That is why I support the Bill.

6.9 pm

Caroline Lucas (Brighton, Pavilion) (Green): I rise to speak in favour of denying the Bill a Second Reading, for two simple reasons. The first is that the Bill would simply not be necessary were the Prime Minister and her shambolic Cabinet to reverse their masochistic and deeply misguided decision to reject the option of a soft Brexit by making leaving the EU single market and customs union such a red line in their negotiations with the EU27. The second reason is that the Bill fails to provide for a proper role for Parliament in the scrutiny and approval of the replacement trade agreements.

The Secretary of State spoke earlier about his apparent commitment to openness and transparency, yet the procedure outlined in the Bill, far from being an improvement on EU scrutiny processes, is significantly worse in that respect. In the UK, trade agreements can be negotiated entirely under royal prerogative powers, giving the Government free rein to decide when and with whom to start negotiations, to decide their own priorities and objectives, to conduct negotiations in deep secrecy and to conclude an agreement without any meaningful scrutiny by Parliament at all. We in this House are therefore in a much worse position than our colleagues in the European Parliament or, indeed, the US Congress. That not only sidelines Members of this House, but prevents input from the public and civil society organisations. That is a huge democratic deficit that must be corrected.

The second point to make is that Ministers might well be absolutely wrong in suggesting that this is simply a case of rolling over existing EU trade agreements. As other hon. Members have made clear, plenty of countries

with which we have trade agreements might not wish to be rolled over in that way, and they might have strong views about changing those agreements. Indeed, paragraph 53 of the explanatory notes states that

“the new UK third country agreements that are implemented through”

this Bill

“will be legally distinct from the EU...agreements on which they are based. It may...be necessary to substantively amend the text of the previous...agreements”.

We need to recognise that we not talking about a straightforward roll-over; we are talking about essentially new agreements. Presumably that is why the Bill grants Ministers extraordinary Henry VIII powers to implement—or, more accurately, replace—existing agreements without further parliamentary scrutiny for up to 10 years. If this was going to be as simple as the Government suggest, they would not need 10 years—they would not need 10 months, according to them—so there is quite simply a flaw at the heart of their argument. This Bill is supposed to help to implement an independent trade policy following withdrawal from the EU, but it does nothing to put in place the kind of framework that should be required for an accountable trade policy in a modern democratic country.

Nor have we had any guarantee from the Government that there will be a second trade Bill, covering new trade deals with non-EU countries. When I asked the Secretary of State earlier, he referred rather vaguely to vehicles that would be brought forward vis-à-vis each new trade agreement made. He has not made a commitment to a second trade Bill, which would be the vehicle for all the scrutiny and transparency powers that we would like to see. Unless the Minister is about to intervene on me—I would be delighted if he did—it is even more important to ensure that this is the Bill in which we put in place all the transparency and scrutiny mechanisms that we urgently need, whether we are talking about replacement agreements with the EU or non-EU trade agreements.

The kind of framework that we need would include, for example, the requirement for impact assessments to be conducted before negotiating or renegotiating a trade agreement. Those impact assessments should not be limited just to economics; they should cover social, environmental and human rights aspects and, crucially, they should be published. The public should be consulted about the potential deal, as is required in the US. If the decision is to go ahead, Parliament should be required to give its consent to a mandate for the negotiations, a procedure that could build on the model in Denmark. The Government should conduct negotiations transparently, releasing texts before and after each negotiating round, building on the procedures in the EU and following practices that are common in other areas of international negotiation, such as the climate talks.

During negotiations, a parliamentary committee should be responsible for scrutinising developments, building on the EU system and enabling Parliament to direct changes of approach as needed. Crucially, at the end of negotiations, Parliament should be guaranteed a vote before the agreement is implemented, as are both the European Parliament and US Congress. This should not be just a simple, straight “up or down” vote, which comes with great pressure to accept bad aspects for the sake of something positive in the deal, but one that allows Parliament to insist on a good deal.

The Bill as it stands is simply not fit for purpose. It is not democratic and it does not take us forward in terms of taking back control. It takes us backwards.

6.14 pm

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I do not have enough time to address some of the particular details in this Bill in relation to the Marrakesh agreement, the general procurement agreement and some of the issues to do with the Trade Remedies Authority. This is a short Bill of 12 simple clauses, but it represents massive potential change for our constituents and for our economy. The Minister may wince as I say this, but we are not simply talking about rolling over agreements that already exist. The Bill may well have provisions that cover deals with countries with which the EU already has a deal, but, as he has admitted, those deals may be significantly different in their character when they come forward for approval under the proposed process.

I wish to address only a few points in the time that I have. The first one is on the very point of parliamentary scrutiny. When relatively new deals do come forward, albeit with countries with which we have historically had such arrangements, a negative statutory instrument process—a kind of rubber stamp where we do not have the capacity or the right to look into things—is just not good enough. There is a compromise way forward, and I genuinely implore Ministers to consider it. A pure affirmative statutory instrument process is not quite there; we need to accept that Ministers need the leeway and the flexibility to conduct negotiations, which is why I recommend the super-affirmative procedure, which sounds technical, but, under the Crime and Courts Act 2013, it allows Ministers to bring forward a proposal for a trade deal, to publish it in draft form so that we can consult on it, and then for a Committee of this House to make recommendations and report to the Minister and say, “Well, perhaps you have not thought about this aspect.” The Minister can set those suggestions aside, but there is the ability to amend the proposals and put them to the House for a final agreement. That would strike the right balance between improving parliamentary scrutiny for trade arrangements and allowing negotiations to go forward. I commend that super-affirmative process and I hope that such an amendment comes forward during the course of this Bill. At the very least, we need the same sort of scrutiny powers that Members of the European Parliament have at present, and the super-affirmative process would allow that.

My second point is that we really must get our skates on. If we go past March 2019, these 36—possibly more—trade deals with the rest of the world run the risk of expiring. If they do expire, we fall back on to WTO rules, where those countries will have to offer, under the most favoured nation arrangement, a tariff that could significantly harm our consumers. For instance, clothes from Turkey would carry an extra 12% tariff; fish products from Iceland, an extra 11% tariff; and fruit from Peru or Chile, an extra 13%. This is serious stuff for consumers and our constituents, which is why we must ensure that we make more progress. I am not convinced that that can be done by March 2019. We will certainly need a period of transition, and that transition needs to be a bridging period to allow us to conduct these negotiations and conclude them, and then give business the chance to adapt thereafter.

[Mr Chris Leslie]

My third point is that this Bill really should mandate Ministers to negotiate to stay within the customs union. I agree with the amendment tabled by my hon. Friend the Member for Edinburgh South (Ian Murray); it is absolutely critical. So many supply chains are at risk if we do not stay in the customs union. Some 2.5 million lorries going through Dover could be disrupted by very, very worrying friction, obstacles and barriers. Half our goods trade is with the European Union, our nearest neighbours.

There is also that big issue of the Irish border. The stability of the relationship between the Republic and Northern Ireland could be put in jeopardy if we have such a barrier in place, which is why the customs union is so critical. I say to all hon. Members, whether in the Government or on my Front Bench, that the customs union will determine the future prosperity and the revenues for our public services in this country. I do not want to be responsible for the austerity that looms in the decade ahead if we get this wrong. That is why we must stay in the customs union.

6.19 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): As I and other hon. Members from the region highlighted during yesterday's debate on the customs Bill, the north-east continues to have a proud record of being the only part of the UK consistently to export more than it imports, with some 61% of those exports currently going to the EU—our largest market by some measure. Many thousands of valuable north-east jobs and firms depend on the Prime Minister's ability to deliver a good Brexit deal that secures frictionless, unbureaucratic, two-way access to the European markets; that is what my region clearly needs.

North-east firms are not solely focused on Europe, however. Emirates flights have been operating since 2007 from Newcastle International airport to Dubai, opening a whole range of new markets and opportunities to the region's businesses and contributing significantly to the £350 million-plus of north-east goods that are now exported every year from the airport.

North-east businesses and the thousands of jobs they support need to have the confidence that they have a Government with the capacity swiftly to deliver complex new free trade agreements with non-EU countries that support, not damage, British businesses, workers, consumers and living standards. Sadly, the approach of the International Trade Secretary and the Foreign Secretary was only recently described as "ludicrous and clueless" and a "kind of fantasy" by the former Treasury Minister, Lord O'Neill—too focused on markets that have relatively few benefits for UK firms. Sir Simon Fraser, the former chief civil servant at the Department for Business, Innovation and Skills and then at the Foreign Office, only this month described Ministers as living in "cloud cuckoo land" on this issue.

When I challenged the Chancellor during a Treasury Committee session towards the end of last year on whether it was his and his Department's view that the potential benefits of feasible future trade deals with non-EU countries will outweigh the costs and economic disadvantages of leaving the single market and the customs union, he was unable to provide a straight answer.

There are many who are very clear about their concerns that benefits simply will not outweigh the disadvantages. Indeed, I remain of the belief that it was a catastrophic error of misjudgment and national self-harm on the part of the Prime Minister to rule out participation in the customs union and single market before the Brexit negotiations even began. It was an error that could disadvantage north-east businesses, and firms across the UK and the British economy, for decades to come.

We face enormous economic consequences as a result of leaving the customs union. The UK's current annual goods trade with countries within the customs union stands at some £466 billion. As a member of this Union, the UK is also party to preferential trade agreements with 65 countries around the world. We risk the deeply concerning prospect of a hard border between Northern Ireland and the Republic, as other hon. Members have mentioned. Meanwhile, British business faces significant non-tariff costs, endless red tape and time wasted on new bureaucracy, and the UK's ports could grind to a halt—all of which would have truly dreadful implications for the country's already poor productivity levels. Indeed, one of the Brexit Secretary's own advisers has previously estimated that leaving the customs union would result in a permanent cost to the UK of around £25 billion every year until 2030, which is 1 to 1.2% of GDP.

I was pleased to add my name to the amendment tabled by my hon. Friend the Member for Edinburgh South (Ian Murray). What does the Bill do to address or mitigate any of the concerns I have outlined? Nothing. Instead, we have a Bill that manages to create further concerns, rather than address existing ones. It again fails to take the opportunity to make it clear that the UK's future trade policy will set a gold standard on sustainable development.

After all we have been told about Brexit being about taking back control and the sovereignty of the UK Parliament, this Bill concentrates power into the hands of the Government, reducing transparency and democratic accountability by failing to commit to proper parliamentary scrutiny of future trade negotiations and trade deals, such as that currently undertaken by the European Scrutiny Committee and Members of the European Parliament, and, indeed, such as that which takes place in several other countries, including Germany, New Zealand and Australia. Sadly, this is entirely reflective of the Government's entire approach to this historic process—prioritising the avoidance of scrutiny, transparency and accountability, and putting party over national interest at every turn.

6.24 pm

David Linden (Glasgow East) (SNP): I start by commending my home dawg from the east side, my hon. Friend—my honourable gangsta—the Member for Livingston (Hannah Bardell) for an excellent rap. I think it has since made the news back in Scotland.

Speaking on this Bill is not really an area of comfort for me, but there are two reasons why I rise to oppose it and will be in the No Lobby this evening. One reason is an email from a constituent of mine, Gordon Shaw from Burntbroom. Some of these points were made quite well by the hon. Member for City of Durham (Dr Blackman-Woods), particularly on a UK trade policy that is guided by poverty reduction and sustainable development goals, which are sorely lacking in the Bill.

The other reason I rise to speak is that during the summer recess, after I was elected, I spent some time at Soapworks, which is based in Queenslie; McVitie's, whose biscuits are produced in Tollcross; and Dewar's, whose whisky is made in London Road in my constituency. A common theme that came through in all those visits was the importance of staying in the single market and the customs union. The speeches by the hon. Members for Edinburgh South (Ian Murray) and for Nottingham East (Mr Leslie) were very good, but I continue to be disappointed by the policy that has been adopted by Labour in relation to the single market and the customs union. I do not think that all those young folk who were chanting the name of the right hon. Member for Islington North (Jeremy Corbyn) in Glastonbury really expected that they were chanting for somebody who seems to be intent on a hard Brexit, albeit a cliff edge that we will be going off slightly later than with the Tories. Even at this late stage, I urge as many Labour Members as possible to come round to the position that they would favour continued membership of the single market and the customs union.

I want to speak about the arrogance of this Government, particularly over the use of Henry VIII powers. Over the course of my time not in this House but as a sort of political geek growing up, I would sit and watch BBC Parliament and see the hon. Members for Stone (Sir William Cash), for Wellingborough (Mr Bone) and for Christchurch (Sir Christopher Chope) all talk about the sovereignty of Parliament. They have been completely absent from this debate. They are not here to talk about the fact that this Government are taking back a number of powers and, in effect, trying to make law behind Parliament's back. I think that is deeply irresponsible, and I am a bit disappointed that they are not here tonight.

I also want to talk about the lack of consideration that the Government gave to the consultation that took place. The consultation closed, and within 24 hours this Bill was published. That does not suggest that the Government are taking anybody very seriously. Some 11,500 people wrote into the consultation, and well over 50,000 people submitted a petition. I do not have a huge amount of faith in the British civil service at the best of times, but the idea that it has gone through all those consultation responses and come up with a Bill based on that is frankly laughable.

It is important to make sure that any trade agreements do not come at the expense of standards and rights, because one of the things that this Government do have a pretty cool record on is trade at any expense. We see that particularly with the Government's very disturbing relationship with Saudi Arabia. Frankly, this Government are complicit in the murder of Yemeni children, because they are quite happy to sell arms to the Saudis, who drop them on the Yemenis. That is deeply unsatisfying.

The hon. Member for City of Durham made some points about fair trade. The Fairtrade Foundation has, rightly, been deeply disappointed by this Bill because it contains no commitment to developing countries.

On workers' rights, Frances O'Grady, the TUC's general secretary, described this Bill as "ramshackle" because it offers no protection for workers' rights or protection for public services such as the NHS from foreign contractors. One of my concerns is the relationship with the United States. Mr Ross, the US Commerce Secretary, told the BBC that a "joint scoping exercise"

had taken place in Washington, and the Government have said that they are keen to make sure that a free trade agreement would be one of the top priorities. Mr Ross later said that continued passporting of financial services and compliance with EU food standards on GM crops and chlorine-washed chicken are barriers to that future trade deal. I do not want to see a Government who are pursuing TTIP on steroids.

Alison Thewliss (Glasgow Central) (SNP): My hon. Friend is making some excellent points about food standards within this trade deal. Does he agree that because of the different food standards that we and America have, if we accept a trade deal without scrutiny and without knowing what is in it until after it is signed, we leave our population at huge risk of having products such as infant formula that do not meet the high standards that the EU currently has?

David Linden: Absolutely. I very much commend my hon. Friend, who I know has done quite a lot of work on that particular area. One concern about the Bill is that MPs will not have the ability to rubber-stamp any of these trade deals, because that has in effect been taken away from us.

In my one remaining minute, I want to speak about the impact on the devolved Governments. The fact is that schedule 1 to the Bill means that the Scottish Government will not be able to use the powers to modify direct EU legislation, such as EU regulations. The Scottish Government need to be at the negotiating table when the UK Government are negotiating all these wonderful trade deals that we are told are going to happen. My final observation is that we were told throughout the entire referendum campaign that this was about taking back control. In all the suite of Brexit legislation going through the House of Commons, all I can see is that this is a power grab by the Government, and that is directly at odds with the devolved settlement.

6.30 pm

Wera Hobhouse (Bath) (LD): This Government are determined to leave the customs union and the single market, and so, unfortunately, are the official Opposition. The Bill would not be needed if, when leaving the EU, we were staying in the customs union. The first question to ask is therefore: why? Is it in our national interest, and will what replaces the customs union be better than what we have at the moment?

We have had many debates and amendments on this subject already, and many of us across all parties have made the case again and again for staying in the single market and the customs union as the best deal we have and are ever likely to negotiate. On our side, we have a good news story to tell. As a member of the single market and the customs union, we know what we have, we know the trade deals that we have negotiated, we have a good idea of the direction of travel, we have certainty and we can look back on many years of continuous prosperity. What about the offer on the table from the Government? Are there any positives? This should be the debate in this House, but it is not.

Brexit is not about what is best for the country as a whole, but about a narrower agenda for what might be good for a small group of people and organisations. There will be winners from a hard Brexit, but our

[*Wera Hobhouse*]

country as a whole will not be the winner. This is why it is so mystifying that both the Government and the official Opposition want to leave the single market and the customs union. Each represents a different interest, but neither seems to care much about anyone else—the people in Northern Ireland who want peace, the people using public services that need to be properly funded, the jobs dependent on export and trade.

Travelling around the Pacific is not going to make much difference to UK trade. Talking to the United States is not likely to improve the trading links we already have as a member of the EU. It is the same across the world. Exactly what muscle and power will Britain have on its own, compared with its international influence as part of a big trading bloc? To borrow the Labour party's soundbite, this should be for the many, not the few. Leaving the single market and the customs union will deliver for the few, not the many.

Another concern is about the role of Parliament in scrutinising what we might call replacement trade deals. This is about not new trade deals, but the ones we already have. One thing keeps cropping up in Brexit legislation: Parliament voting to give away its own power. This Bill is no different. We are not taking back control; we are transferring powers to Ministers, which is not a comfortable thing to do in a democracy.

As the House knows, the EU has about 60 separate trade deals with other countries. The Government assume that these agreements can be copied and pasted, just replacing the word "EU" with the word "UK". Some countries, such as Japan, have indicated a willingness to accept such a deal. However, many countries appear determined to exploit the UK's weaker negotiating position. Seven countries, including the USA, have already written to the UK to complain about how we will divide agricultural quotas with the EU after Brexit. It is unlikely that many trade deals can be copied and pasted. Therefore, it is vital that proper parliamentary scrutiny of replacement trade deals takes place.

It is ironic that the House of Commons Library has concluded that the UK Parliament has

"a considerably greater degree of democratic involvement in treaty negotiations"

for EU treaties than for UK ones. It has further concluded that this Bill

"seeks to minimise Parliament's role".

Democratic scrutiny will be diminished unless this Bill is amended.

That brings us back to the question: why? Why are we doing this? The only answer, which I have heard again and again, is that the people voted for it. Have they? Yes, the majority voted to leave the EU in 2016, but show me the people who voted in 2016 to leave the customs union and the single market. Not once was it mentioned on my doorsteps.

The only reason we are where we are now is that the Government have taken an unreasonable and ideological stance on the role of the European Court of Justice. The people did not vote for this. The Liberal Democrats want to stay in the single market and the customs union. We will vote against the Bill, and when the time comes for the Government to propose the terms of exit

from the EU, we believe that the people must have the final say. The people must finish what the people have started.

6.35 pm

Matt Western (Warwick and Leamington) (Lab): I am reminded that sometimes in life we have to be very careful what we wish for. Perhaps that is at the very core of the challenge facing the Government in delivering Brexit. They are not entirely sure what 52% of the public actually wanted. What did they seek to leave? Was it the single market or elements of the single market, and did they fully appreciate the implications of leaving the customs union? I did not, and I do not believe that most people did. Binary questions are wholly inappropriate, as my hon. Friend the Member for Swansea West (Geraint Davies) said.

I cannot support the Bill, for many reasons, despite the pressing importance of securing a framework for our future trading arrangements. I am a relatively new member of the International Trade Committee, and my overriding impression from the evidence we have heard is of just how complex our future trading agreements will become. These arrangements will take years to negotiate.

In this debate we have heard Members speak of agreeing terms with South Korea by way of example, but the international trade specialists and lawyers say that such trade deals will be possible only once Korea knows that we have completed our deals with all members of the European Union. Deals will be done by consequence. In so much of this debate the confident assertion is made that we will easily be able to transition across our agreements with Europe and establish free trade agreements, but I fear that there is a naivety about how this will work and the impact on our economy. The most important matter will be how the rules of origin are affected and the impact on UK trade, especially in sectors such as the automotive industry and aerospace, where complex supply chains currently operate so freely within Europe.

So the priority must be to remain within the European customs union or its body double. That is what the CBI and more specifically businesses such as Jaguar, Land Rover and National Grid want. They want it secured as soon as possible. As it stands, there are significant problems with the Bill. There is no framework for parliamentary scrutiny both of trade agreements and of agreements with those third countries via our current participation in EU trade deals, which will need to be rolled over.

Related to that, the Bill gives Ministers too great powers in relation to grandfathering agreements and the UK's future trade policy. Compare and contrast how this works in Australia, where a cross-party committee handles and ratifies trade deals. Likewise in the US there must be a two-thirds majority in the Senate if a deal is to be approved. Perhaps we should look at something along the lines of the super-affirmative process as proposed by my hon. Friend the Member for Nottingham East (Mr Leslie).

The Bill leaves no role in practice for Parliament in the scrutiny of trade deals, and that should worry every Member in the House, given the scope and depth that trade deals can cover—everything from trading relationships

and environmental standards to consumer protections, so Parliament must be given a final vote on the grandfathering agreements. I believe that the immediate prosperity of this country lies in safeguarding its businesses and the foreign investment that we have enjoyed over many decades. The likes of Nissan, Toyota and Honda some 30 years ago gave us a central importance within the EU.

I strongly believe that we should remain in the customs union or some form of it. It should be the Government's priority to achieve that. The Bill promises anything but, and certainly not the control promised at the time of the referendum. For so many reasons, I will be voting against the Bill.

6.38 pm

Faisal Rashid (Warrington South) (Lab): This Bill is nothing short of an assault on parliamentary sovereignty and on our democracy. It is not an exaggeration to say that the Bill does almost nothing but undermine MPs' capacity to scrutinise legislation. It gives the Executive the power to sign up to treaty obligations that Parliament will be powerless to debate or oppose.

We have heard time and again that Britain's departure from the European Union was to be about taking back control and giving power back to the UK Parliament and the British people. Beyond this rhetoric, the Government have been reluctant to make much clear about its Brexit plans, but it is clear that the Bill fails to fulfil any promises to take back control. Instead, it leaves us extremely vulnerable to the interests of big business and of the Secretary of State. Colleagues will be aware that the Bill gifts Ministers sweeping Henry VIII powers to bring trade deals into legislation, with no opportunity for meaningful debate, for amendments or, crucially, for a meaningful vote.

As a Parliament, we have not been responsible for our trade policy for over 40 years, and much has changed in that time. If we are to create a trade policy fit for the 21st century, as the Government claim, we must be prepared to enact new statutory instruments that reflect those changes and allow Parliament to do its job. In addition, the Government claim that the Bill is being used simply to carry through existing deals, but there is no guarantee of that.

6.40 pm

Bill Esterson (Sefton Central) (Lab): It is vital for our economy and for jobs that new trade agreements are signed to replace the arrangements to which we are party as an EU member, before the UK's exit from the EU. Contrary to the bullish assertions of Ministers, the implementation of existing arrangements actually means the renegotiation of each of the many agreements that the EU has with our partners. This is not a rollover—a point made very well by my hon. Friends the Members for Nottingham East (Mr Leslie) and by for Warwick and Leamington (Matt Western). New trade arrangements will require new governing and regulatory institutions and consideration of quotas and diagonal cumulation for rules of origin.

In an intervention during the powerful speech by my hon. Friend the Member for Edinburgh South (Ian Murray), the Minister for Trade Policy said that third countries are not seeking “significant changes”. When the Minister sums up, perhaps he will explain why he is

so keen to deny Parliament the right to judge what is and is not significant, because the problem with the Bill is that it proposes powers for the Secretary of State without scrutiny, and without the opportunity for Parliament to have its say on what is and is not significant. Those powers hold open the prospect of cuts in workers' rights and opening up access to our public services to large corporations. They also raise the prospect of cuts in environmental and consumer standards—all pretty significant.

Fifty-seven per cent. of UK trade is either with the EU or with countries with which the EU has a trade agreement. Forty-four per cent. of trade is with the EU alone. Given that the EU is our largest source of trade, it is significant that the Chancellor has backtracked from the Prime Minister's position where she ruled out membership of a customs union. We welcome the Chancellor's clarification that he is supporting Labour's position of leaving open the option of joining the customs union with the EU.

Angela Smith: Will my hon. Friend give way?

Bill Esterson: I will not, because I have an awful lot to get through.

Labour supports having new agreements for trade with those countries with which we currently have arrangements through our EU membership—hence our reasoned amendment. Anyone who has run a business knows that it is far more productive to maximise the benefits of existing relationships before developing new ones. It costs far more and takes far more time to negotiate new contracts, and that maxim applies to agreements between countries as well as those between businesses. It is simply not credible to expect existing trade with the EU to be replaced by trade elsewhere for many years—a point that was made very well by my hon. Friend the Member for Bristol East (Kerry McCarthy) with her story of the pig trotter protocol. In recognition of just how important existing trade arrangements are, it is therefore important to agree new trading arrangements both with current partners of the EU and with the EU itself.

The democratic deficit in the Bill is the reason for our objections and for the second part of our reasoned amendment. What happened to the agreement not to legislate on matters that affect the devolved Administrations without the consent of those Administrations? The White Paper included the pledge to obtain that consent. What happened to that pledge? Has the Secretary of State considered the fact that he is undermining the devolution settlement?

The Bill is silent both over Parliament's involvement in scrutiny and its ability to block any trade agreement. Trade agreements concluded by the EU are subject to scrutiny by its Committee on International Trade at the European Parliament and by our own European Scrutiny Committee. Crucially, the loss of both scrutiny provisions leaves a vacuum—as pointed out by my hon. Friends the Members for Swansea West (Geraint Davies), who spoke of the cloak of darkness, and for City of Durham (Dr Blackman-Woods), who reminded us of the concerns raised by the Institute for Government.

The No. 1 problem with the Bill is that Parliament is being sidelined, which will allow the attack on workers' rights and the opening up of our public services to the highest bidder that many on the Government Benches

[Bill Esterson]

want to see. We know of the Secretary of State's desire for a deal with the US, so that its healthcare companies can enjoy a big payday at the expense of our NHS, and we know, too, of his views on employment rights. He told us:

"It is too difficult to hire and fire, and too expensive to take on new employees"—

his words. The Bill allows him to start his race to the bottom by opening up public services and cutting workers' rights by enabling him to change domestic law to do so, all in the name of that being the price of agreeing new deals.

Other clauses in the Bill anticipate the need for the UK to join the government procurement agreement in its own right. The GPA gives access to contracts with foreign Governments—an area in which UK businesses need to do better—and we support the creation of a trade remedies authority, but the TRA needs to balance the interests of stakeholders, not simply back the import of cheap goods and services at the expense of UK manufacturing. The Secretary of State is looking very smug again. [HON. MEMBERS: "He always looks smug."] Yes, he does. He talks about consumers at the expense of producers, but successful economies balance the needs of both. [Interruption.] He is sitting there talking about steel protection. I am coming to that, so I am glad he mentions it.

The Government's track record on trade defence and remedies is a further cause for concern. It was this Government who blocked attempts by the EU to protect our steel industry against cheap Chinese steel through their insistence on the application of the lesser duty rule and their refusal to allow the EU to take the necessary actions. At a time when the use of a lesser duty rule is being reduced elsewhere, the Government are out of step in wanting to continue with its use.

We also have concerns over the independence of TRA appointees. How independent will they be, when it is the Secretary of State who appoints them? We have just seen in the universities sector how easily the Government reward their friends by appointing them to do their bidding and how this can go badly wrong. Yes, Toby Young, we mean you. Questions have also been raised about the composition and actions of the Trade Remedies Authority. How will all stakeholders be represented—producers and trade unions, as well consumers? What about representatives from the devolved Administrations, who understand the needs and legal frameworks of the different nations of the UK, and what about representatives of local government?

Where is any proposed parliamentary oversight or scrutiny of the TRA? The mechanism to ensure that the TRA delivers a fair and level playing field for UK businesses, alongside workers and consumers, was raised yesterday during the Second Reading debate on the customs Bill. I am glad that the Financial Secretary is here, because we are none the wiser following his inadequate comments in that debate. The Bill also allows for data sharing with foreign Governments. Although the data to be shared is for trade purposes only, we know that some Governments share information between different Departments, the United States being a prime example.

I thank all right hon. and hon. Members who have contributed to the debate, particularly my hon. Friends the Members for Newcastle upon Tyne North (Catherine McKinnell)—unfortunately I missed her speech, as I had to rapidly leave the Chamber—and my for Warrington South (Faisal Rashid). The Bill, with its Henry VIII powers, gives Ministers the right to agree deals with far-reaching consequences, with no opportunity for scrutiny or rejection. That cannot be right. If a deal is not in the interests of the people of this country, our sovereign Parliament should be able to scrutinise and reject it, yet powers are being handed to the Secretary of State with no checks and balances for Parliament. Taking back control so that the Secretary of State can allow foreign companies access to our public services and cut workers' rights, consumers' rights and environmental standards—I rather doubt that that is what those in my constituency who voted to leave had in mind when they did so.

We will have no opportunity for proper scrutiny, completely inadequate checks and balances, and no right to a meaningful process in Parliament for trade deals. This Trade Bill, like the European Union (Withdrawal) Bill before it, is deeply flawed. That is why we tabled our amendment, and why we are opposing the Bill.

6.50 pm

The Minister for Trade Policy (Greg Hands): As you know, Mr Speaker, it has become almost a tradition in this place to pronounce, when winding up a debate, that it has been interesting, thoughtful, helpful, vigorous or useful. This debate has been all those and more. Above all, it has been illuminating. It has illuminated the chaos of the stance of Her Majesty's official Opposition, as did last night's debate on the Taxation (Cross-border Trade) Bill. It has revealed the deep divisions within Labour on anything to do with trade, customs and markets. It seems that whenever a Division is called on those matters—bear in mind, Mr Speaker, that it is of course the Opposition who call the Divisions—Labour descends into its own chaos.

When we considered the Queen's Speech, 49 Labour Members backed an amendment tabled by the hon. Member for Streatham (Chuka Umunna) in favour of staying in the single market and the customs union. That was contrary to the manifesto on which they had fought only days earlier. On CETA, the EU's free trade agreement with Canada, only 68 Labour Members followed the official line from the hon. Member for Brent North (Barry Gardiner) and voted against it, whereas 86 voted with the Government and their free-trade instincts in favour of the agreement. As one of them put it, "If you can't have a trade agreement with Justin Trudeau's Canada, who can you have a trade agreement with?"

When we considered the Ways and Means motions for the Taxation (Cross-border Trade) Bill just before Christmas, 28 Labour Members rebelled by backing an amendment in favour of staying in the customs union. Last night, 219 Labour Members voted against the Second Reading of that same Bill, which means that they are opposed to the UK's having, post Brexit, any scheme of trade preferences for developing countries.

Geraint Davies: On a point of order, Mr Speaker. This speech is not about the Trade Bill; it is about the Opposition. The Minister had 10 minutes in which to talk about the Trade Bill.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. I know that the Minister now intends to attend to the Bill. That was by way of being his preliminary observation. He will now, I know, immediately segue into the matters that are of concern to the House today.

Greg Hands: Tonight, Mr Speaker, it seems that Labour Members will go even further and vote against the creation of the Trade Remedies Authority in the first place. They will vote against the ability of UK companies, including SMEs, to bid on government procurement contracts elsewhere in the world and against UK exporters continuing to benefit from the provisions of more than 40 EU trade agreements. All that bears witness to the staggering confusion that exists among official Opposition Members.

Before I respond to the individual points that have been made in the debate, I want to be very clear, because there is still a great deal of confusion on the Opposition Benches, about what is not in the Bill. It does not include a power to implement future free trade agreements negotiated with new countries. It is very much about providing continuity and stability by enabling the UK to implement the effects of the trading arrangements that already exist between the European Union and other countries at the point when the UK leaves the EU.

We heard excellent speeches from my hon. Friends the Members for Hertford and Stortford (Mr Prisk) and for Fylde (Mark Menzies)—two of our excellent trade envoys—and from my hon. Friends the Members for Milton Keynes South (Iain Stewart), for Hornchurch and Upminster (Julia Lopez), for Walsall North (Eddie Hughes), for Saffron Walden (Mrs Badenoch), for Chelmsford (Vicky Ford) and for Clacton (Giles Watling). Let me draw out four particular strands from those speeches. First, all the Members were very strong in pointing out what was in the Bill and what was not, particularly my hon. Friends the Members for Milton Keynes South, for Hornchurch and Upminster and for Clacton. We also heard some home truths about Brexit, particularly from my hon. Friend for Walsall North. My hon. Friend the Member for Hertford and Stortford agreed with calls for the UK to be a strong advocate of free trade and a supporter of the rules-based international system, which was very much what my right hon. Friend the Secretary of State and I did last month in Buenos Aires. We also heard some very important points about the definition of fair trade from my hon. Friend the Member for Newton Abbot (Anne Marie Morris).

Let me deal briefly with some of the points raised by Opposition Front Benchers. First, there was an allegation of an exchange of letters with the US trade representative, suggesting that the Department for International Trade had given some kind of assurance of secrecy. The opposite is true: the letters to which the hon. Member for Brent North (Barry Gardiner) referred do nothing more than set out a proposal for the proper handling of confidential information and are not an attempt to avoid scrutiny. In fact, the letters reaffirm our commitment to a transparent and inclusive process with specific reference to Parliament.

The hon. Gentleman also talked, as did the hon. Member for Glasgow East (David Linden), about the trade White Paper with reference to when the Bill was published. The White Paper was just one way of getting

the shape of our future UK trade policy correct. Since then, we have also issued a call for evidence on specific EU trade remedies, which is still open. My door is open, and the Secretary of State and I have meetings coming up with the ceramics and steel industries and other important industry groups.

The hon. Member for Brent North asserted that transitioning deals would not be subject to any parliamentary scrutiny, as did many of his colleagues. We have every intention of ratifying all the EU free trade agreements currently in force before we leave the EU, including the EU-Canada CETA agreement, the South Korea agreement that was mentioned by the hon. Member for Edinburgh South (Ian Murray) and others, and the economic partnership with the South African Development Community. Those have already been subject to parliamentary scrutiny here, and there is of course a process for them to have further scrutiny as well.

The hon. Member for Brent North also raised the question whether Parliament can vote on the terms of UK membership of the GPA. The Bill creates the power to have stand-alone UK membership of the GPA, but the approval for ratifying the UK independent membership will be sought separately from Parliament.

The hon. Member for Livingston (Hannah Bardell) made various points in a thoughtful contribution. She said the Bill does not define what a free trade agreement is, but it does define that in clause 2(7) as

“an agreement that is or was notifiable under”

particular provisions

“of GATT, or...GATS.”

The hon. Member for Edinburgh South made some points about Scotch whisky. There have already been two meetings of the trade working group with South Korea and there is absolutely no evidence that the South Koreans want to do anything at all against Scotch whisky. It would be against their interests and ours to do so. I, the Secretary of State and the whole International Trade team work tirelessly to promote Scotch whisky. I did that personally in Peru when lobbying about particular metal rules, and it has happened during discussions about rules in Taiwan.

Hannah Bardell: Will the Minister give way?

Greg Hands: I am sorry, but I do not have time.

The hon. Member for City of Durham (Dr Blackman-Woods) raised interesting points that have been under-scrutinised both yesterday and today with regard to Britain's trading relationship with developing countries. That is incredibly important and a strong priority of this Department, but I must point out to her that the official Opposition voted last night against powers to transition existing schemes of trade preferences and for the UK to have trade preferences for the developing world. That was not consistent with what she said today.

In conclusion, trade is a key driver for growth and prosperity, and an important part of both the UK and the world economy. The UK's trade with the world is equivalent to over half the UK's GDP. A recent IMF project to which my right hon. Friend the Secretary of State referred concluded that about 90% of world growth is likely to come from outside the EU. International

[Greg Hands]

trade is linked to many jobs and contributes to a growing economy by stimulating greater business efficiency and higher productivity and sharing knowledge and innovation across the globe.

The Bill is a responsible first step. It is about continuity and stability. It is designed to provide continuity by ensuring that we have in place the right tools to ensure a smooth transition as the UK exits the European Union. That is in all our interests, so I urge colleagues to vote against the amendment. I commend the Bill to the House.

Question put, That the amendment be made.

The House divided: Ayes 281, Noes 313.

Division No. 89]

[6.59 pm

AYES

Abbott, rh Ms Diane	Crausby, Sir David
Abrahams, Debbie	Crawley, Angela
Alexander, Heidi	Creagh, Mary
Ali, Rushanara	Creasy, Stella
Allin-Khan, Dr Rosena	Cruddas, Jon
Amesbury, Mike	Cryer, John
Antoniazzi, Tonia	Cummins, Judith
Ashworth, Jonathan	Cunningham, Alex
Austin, Ian	Cunningham, Mr Jim
Bailey, Mr Adrian	Davey, rh Sir Edward
Bardell, Hannah	David, Wayne
Barron, rh Sir Kevin	Davies, Geraint
Beckett, rh Margaret	Day, Martyn
Benn, rh Hilary	De Cordova, Marsha
Betts, Mr Clive	De Piero, Gloria
Black, Mhairi	Debbonaire, Thangam
Blackford, rh Ian	Dent Coad, Emma
Blackman, Kirsty	Dhesi, Mr Tanmanjeet Singh
Blackman-Woods, Dr Roberta	Docherty-Hughes, Martin
Blomfield, Paul	Dodds, Anneliese
Brabin, Tracy	Doughty, Stephen
Bradshaw, rh Mr Ben	Dowd, Peter
Brennan, Kevin	Drew, Dr David
Brock, Deidre	Dromey, Jack
Brown, Alan	Duffield, Rosie
Brown, Lyn	Eagle, Ms Angela
Brown, rh Mr Nicholas	Eagle, Maria
Bryant, Chris	Edwards, Jonathan
Buck, Ms Karen	Efford, Clive
Burden, Richard	Elliott, Julie
Burton, Richard	Ellman, Mrs Louise
Butler, Dawn	Elmore, Chris
Byrne, rh Liam	Esterson, Bill
Cable, rh Sir Vince	Evans, Chris
Cadbury, Ruth	Farrelly, Paul
Cameron, Dr Lisa	Farron, Tim
Campbell, rh Mr Alan	Fitzpatrick, Jim
Campbell, Mr Ronnie	Fletcher, Colleen
Carden, Dan	Flint, rh Caroline
Carmichael, rh Mr Alistair	Flynn, Paul
Champion, Sarah	Fovargue, Yvonne
Chapman, Jenny	Foxcroft, Vicky
Charalambous, Bambos	Frith, James
Cherry, Joanna	Furniss, Gill
Clwyd, rh Ann	Gaffney, Hugh
Coaker, Vernon	Gapes, Mike
Coffey, Ann	Gardiner, Barry
Cooper, Julie	George, Ruth
Cooper, rh Yvette	Gethins, Stephen
Corbyn, rh Jeremy	Gibson, Patricia
Cowan, Ronnie	Gill, Preet Kaur

Glendon, Mary	Mc Nally, John
Godsiff, Mr Roger	McCabe, Steve
Goodman, Helen	McCarthy, Kerry
Grady, Patrick	McDonagh, Siobhain
Grant, Peter	McDonald, Andy
Gray, Neil	McDonald, Stewart Malcolm
Green, Kate	McDonald, Stuart C.
Greenwood, Lillian	McFadden, rh Mr Pat
Greenwood, Margaret	McGinn, Conor
Griffith, Nia	McGovern, Alison
Grogan, John	McInnes, Liz
Gwynne, Andrew	McKinnell, Catherine
Hamilton, Fabian	McMahon, Jim
Hanson, rh David	McMorris, Anna
Harman, rh Ms Harriet	Mearns, Ian
Harris, Carolyn	Miliband, rh Edward
Hayes, Helen	Monaghan, Carol
Healey, rh John	Moon, Mrs Madeleine
Hendrick, Sir Mark	Moran, Layla
Hendry, Drew	Morden, Jessica
Hepburn, Mr Stephen	Morgan, Stephen
Hermon, Lady	Morris, Grahame
Hill, Mike	Murray, Ian
Hobhouse, Wera	Nandy, Lisa
Hodge, rh Dame Margaret	Newlands, Gavin
Hodgson, Mrs Sharon	Norris, Alex
Hollern, Kate	O'Hara, Brendan
Hopkins, Kelvin	Onasanya, Fiona
Hosie, Stewart	Onn, Melanie
Howarth, rh Mr George	Osamor, Kate
Huq, Dr Rupa	Owen, Albert
Hussain, Imran	Peacock, Stephanie
Jardine, Christine	Pearce, Teresa
Jarvis, Dan	Pennycook, Matthew
Johnson, Diana	Perkins, Toby
Jones, Darren	Phillips, Jess
Jones, Gerald	Phillipson, Bridget
Jones, Graham P.	Pidcock, Laura
Jones, Helen	Platt, Jo
Jones, Sarah	Pollard, Luke
Jones, Susan Elan	Pound, Stephen
Kane, Mike	Powell, Lucy
Keeley, Barbara	Qureshi, Yasmin
Kendall, Liz	Rashid, Faisal
Khan, Afzal	Reed, Mr Steve
Killen, Ged	Rees, Christina
Kinnock, Stephen	Reeves, Ellie
Kyle, Peter	Reeves, Rachel
Laird, Lesley	Reynolds, Jonathan
Lake, Ben	Rimmer, Ms Marie
Lamb, rh Norman	Robinson, Mr Geoffrey
Law, Chris	Rodda, Matt
Lee, Ms Karen	Rowley, Danielle
Leslie, Mr Chris	Russell-Moyle, Lloyd
Lewell-Buck, Mrs Emma	Saville Roberts, Liz
Lewis, Clive	Shah, Naz
Linden, David	Sheerman, Mr Barry
Lloyd, Stephen	Sheppard, Tommy
Lloyd, Tony	Sherriff, Paula
Long Bailey, Rebecca	Shuker, Mr Gavin
Lucas, Caroline	Siddiq, Tulip
Lucas, Ian C.	Skinner, Mr Dennis
Lynch, Holly	Slaughter, Andy
MacNeil, Angus Brendan	Smeeth, Ruth
Madders, Justin	Smith, Angela
Mahmood, Mr Khalid	Smith, Cat
Mahmood, Shabana	Smith, Eleanor
Mann, John	Smith, Laura
Marsden, Gordon	Smith, Nick
Martin, Sandy	Smith, Owen
Maskell, Rachael	Smyth, Karin
Matheson, Christian	Snell, Gareth

Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Sweeney, Mr Paul
 Swinson, Jo
 Thewliss, Alison
 Thomas, Gareth
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz

Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Woodcock, John
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

**Nic Dakin and
 Jeff Smith**

NOES

Adams, Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, rh Richard
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon

Cleverly, James
 Clifton-Brown, Sir Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Dorries, Ms Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Mr Nigel
 Evennett, rh David
 Fabricant, Michael
 Fernandes, Suella
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David

Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, Mark
 Latham, Mrs Pauline

Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh 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
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob

Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stevenson, John
 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
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 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 Noes:

**Stuart Andrew and
 Andrew Stephenson**

Cleverly, James
 Clifton-Brown, Sir Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davis, rh Mr David
 Dinéage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Dorries, Ms Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Mr Nigel
 Evennett, rh David
 Fabricant, Michael
 Fernandes, Suella
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert

Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul

Question accordingly negated.

*Question put forthwith (Standing Order No. 62(2)),
 That the Bill be now read a Second time.*

The House divided: Ayes 313, Noes 280.

Division No. 90]

[7.16 pm

AYES

Adams, Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, rh Richard
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter

Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishty, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon

McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh 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
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew

Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stevenson, John
 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
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggan, 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
 Alexander, Heidi
 Ali, Rushanara
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Antoniazzi, Tonia

Ashworth, Jonathan
 Austin, Ian
 Bailey, Mr Adrian
 Bardell, Hannah
 Barron, rh Sir Kevin
 Beckett, rh Margaret
 Benn, rh Hilary

Betts, Mr Clive
 Black, Mhairi
 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
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 Byrne, rh Liam
 Cable, rh Sir Vince
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carden, Dan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Crausby, Sir David
 Crawley, Angela
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Davey, rh Sir Edward
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Debonnaire, Thangam
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul

Farron, Tim
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Gwynne, Andrew
 Hamilton, Fabian
 Hanson, rh David
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendrick, Sir Mark
 Hendry, Drew
 Hepburn, Mr Stephen
 Hermon, Lady
 Hill, Mike
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Howarth, rh Mr George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Graham P.
 Jones, Helen
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lamb, rh Norman
 Law, Chris
 Lee, Ms Karen
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive

Linden, David
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahan, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Moon, Mrs Madeleine
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Norris, Alex
 O'Hara, Brendan
 Onasanya, Fiona
 Onn, Melanie
 Osamor, Kate
 Owen, Albert
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel

Reynolds, Jonathan
 Rimmer, Ms Marie
 Robinson, Mr Geoffrey
 Rodda, Matt
 Rowley, Danielle
 Russell-Moyle, Lloyd
 Saville Roberts, Liz
 Shah, Naz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Sweeney, Mr Paul
 Swinson, Jo
 Thewliss, Alison
 Thomas, Gareth
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Woodcock, John
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
Nic Dakin and
Jeff Smith

Question accordingly agreed to.
Bill read a Second time.

TRADE BILL (PROGRAMME)

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

That the following provisions shall apply to the Trade 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 Tuesday 30 January 2018.

(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.—
(David Rutley.)

Question agreed to.

TRADE 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 Trade Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred by a Minister of the Crown, government department or other public authority by virtue of the Act.—*(David Rutley.)*

Question agreed to.

Martin Whitfield (East Lothian) (Lab) *rose*—

Mr Speaker: Order. I am coming to the hon. Gentleman. I am saving him up. It would be a terrible shame for the House to squander him at too early a stage of our proceedings.

Business without Debate

WELSH GRAND COMMITTEE

Ordered,

That:

(1) the matter of the Autumn Budget as it relates to Wales be referred to the Welsh Grand Committee for its consideration;

(2) the Committee shall meet at Westminster on Wednesday 7 February at 9.30am and 2.00pm to consider the matter referred to it under paragraph (1) above; and

(3) the Chair shall interrupt proceedings at the afternoon sitting not later than two hours after their commencement at that sitting.—*(David Rutley.)*

Martin Whitfield: On a point of order, Mr Speaker. There are reports circulating in the Scottish press that the Government are not going to table any amendments to the European Union (Withdrawal) Bill. Could you advise me how the Government can be held to account regarding statements of intent that they made in Committee?

Mr Speaker: In general terms, we expect that if commitments are made to the House, they will be honoured. However, so far as the pragmatics of the matter are concerned, I would say to the hon. Gentleman and his colleagues two things. First, there will be an opportunity on Report to question and probe Ministers on their intentions, including why they are doing something or, alternatively, not doing something. Secondly, I do not sniff at the concern that the hon. Gentleman has just aired, but it is open to other Members to table amendments on Report. For example, if the hon. Gentleman thinks that he was promised a particular amendment on Report and that it is not forthcoming, it is open to him and his colleagues to table such an amendment or something similar, and thereafter to debate the matter.

Ian Murray (Edinburgh South) (Lab): Further to that point of order, Mr Speaker. During the passage of the European Union (Withdrawal) Bill through Committee, Scottish Conservative MP after Scottish Conservative MP said that clause 11 was deficient, but took the assurances of those on the Treasury Bench that amendments would be tabled on Report. Subsequent to that, at Scottish questions, the Secretary of State for Scotland gave an undertaking that amendments to fix the deficiencies would come before the House on Report. I wonder whether you have had any indication from the Secretary of State for Scotland that he will come to the House to correct the record and put us straight about when amendments to the Bill, which everyone has admitted is deficient, will be tabled.

Mr Speaker: I have had no such indication from any Minister. I think that both hon. Gentlemen, and indeed the hon. Member for Cardiff South and Penarth (Stephen Doughty), have been influenced in their thinking and their points of order by what they have seen in parts of the media today. In other words, this matter has been aired today, but it had not been aired to me today before now. Might it be? It might, but Ministers are not ordinarily in the habit of keeping me informed of their legislative intentions. I would therefore simply say that there are the opportunities to which I have just referred and, prior to that—the Report stage of the Bill in question will take place on 16 and 17 January which, in parliamentary terms, is a little way off—there may be other opportunities for Members who feel strongly about this matter to question Ministers, including perhaps in a particular Question Time, or indeed via the obvious mechanism of the business question on Thursday.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Further to that point of order, Mr Speaker. I wonder whether you had received any notice of a statement

to be made by a Wales Office Minister—indeed, I understand that the hon. Member for Pudsey (Stuart Andrew) has been appointed as a new Wales Minister. Similar assurances were given during our consideration of the Bill that led a number of us not pressing amendments to votes. As you will be aware, Mr Speaker, there was considerable competition for votes during those proceedings, and assurances were given in good faith that Government amendments would be forthcoming on Report to deal with the many, many serious constitutional questions that were before the House. Those do not appear to be forthcoming, so I wondered whether you had had a similar indication from Wales Office Ministers.

Mr Speaker: The short answer is that I have not, but I do take this opportunity, en passant if you will, to congratulate the hon. Member for Pudsey (Stuart Andrew), who I imagine will be enjoying his promotion, and whose promotion I am sure will be popular in the House, as he is a most congenial colleague. It is possibly a little early for him to have got on to this matter, but what I do say to the hon. Member for Cardiff South and Penarth (Stephen Doughty), on a very serious note—he refers to solemn undertakings—is that Ministers must always expect to be held to account for whatever they have previously said or committed to do. There will absolutely, definitely be opportunities to question Ministers on these matters. Ministers will expect that, and if they did not, they will now.

Pete Wishart (Perth and North Perthshire) (SNP): Further to that point of order, Mr Speaker. There is great upset and annoyance in Scotland about this very issue. It seems to me that the Secretary of State for Scotland may have inadvertently misled the House on this matter. If he made a request, would there be an opportunity for him to come to the House to clarify his views and opinions, so that we could all be reassured and reach satisfaction on this issue?

Mr Speaker: It is always open to Ministers to offer to make statements, and it is always open to Members to seek to procure the attendance of a Minister in the Chamber to respond to questions that Members feel that they wish to put to the said Minister. Moreover, I think that it is reasonable gently to point out to the hon. Gentleman that there is a major Question Time session tomorrow, and he is always welcome to have a word with the right hon. Member for Ross, Skye and Lochaber (Ian Blackford), the leader of his party, so that these matters can be explored—[*Interruption.*] The hon. Gentleman chunters from a sedentary position that he has a question himself tomorrow. It is up to him on what subject he wishes to focus. We have exhausted this matter for now. I hope that that is helpful to colleagues.

Housing and Infrastructure: Chilterns

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

7.37 pm

Dame Cheryl Gillan (Chesham and Amersham) (Con): I am delighted to have secured this Adjournment debate today, as it will give me the opportunity to highlight some of the fears that have been expressed to me, and that I share, about the proposals for housing and infrastructure development in Buckinghamshire and its effect on the Chilterns area of outstanding natural beauty.

May I welcome the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Rossendale and Darwen (Jake Berry), to his place? I gather that he is going to respond to this half-hour Adjournment debate. If there are any matters on which he needs clarification, I hope that he will write to me afterwards following this brief debate.

I preface my remarks by saying that I am neither against building more homes nor against modernising our infrastructure, but our policies must be pursued without sacrificing the environment, countryside and wildlife, all of which are coming under increasing pressure, no more so than in the Chilterns. If Members will forgive the history lesson, the idea of areas of outstanding natural beauty was born in 1945. John Dower, in his role as Secretary of the Standing Committee on National Parks in England and Wales, determined what they would look like. He said that

“a National Park is an extensive area of beautiful and relatively wild country in which, for the nation’s benefit and by appropriate national decision and action, (a) the characteristic landscape beauty is strictly preserved, (b) access and facilities for public open-air enjoyment are amply provided, (c) wildlife and buildings and places of architectural and historical interest are suitably protected, while (d) established farming use is effectively maintained.”

John Howell (Henley) (Con): Will my right hon. Friend give way?

Dame Cheryl Gillan: If I must this early on.

John Howell: I thank my right hon. Friend for graciously giving way. Will she comment on the Campaign to Protect Rural England’s position that AONBs should be used only for affordable housing? How does that fit into the rural set-up for AONBs?

Dame Cheryl Gillan: My hon. Friend will have to hold fire. I will come to such matters later in my speech, but I thank him for his intervention.

The report laid the foundations for the National Parks and Access to the Countryside Act 1949, under which protections for AONBs were set out. Subsequently, in 1965, the Chilterns were designated an AONB. I am delighted to see on the Treasury Bench two of my colleagues who, like you, Mr Speaker, are Buckinghamshire MPs. I hope that they will nod in agreement with some of the points I am going to make.

John Dower basically said that two most important aspects of AONB status are preservation and protection. Of the 46 UK AONBs, 34 are in England, covering

approximately 15% of the country. If we wish to conserve and enhance these landscapes, we need continuous and co-ordinated action from successive Governments. We are incredibly fortunate in the UK to have such a collection of beautiful protected landscapes, and all AONBs should be protected for future generations to enjoy now and for posterity.

We will need AONBs more than ever as the population grows and urban areas expand, reducing our green spaces, particularly in proximity to concentrations of people in the south-east. The Chilterns, for example, already have 1.6 million people living within 8 km and 10 million within an hour’s drive. People will need these green islands in our increasingly densely populated country. Despite this, many of England’s AONBs are under growing pressure, particularly from housing development, with a leap in the number of units approved corresponding with the amount of land lost. In the Chilterns AONB, an average of 138 units a year were approved between 2012 and 2015. This number almost tripled to 386 during the shorter period of 2015 to 2017. That is a worrying trend.

Unlike national parks, which have their own independent planning authority, AONBs rely solely on their local authorities and planning inspectors for their protection, and the planning appeals process often results in local planners’ decisions being overturned. With housing and infrastructure pressure so severe in the south, can a protected landscape near London really no longer be protected to the same degree as landscapes elsewhere?

The Chiltern District Council area is around 70% AONB. It is producing a local plan jointly with South Bucks District Council, but they need to demonstrate that they will meet the target of 14,900 new dwellings by 2036, with sufficient land for employment and other accommodation. Under current Government proposals, the number of new dwellings could increase to 16,300. It is vital that housing numbers and locations are determined locally and not imposed top-down by central Government, as unfortunately seems increasingly to be the case under the proposed new objectively assessed housing need formula, which will dramatically increase the number of houses required in Buckinghamshire.

Adjacent, in Aylesbury Vale, we are seeing an enormous amount of housing development and the steady march on the green belt. In fairness, it has been accepted that Aylesbury, which is outside the AONB, is a good candidate for such development and it may absorb some of the housing requirement imposed on Chiltern and South Bucks, but Slough is also facing housing demands and is seeking to offset some of its housing into the South Buckinghamshire area, which would increase the squeeze on our fragile protected landscape.

There are some more factors to add to the mix. First—as will be eagerly anticipated by my colleagues and you, Mr Speaker—is HS2. I opposed HS2 being routed through the Chilterns AONB and have campaigned relentlessly for it to be, at best, abandoned or, at worst, tunnelled under the entire AONB. My right hon. Friend the Member for Aylesbury (Mr Lidington) is particularly affected by the fact that the tunnel stops prematurely, before the end of the AONB. Although I obtained two tunnel extensions, I think we were all disappointed when the decision was taken not to tunnel the entire AONB.

The precedent HS2 has set for other developments in AONBs, or for other designated landscapes in the country that are supposedly protected by law, is very worrying. Sadly, the problem may not stop at the railway. HS2 has purchased property and land under the HS2 schemes, and I am concerned that as future Governments seek to offset the rising costs of this horrible project, this land will be used for further, as yet unplanned, development in the Chilterns AONB, bypassing and overruling local planning objections and opinions. In Buckinghamshire, we will also have one of the largest numbers of HS2 construction vehicle movements in the country. So far, 548,834 journeys have been estimated, which will have a severe impact on our roads and place financial pressure on our local councils and their resources, and their ability to protect our landscape.

I wish I could say that that was the only major project on the horizon in the AONB, but on top of the pressure from HS2 and the national housing requirements, the recently published National Infrastructure Commission report on the Cambridge-Milton Keynes-Oxford arc further threatens the future of the Chilterns. The NIC's report offers a significant opportunity for economic growth, but the proposals include building 1 million new homes in the corridor by 2050, and could lead to 150,000 houses or more built in central Buckinghamshire in close proximity to the Chilterns AONB, with knock-on consequences. They also include a new rail link and an east-west expressway.

Economic growth naturally leads to additional housing. That is likely to be built mainly in Aylesbury Vale, but south Buckinghamshire will no doubt experience significant additional pressure for more housing. Already we have problems. One problem is that too many houses receive planning permission only for developers to sit on the permissions to maximise their profits. We should ensure that sites with permission are actually built, so that we really know where we are on house building locally. The focus is always on housing numbers, with much less weight being given to quality and place shaping, which should be given much greater emphasis. Chesham Renaissance Community Interest Company, for example, has produced an innovative local plan for Chesham to reinforce its historical centre and complement local economic needs without sacrificing the environment and landscape. The grassroots organisations across our county should be listened to.

I would also like the Government to commit to delivering the essential accompanying infrastructure with any development that comes following the NIC report. This must include funding, or funding mechanisms, for items such as local roads, parks, schools, doctors' surgeries, broadband, mobile coverage and so on, which will make new developments desirable places to live—but they will not be if the environment is substantially damaged.

The NIC defines the Oxford-Cambridge arc very tightly, but in reality growth in the area will have major impacts beyond and into adjoining areas such as south Buckinghamshire. The route of East West Rail is agreed through Buckinghamshire, although not through Bedfordshire, but the route of the proposed road expressway has not yet been identified, and is likely to impact on future housing and transport demand. New capacity on and off the expressway will be required, with knock-on congestion consequences for the Chilterns, together

with potential major increases in traffic commuting into London. The economic growth in the corridor will also lead to increased demand for links to an expanded Heathrow and the M4 corridor, which in turn will lead to pressures for land to be released for development in these areas and for improvements to roads such as the A4010 through the AONB.

The proposal for 15,000 houses, with room to grow thereafter, is a major proposition that would completely transform Buckinghamshire. It is, in effect, a new city. Buckinghamshire has already accommodated the major new town of Milton Keynes, and we must not forget that Slough was once a Buckinghamshire town as well. Much of northern historical Bucks is now urbanised by Milton Keynes, and its growth to a population of "at least 500,000", as proposed by the NIC, will increase that urbanisation. On our western border, Bicester is growing fast as a major new garden town. A new central Bucks city risks leading to the merging of urban areas between Bicester and Milton Keynes, which is also close to Luton. If it is anticipated to grow to be larger than Milton Keynes today, that will irrevocably change the nature of Buckinghamshire into a far more urban environment. Any proposal for a new city is likely to be strongly opposed, quite rightly, by local residents, whose recent experiences with HS2 have left an indelible mark.

There are further threats from the administrative structures in Buckinghamshire. I am leaving aside the problem of cross-departmental co-ordination, which those of us who have been or are still in government know is one of the most difficult things to manage. The NIC's proposals are ambitious, but at a time when we face possible local government restructuring and have two overlapping local enterprise partnerships—the South East Midlands LEP and the Bucks Thames Valley LEP—the challenges the proposals present to the AONB and our area could be exacerbated.

There is no agreement on how the NIC's proposals will be managed. Although there is general acceptance that Oxfordshire and Cambridgeshire will have their own growth boards, a SEMLEP group of district councils and unitary authorities have argued for a very large central bloc encompassing the whole of Buckinghamshire, Milton Keynes, Bedfordshire and Northamptonshire, plus their LEPs. I hope that the Department is not banking on such a grouping, thinking it would be simple to manage or is the answer.

Buckinghamshire County Council and the Bucks LEP have opposed the idea on the grounds that this area is far too large and heterogeneous. It would involve some 20 councils and organisations, and it is doubtful whether these would all agree when difficult decisions were required. If decisions were made on a majority vote basis, it could result in key decisions for our county being made without the support of any Bucks councils or the LEP, leading to a lack of legitimacy for important decisions and potential damage to our AONB. Buckinghamshire County Council has argued that a Bucks growth board would best reflect the specific needs of Bucks. I would like the Department to look seriously at this option, as it is likely to offer much better protection for the AONB and surrounding area.

Returning to the AONB, the national planning policy framework sets out that great weight should be given to conserving AONBs for their landscape and scenic beauty, and that major development should be refused except in

[*Dame Cheryl Gillan*]

exceptional circumstances and where it is in the public interest. We have to ask what the terms, “great weight”, “exceptional circumstance” and “public interest” actually mean. They are open to interpretation and there is no uniformity between local authorities and, therefore, nationally. Any development in AONBs sets a precedent for more development, and faith in the protections given to our AONBs has waned. It needs to be reaffirmed and strengthened for every person in this country who wants their children to grow up with the guarantee that the wildlife and open spaces that we take for granted are truly protected.

The Chilterns AONB contains rare habitats, not least our chalk streams. The River Chess, which surfaces just north of Chesham, is a groundwater-fed chalk stream of precious environmental importance. The unique character of chalk streams means they provide a very rich habitat for wildlife, which makes the Chess an ideal habitat for several species listed in the Government’s UK biodiversity action plan, including the water vole, the grey heron and the kingfisher. Wildlife is dependent on the Chess, which, as part of the Colne area, is already designated both over-licensed and over-abstracted due to the high levels of water taken out of it, mostly for homes. This classification was given over a decade ago, when it was already considered problematic. It has dried up several times since then, and this is before the potential damage to the aquifer from HS2 tunnelling. I am concerned that, on top of this, the mass building of new homes in this area, all of which will of course need water, would not take account of an ecologically valuable river.

I welcome the Government’s announcement over the weekend about the plans to create a new northern forest, and the Minister is the champion for the north. We will see 50 million trees planted over the next 25 years, but we should not let this distract us from the more pressing issue of our policy on preservation and protection for our existing irreplaceable landscapes. Some 700 ancient woodlands are under threat across the UK, and it is imperative that the Government use the upcoming review of the national planning policy framework to close the loophole in paragraph 118, which currently allows ancient woodland, even within AONBs, to be destroyed or damaged, and to give it the same protection as, for example, our built heritage.

I am honoured to be the president of the Bucks Campaign to Protect Rural England. It, too, would like increased protections in the NPPF review. It would like to see a clear presumption against proposals for large housing developments in AONBs, incorporation of the statutory duty of regard—that would ensure all planning authorities had regard to the purpose of the AONB—and publication of annual statistics on the rate of development and other change of land use in AONBs. Housing requirements could be adjusted to reflect the designated landscape in the area. I cannot emphasise enough the word “designated”, as the Chilterns AONB is nationally designated as worthy of protection and preservation, but we are in danger of making a mockery of John Dower’s original vision to ensure that we do not concrete over this green and pleasant land.

The multiplicity of proposals and changes that now hang over the Chilterns need to be co-ordinated. I mentioned earlier the problems with cross-departmental

operations, and when preparing for this debate I have had input from our district and county councils, the Chiltern Conservative Board, the Chiltern Society, the River Chess Association, Bucks Campaign to Protect Rural England, the local wildlife trust, the Woodland Trust and many others who reflect the wide interest and concern for our area. So many Departments of State will also be involved in a development of this kind, and it must be co-ordinated at the highest possible level to ensure the minimum damage.

I hope that the Minister has some optimistic words and proposals for me when he responds to this debate. The Chilterns AONB lies at the heart of an area that, if this Government fail adequately to protect it from development, will result in this country losing one of its environmental jewels and this beautiful landscape will become a concrete jungle.

7.55 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): I start by congratulating my distinguished right hon. Friend the Member for Chesham and Amersham (Dame Cheryl Gillan) on securing an important debate for her constituents and the area of Chesham and Amersham. I see that only last June she was channelling Queen Elizabeth I when she said:

“HS2 will be written on my heart...when I leave this world.”—*[Official Report, 22 June 2017; Vol. 626, c. 241.]*

However, unlike Queen Elizabeth I, who went on to lose Calais, my right hon. Friend will surely see a more favourable outcome for her priorities, and I pay tribute to her. Throughout my time in this House I have seen her campaign on these very important issues on behalf of her constituents. There is clearly a significant amount of change happening in the area, around the Oxford-Cambridge corridor—housing growth, High Speed 2 and local government reform. I have noted the points my right hon. Friend has so ably made. Let me deal with some of them now. I will begin with a few words about areas of outstanding natural beauty, the green belt and ancient woodlands.

Areas of outstanding natural beauty have the highest status of environmental protection in the national planning policy framework, which states:

“Great weight should be given to conserving landscape and scenic beauty”.

In the year to March 2016, only 0.2 per cent of the Chilterns AONB was given to residential buildings. I can confirm that the Government are committed to retaining this protection, and it will not be weakened through our planning reforms. The interpretation of the NPPF protection for AONBs is in the first instance for the local authority to determine and thereafter, if relevant, for the planning inspector.

Further to that, in line with our manifesto commitment, the Government will also maintain strong protections for our green belt. Our national planning policy framework makes it clear that most new building is inappropriate in a green belt and should be refused planning permission except in very special circumstances. Only in exceptional circumstances may local authorities alter a green-belt boundary, after consulting local people and submitting a revised local plan.

We made a manifesto commitment to strengthen the protection of ancient woodland—a hugely important, irreplaceable national resource. We are working on a plan to deliver on that commitment, and I know that my right hon. Friend, not least in her role as president of her local branch of the Campaign to Protect Rural England, will continue to press the Government to make sure that we deliver on it.

I know that HS2 has been of great concern to my right hon. Friend, and she has consistently campaigned on it. I would like to reassure her that HS2 Ltd and its contractors are taking extensive action to mitigate the impacts of the scheme on the area of outstanding natural beauty. HS2 Ltd. and its contractors continue to engage extensively with communities in the area of outstanding natural beauty to ensure that the concerns of those affected are heard.

Besides HS2, a number of proposals could have an impact on my right hon. Friend's constituency, from possible allocations of land for housing, to local government restructuring. Regarding concerns that Slough's local housing need surplus will be met by Buckinghamshire, the revised approach does not significantly alter the area's assessment of need, which will have to be addressed through its own local plan, which should be locally determined. Slough will have to exhaust all opportunities to meet its own housing need in the first instance before approaching any other local authority. Then, if it can demonstrate that it has exhausted its own opportunities, it will need to agree to work collaboratively to produce a statement of common ground. None of those processes will in any way change the protection for the AONB.

The additional development that the Oxford-Cambridge corridor will bring is an exciting opportunity for the area. My hon. Friend the Member for Milton Keynes South (Iain Stewart) was recently appointed a champion for this ambitious project, and will work with local partners to deliver it. I can confirm that we are working with all partners, and above all, across the Government, to ensure that a joined-up approach is taken to this development.

On local government restructuring, my right hon. Friend raised a point about the sustainability of the local council. I note there is a general consensus that the status quo is no longer an option. My right hon. Friend the Secretary of State for Housing, Communities and Local Government will continue to engage with her and her colleagues on this issue.

Dame Cheryl Gillan: I thought I heard my hon. Friend saying that there is an acceptance that the status quo is not one of the options. I understood that the status quo was one of the options that was being considered by the Secretary of State.

Jake Berry: I think what I said was there is consensus around the fact that the status quo is not an option—

Dame Cheryl Gillan *indicated dissent.*

Jake Berry: My right hon. Friend has shown that consensus does not necessarily exist. I will take her comments on board and pass them on to my right hon. Friend the Secretary of State and make sure he is aware

of her views. I thank her for bringing all the points in this very important debate to the attention of the House, and particularly to me and my Department, but I repeat that we will maintain strong protections for areas of outstanding natural beauty in our national policy, because of course no area of our country could represent outstanding natural beauty like my right hon. Friend's constituency. The Government have a bold and ambitious agenda to build a lot more homes, with necessary infrastructure to help support jobs and prosperity, and that should not be at the cost of the environment.

Dame Cheryl Gillan: I am sorry to press the Minister, who I understand is fresh to this particular brief, but I wonder whether he could help me. One of the things that is concerning us greatly in Buckinghamshire is that if the NIC proposals go ahead, an amazing amount of co-ordination will need to be carried out between his own Department, the Department for Transport, the Department for Education and the Department of Health and Social Care—all those Departments that feed into something which is going to be, as I described it, a potential extra city. How does he envisage that being drawn together? Will the role of my hon. Friend the Member for Milton Keynes South (Iain Stewart) in his new appointment be to co-ordinate Departments? If the Minister cannot answer that question at the moment, would he take that away and write to me about how the Government envisage really bringing this whole project together?

Jake Berry: My right hon. Friend correctly says that our hon. Friend the Member for Milton Keynes South is being put into that role as champion for the Ox-Cam corridor to co-ordinate Government action across Departments and, most specifically, to work with local authorities to ensure that they take a co-ordinated approach to the proposed long-term development plan. In a very astute way, she identifies the real challenge the Government face with these large development plans driving economic development forward. It is imperative that we ensure that all Departments—Health, Education, Transport and the other Departments she mentions—work together to ameliorate, to some extent, the impact of such development in those areas. I will happily write to my right hon. Friend following this debate to set out in more detail our plans to do so. I will also happily meet her and representatives of her local authority to talk about these issues in greater detail, if that could be of assistance.

The Government have made a pledge that we will be the first generation to leave the natural environment in a better state than we inherited it. We are also committed to keeping the safe and attractive landscape of our countryside for future generations to enjoy. As someone who recently became a father—my son is now 10 months old—I do not think that there could be a more important issue for us all to campaign on in this House to ensure that the environment we pass on to our children and their children is one that we can all be proud of and continue to enjoy.

Question put and agreed to.

8.5 pm

House adjourned.

Westminster Hall

Tuesday 9 January 2018

[JAMES GRAY *in the Chair*]

Universal Credit: Private Rented Sector

9.30 am

Stephen Lloyd (Eastbourne) (LD): I beg to move,

That this House has considered the effect of universal credit on the private rented sector.

It is a privilege to serve under your chairmanship, Mr Gray. It was good to obtain this debate, and I am delighted that a range of colleagues have come to speak on such an important issue.

This is indeed an important debate. We all know and read about the challenges with the lack of housing across the UK. Some 1.2 million to 1.3 million people on housing benefit or local housing allowance are in the private rented sector. Most of us will know from our constituency casework that many private sector landlords are reluctant to let to people on housing benefit. My supposition, which is clearly proved by the evidence, is that the universal credit roll-out, up until the recent changes in the Budget, would not acknowledge the issues and the challenges and frustrations for private sector landlords not wishing to rent to people on benefit and certainly not to those on universal credit, and that without a default payment direct from the Department for Work and Pensions to the landlord, even more people in the private sector will pull out of the whole area. That has proved to be the case.

How did we get to this situation? I remember that when I was last a Member of this place, I served on the Select Committee on Work and Pensions and I repeated ad nauseam to the then Secretary of State, the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), that one fundamental flaw of universal credit was the insistence that the tenant should receive the full housing benefit and pay it on to the landlord. I understood the argument; I understood that that was about encouraging responsibility. My frustration—I argued this very assertively in numerous Select Committee sittings—was that the problem with ideologues is that they fit the facts to their ideology, rather than recognising that facts are facts. I was sure, from my own experience as an MP and from talking to colleagues, that sadly many tenants on universal credit would not pass the money over to their landlords, for one reason or another, and that that would make the private rented sector even more nervous about letting to people on housing benefit.

Ruth George (High Peak) (Lab): The hon. Gentleman is making an excellent speech on a very important issue, and I apologise because I will have to attend the Finance (No. 2) Bill Committee shortly. A landlord who came to my surgery had 20 tenants on universal credit, of whom 18 were in arrears and nine had to be evicted. That is at this very early stage of the roll-out, when full service has not yet come to my area. Does the hon. Gentleman agree that those are the sort of facts that do not fit into the theory of universal credit?

Stephen Lloyd: I appreciate the intervention. It is good to see the hon. Lady here, and I entirely agree with her. She gives a strong example, which any Member of Parliament, from any party and anywhere in the country, who supports people on universal credit and works with people in the private rented sector will know to be true.

At that time, there was a coalition Government and a Conservative Secretary of State. People can check the record: I said again and again, “This is going to be a car crash,” but that was ignored. We move on to 2015—I am giving a bit of context. The Government carried on rolling out universal credit, and we had numerous examples, such as that which the hon. Member for High Peak (Ruth George) has just given—others in the Chamber will have had experience of such things over the past two years—of the fact that without that default, fewer and fewer private landlords are letting to people on universal credit, and that those who are see tenants falling into arrears. Section 21 evictions are going through the roof. It is just utter madness. We now move to 2017.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate the hon. Gentleman on obtaining this timely debate. I am sure that he will agree that through a lack of social housing, more and more people are being forced into the private sector, but rents are going through the roof. I agree with him about private landlords. We have only to watch television documentaries on this issue to see what the situation is. We see two or three blocks of people being moved out because the private landlord can get more money as a result. It is also a public scandal that in London and other places, there will be four or five people sharing the same house because they cannot afford the rent singly. I am sure that the hon. Gentleman would agree that we should have stronger regulation in that respect.

Stephen Lloyd: I thank the hon. Gentleman for the intervention. He raises an important point about the public sector, because housing associations and councils have also been badly affected. It is just that broadly speaking—again, everyone in this Chamber knows this, because we are experienced politicians—the public sector will be more patient and understanding as it waits for payments from universal credit. Usually, private landlords simply cannot wait, not because they are mean or what have you, but because their business model does not allow them not to be paid for month after month. As a result, there is a spike in section 21 evictions.

We now get to the Budget. Finally—although I would like to think that this was partly due to my lobbying I know that it will be thanks to many other people in this Chamber and outside—the Chancellor of the Exchequer took on board some of the fundamental criticisms that I have been making of universal credit, for years frankly, about default payments to landlords, and some changes were made. At last! It was five or six years since I had been arguing for that and advocating it, but better late than never. It will make a difference, and that I approve of. However, it is only the first part of the journey in relation to automatic default rental payments to landlords. It is the beginning, but it does not include people who are not already on automatic payments. As I understand it—the Minister may provide clarification—it also does not include all those people to whom universal credit has already been rolled out over the past few years.

[Stephen Lloyd]

And it does not start until the spring. It is a step in the right direction and an acknowledgement from the Government that they made a mistake and they finally want to try to put it right, so I approve of it, but there is still much further to go.

Dr David Drew (Stroud) (Lab/Co-op): Does the hon. Gentleman accept that this is one of the fundamental flaws? Local authorities have decades of experience of dealing with housing benefit, both in the public sector and, more particularly, in the private sector. We have thrown all that expertise away, which is so counterproductive. Does the hon. Gentleman agree?

Stephen Lloyd: I appreciate the intervention. Not only do I wholly agree, but the decisions are completely irrational. One thing that I am finding out from the Residential Landlords Association and others is that there is not adequate communication between the DWP, local authorities and landlords, so even though, in theory, it seems from the changes in the Budget that there is the beginning of an understanding from the Government that default payments will be necessary to prevent a complete car crash, there is still a long way to go towards understanding that they have made the system so complicated that things will still be very hard for residential landlords. What does that mean? It means that they will pull out in droves.

Currently, 1.2 million people are on housing benefit or LHA in the private rented sector. There is a housing crisis in this country. This is not the debate to discuss that, but we have a housing crisis; we all know that from our constituency surgeries. The Government could convert that 1.2 million to 2.4 million; it could double the number of tenants moving into the private rented sector, because the capacity is there. However, that will happen only if the Government make it easy—very straightforward—for private landlords to take on someone who is on universal credit and give them a roof over their head, and if there is that automatic default payment that is, as it says on the tin, automatic.

If I am a landlord and I take someone, or am willing to take someone, on universal credit, and give them a flat or a house, a roof over their head, the automatic situation—by mutual agreement with the tenant, I accept that that is important—would be for his or her payment on universal credit automatically to go straight into my account, the landlord's. I was in business for years before I went into politics, and I can absolutely guarantee that despite the challenges with some tenants on universal credit, in the eyes of landlords, ultimately, a business is a business, and if a landlord is getting their payment directly into their business bank account every month—or every two weeks, as I would like, but that is another issue—then, as a business, they will look favourably on that particular group. That is something that I really urge the Minister to consider.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing this debate. On the issue of the automaticity, as he might term it, of the payments going to the landlord, does he agree that in parts of the United Kingdom, such as Northern Ireland, where we have negotiated that, it has not led to

an increase in rent arrears? There are other problems, but rent arrears are not a big one. We have also negotiated the twice-per-month payment, which helps both landlords and tenants to know that the rent is being paid and the tenant to know that he or she is not going into arrears.

Stephen Lloyd: I thank the hon. Gentleman for that intervention; I was going to come to that point in a moment, but I will come to it straightaway. In Northern Ireland—I think five or six years ago, way before we reached the crisis that we have had over the past couple of years—the politicians negotiated default direct payments to landlords. They also negotiated that the payment should be every two weeks. I am reliably informed by colleagues from Northern Ireland that at the time the DWP—again it was under the then Secretary of State, the right hon. Member for Chingford and Woodford Green, if my memory serves me—did not want to budge and insisted that that would collapse the entire thing. However, as Government Members have discovered, when my friends in the Democratic Unionist party dig their heels in, they dig their heels in. I pay tribute to them on this one, because the DUP, and I think the Social Democratic and Labour party as well, said, “No, we are not budging. It must be a default payment.” Do you know what? It was. It worked. It is the same computer system, folks. The previous Secretary of State—the one who has just gone—kept saying, “It is much more complicated, you can't just change it.” Do they use a different computer in Northern Ireland? I do not think so, because as we all know, they are part of the United Kingdom.

The other thing that the Stormont Government negotiated was payments every two weeks. The percentage of rent arrears in Northern Ireland for people on universal credit is almost zero. In England, as we all know from our constituency surgeries, we have section 21s in the private sector going through the roof, or private landlords coming into our offices and saying, “That's it, we are pulling out of universal credit. We're not going to touch it.” Meanwhile the local authorities, housing associations and councils, which are under horrendous stresses and strains at the moment, are asking where all these additional people are going to go.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): The hon. Gentleman is making a good speech with some considered suggestions for the Government. On the point he has just made, does he also agree that landlords who are fearful about delays in people accessing universal credit might actually have a wider problem with renting not just to people on benefits but to people on lower incomes who they fear might need to receive benefits in the future? That will not be very helpful when, in most constituencies, one in five houses is in the private rented sector.

Stephen Lloyd: I thank the hon. Gentleman for that intervention and welcome him back. I agree entirely, because universal credit is just one area. It is one side of the impact of what has been an ill-thought-through policy.

Wera Hobhouse (Bath) (LD): I thank my hon. Friend for securing this important debate. Is it not important that the Government take away the freeze on the housing allowance cap, in order to make sure that housing

benefit reflects market values, because otherwise the benefit does not keep up with the market value of the private sector?

Stephen Lloyd: My hon. Friend makes an important point. I think that is something that needs to be considered, particularly as regards the further caps that have come in over the past couple of years. I think those are unsustainable.

Melanie Onn (Great Grimsby) (Lab): Has the hon. Gentleman given any consideration to the issue of 18 to 21-year-olds who are on universal credit and have no recourse to any funding for the housing element? Very often they will be on a lower wage, as obviously the minimum wage for younger people is lower than that for people over 25. There are big issues for the sector and I think it will ultimately end in a rise in homelessness among that group. Does he agree?

Stephen Lloyd: I agree. As regards that particular age group—unless they have some sort of bank of mum and dad—in our surgeries we are already seeing that young people are tremendously adversely affected, both by the lack of housing benefit at that age, and, frankly, some of the issues around universal credit.

Another issue that has not been properly addressed, and I would welcome hearing about this from the Minister, is that there is a portal for public sector housing and councils and housing associations to access as regards people in their area, or their tenants, going on to universal credit, but there is not one for the private sector. I urge the Minister not to tell me that there is, if she has been told that by her civil servants, because I have been told by all the residential trade associations that there is not, or it is not working.

At the risk of misquoting Tony Blair, who kept saying, “Education, education, education,” I want to talk about evidence, evidence, evidence. All those years ago, when I and others first challenged the then Secretary of State, the right hon. Member for Chingford and Woodford Green, in the Work and Pensions Committee, saying, “You must understand, if you retain the original plan, which is that all the money goes to the tenant and the tenant pays the landlord, it will be an absolute disaster,” I did not have evidence. I just had a hunch, based on years of experience dealing with thousands of people. I just knew that, as did many others. Where are we now? We are five or six years down the line, and I want to provide some evidence.

In the past 12 months, the RLA reports, one in three landlords has attempted to evict a tenant; 60% were due to rent arrears, and the majority of those were on universal credit. This means not only unnecessary suffering for tens of thousands of housing benefit recipients, but it poses a threat to the future of benefits claimants ever succeeding to rent in the private sector, because once a tenant has a bad record, it is extremely difficult to unwind.

Secondly, a recent study carried out by the RLA shows that almost 87% of landlords would not be willing to let their properties to claimants of universal credit, while 38% have already experienced universal credit tenants going into arrears. Where are we going with this madness? I remind everyone of the percentage of rent arrears among those on universal credit in

Northern Ireland. A recent study commissioned by Crisis—a homelessness charity—and the Joseph Rowntree Foundation found that 90% of local authorities were concerned that universal credit would increase homelessness, which it has, because of section 21s. The list of evidence goes on and on.

The RLA has found that 73%—Minister, these are the facts, the stats and the evidence—of its thousands of members,

“lack confidence in renting to tenants on the Credit due to uncertainty that they will be able to recover rent arrears.”

Another major landlords’ trade association, the National Landlords Association, found that only one in five of its members would let their properties to tenants on universal credit. I have already talked about Crisis. The trade association for letting agencies, the Association of Residential Letting Agents, which many hon. Members deal with, found that

“34% of ARLA Propertymark letting agents who we surveyed told us that they had seen a reduction in landlords renting to Universal Credit claimants.”

The list goes on and on, so it is time to fix it.

This is what I propose to the Government. I am delighted that the Chancellor of the Exchequer listened to me, the MP for Eastbourne, and made those amendments in the Budget. I suspect that a few others probably had a little more influence than me; but, heck, like all politicians, I have been banging on about it for years so I will take the credit. So there have been some adjustments, but where do we go next? I ask the Minister to report back to the new Secretary of State, with whom I worked in coalition and whom I congratulate on her position, and persuade her to go to the Chancellor and do what it takes to make defaults to landlords, by mutual tenant-landlord agreement, automatic; and to go over to Northern Ireland, see their minority Government colleagues in the DUP, find out exactly what their computer programme does that allows colleagues in Northern Ireland to do automatic default payments, follow their two-week advice—I would do the same on that—and implement it across the country.

I believe that what would happen is that the housing stock capacity in the private sector would go up exponentially—even potentially double—because of what I mentioned earlier. Despite the challenges with tenants sometimes being on benefit, the prejudices that landlords sometimes have against them are often founded on the reality that landlords do not feel secure that they will receive the money. I am absolutely certain that if landlords know that they will get a default payment, over a couple of years there will be a substantial increase in the amount of private rented stock available to people on universal credit, and that could make a significant difference in reducing homelessness.

There is an opportunity for the Government. Despite the ideological and fundamental errors that underpin some elements of universal credit, finally, after years and years of banging on the door, they are beginning to change. Thank heaven! Now that door is open, the Minister and her Government have an opportunity to be game changers and to convert universal credit into what I believe it always should have been: a decent benefit. One of the key things they need to do is around the default payment, which I have debated this morning. Along with that—this is my other favourite—I would go to the current Secretary of the State at the DWP and

[Stephen Lloyd]

ask her to have a word with the previous MP for her constituency, the former Chancellor George Osborne, and ask for the £3 billion back. He took that out after 2015, when the Liberals were defenestrated at the election; he slashed £3 billion a year out of universal credit, which was supposed to be about the work allowance.

If we get that money back and properly convert what should be a default payment to landlords, we can produce what universal credit should have been, and was originally designed to be: a progressive, positive benefit that gives people transformative opportunities. After five years of it being a complete car crash in so many ways, I believe that the Government finally understand that. I urge the Government to make my day and, possibly, that of the former Secretary of State, the right hon. Member for Chingford and Woodford Green, and to make automatic payments as a default to landlords. I ask that they do it instantly, they do it in both the private and public sectors and they do it now.

9.54 am

Peter Aldous (Waveney) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing the debate and the Backbench Business Committee on granting it.

The full roll-out of universal credit in Lowestoft in my constituency commenced in May 2016. Significant problems were encountered from the outset, although from early 2017 the Department for Work and Pensions has worked more closely with local organisations to address them. The situation has improved and the proposals announced in the November Budget are very welcome. One area in which work is still required is the co-ordination of universal credit with housing in both the social and the private rented sectors. Good housing is a vital prerequisite if universal credit is to be a success, and it is important that the role of private providers is properly recognised.

The main problem that was encountered was that the delays in the paying of universal credit led to rent arrears building up. This triggered a downward spiral of events, with landlords often serving eviction notices, albeit reluctantly, leading to an increase in homelessness, added pressure on local authorities and housing associations to house those who had been evicted and subsequently a reduction in housing as private landlords decided not to let to universal credit claimants.

Vicky Foxcroft (Lewisham, Deptford) (Lab): On that point, I had one couple who received no benefits for six months and were very nearly evicted. At the end of it all they were told that they would receive only four weeks' backdated payment, and it was only when we intervened in the case that we managed to get the full amount back to them. This absolutely has to be looked into.

Peter Aldous: The hon. Lady highlights an example of the problems with implementing universal credit that many of us have experience of from our constituency casework.

Melanie Onn: In October, the housing association Shoreline in my constituency had 182 residents who were already on universal credit, and 80% of them were

in rent arrears. Such examples create a stigma against people who are on universal credit, because of those issues. Fundamentally, we have to iron out some of those problems to prevent people from getting into arrears and to give private landlords confidence that those people will not be defaulters or bad debtors when paying their rent.

Peter Aldous: Yes. It is quite clear that private sector landlords' confidence in the system has been very severely dented. I sense, from my own perspective, that the situation has improved, but I acknowledge that there is still a great more work to be done. Local letting agents advise me that the majority of their landlord clients are still reluctant to let to universal credit claimants. It is also necessary to bear in mind that many landlords own only one or two properties and the rents that they receive are a very important part of their annual income.

The Eastern Landlords Association, which has 1,400 members, highlights the lack of a level playing field, with council and housing association landlords able to secure direct payments after eight weeks' arrears, while private landlords need specific tenants' approval to do so. This is still proving a disincentive to private landlords to let to universal credit claimants; as we have seen, many of them have lost confidence in the system. It highlights the need for better communication with the DWP and describes the system of claiming alternative payment arrangements online as "hit and miss". It advises that while some claims do get processed, in its experience at least 50% do not get looked at.

The roll-out of universal credit is a mammoth task. There is a lot of heavy lifting to be done, which the DWP cannot do on its own. There is a need for a partnership approach, which should involve private landlords as well as councils, the local voluntary sector, such as citizens advice bureaux, and housing associations. To give credit to the DWP, under the guidance of my hon. Friend the Member for East Hampshire (Damian Hinds)—perhaps I should say my right hon. Friend; I wish him all the best in his new role—it has begun to adopt such an approach in recent months, and I anticipate that the Minister will continue in the same way. It is important that full consideration is given to the Residential Landlords Association's recommendations and to the innovative proposals from Crisis to adapt the Newcastle trailblazer for reducing homelessness to ensure that those in receipt of universal credit do not fall into rent arrears.

In Lowestoft, three suggestions have been made. First, in each DWP office, the Government should have a landlord liaison officer for landlords to contact to discuss issues with their tenants' housing claims, when the landlord has applied for an alternative payment arrangement. Secondly, housing moneys should not be released to a tenant when they are being sanctioned, as they often choose to use the money to support the sanction shortfall. In effect, that means the landlord is penalised. Finally, when a sanction does happen, the housing money should automatically be paid through an alternative payment arrangement to the landlord.

A lot of people wish to speak in this debate, so I will conclude by saying that if universal credit is to be a success and to do what it says on the tin, it is important that the DWP listens to the proposals that I have outlined,

as colleagues will too, so that we fully regain the confidence of private landlords, because they have a very important role to play.

Several hon. Members *rose*—

James Gray (in the Chair): If hon. Members wish to speak, they ought to stand up. If they do not stand up, I will not call them—but I call Tracy Brabin.

10 am

Tracy Brabin (Batley and Spen) (Lab/Co-op): It is a pleasure to speak under your chairmanship, Mr Gray. I thank the hon. Member for Eastbourne (Stephen Lloyd) for securing this important debate.

As a young child, my father was out of work for quite a long period and we could not pay the mortgage. My mum handed the house keys to the building society and for several hours we were physically homeless until the council found us a flat. That experience has stayed with me all my life. I will always be grateful to the council for saving us, because being homeless is not about being physically on the street. It is about people not having a permanent roof over their head, and that is something that all children should be entitled to.

Although the Labour party supports the idea of universal credit, sadly—as we have seen in our constituencies—the Government’s wilful determination to roll it out, glitches and all, means that some of the most vulnerable people living in the private rental sector are at risk of building up rent arrears to such a point that they are evicted and made homeless. That is something that, in particular, no child should have to experience.

David Simpson (Upper Bann) (DUP): Northern Ireland has been mentioned. When we were negotiating with the Government, we were concerned about people living with mental illness, people living with disabilities and single parents. That was a major issue in helping us to come to the conclusion and agreement we have in Northern Ireland.

Tracy Brabin: I totally support what the hon. Gentleman says: this is about not just families, but people with extra needs. Single parents in particular are most vulnerable to bullying landlords.

Jessica Morden (Newport East) (Lab): Gingerbread states that two thirds of single parents rent privately, and from my casework, I know that that group of people and the children that they support is particularly hard hit.

Tracy Brabin: Gingerbread is a fantastic charity. In my constituency, a young woman came to me who was being bullied by her landlord in all sorts of ways because of her inability to pay her rent. Single women living with children are incredibly vulnerable to that.

The ending of an assured shorthold tenancy agreement with a private landlord is now the primary reason for families presenting themselves as homeless to the local authority. The pressures on local authority housing could not be more severe. In Kirklees, for example, there are currently 9,700 applications for only 171 properties. It is a priority for all of us to support the private rental sector as universal credit is rolled out, if we want to

lessen the burden on local councils. But this problem will not go away any time soon. The number of working households claiming housing benefit in the private sector has more than doubled since 2009, whereas the wages of some of the lowest paid in our society have stagnated. DWP figures confirm that only 7% of private renters are actually unemployed and seeking work. Sadly, although the Joseph Rowntree Foundation found that the private rental sector has grown by a third over the past 12 months, the number of those being evicted has also grown, with 7,200 more private tenants losing their homes in 2015 than in 2003.

Melanie Onn: My hon. Friend’s point is incredibly important. The Joseph Rowntree Foundation has been working with the Cambridge Centre for Housing and Planning Research, and they showed that in 2015, 80% of private sector evictions were no fault evictions. That resulted in individuals going to local authorities, but perhaps being considered as people who had made themselves intentionally homeless. Does she agree that that creates a huge difficulty in the system?

Tracy Brabin: The idea of people making themselves intentionally homeless is a huge problem for a number of my constituents. It affects their credit rating and rolls on into the rest of their lives in a really unacceptable manner.

The greatest concern for landlords is the move away from direct payments. Many worry that tenants will not have the capability to budget effectively and will end up spending the housing element of universal credit on other essentials. In the debate last year on UC, the Government argued that delaying payment for rent was the same as those in work being paid at the end of the month, so the delay was a good lesson in budgeting and responsibility. Well, maybe for middle-class families with savings or relatives with cash to see them through a tricky financial patch, but when—as the English housing survey discovered—66% of private renters have no savings, the ability to budget is not so straightforward.

After the Budget, the Residential Landlords Association did a snap survey, which found that 36% of landlords would have more confidence in letting to tenants on universal credit. Sadly, 64% said they would not. I suppose their caution is not surprising, given that the RLA reported a high rise in rent arrears where universal credit has been introduced. The National Landlords Association chair agreed, saying that they expected to see

“a steady decline in landlords being willing to rent to benefit claimants in the next 18 months to two years.”

Only 18% to 20% of private landlords accept tenants who pay their rent with local housing allowance. That is down from 46% in 2010-11. Why? Because universal credit encourages tenants to fall into arrears, and 38% of landlords have seen tenants in receipt of UC entering rent arrears. In Kirklees Council—my constituency council—437 claimants are on universal credit, with further roll-outs scheduled for later in the year. Some 82% of those are in arrears, to the tune of seven weeks’ rent on average, whereas before going onto UC, the figure was 5.1 weeks in arrears.

Landlords do not want to evict tenants, because it costs £1,800 to end one tenancy and start another. They want the security of knowing that they will have their

[Tracy Brabin]

rent paid regularly, in a timely fashion. Although bad and greedy landlords have given the sector a bad press, a substantial number of landlords in the private sector are hard-working and understanding. They often have only one property to let out as a contribution to their pension, or as a way of saving for the future. In fact, two thirds of landlords are basic rate taxpayers and are not on high incomes. However, although they are sympathetic to tenants, they know that they too would fall into debt if the rent was not paid.

In conclusion, it is vital that we pause and fix universal credit, ensuring that families are not made homeless due to delays in the system. More widely, we must also increase the number of affordable homes that are available. Only by increasing the numbers of affordable homes being built will we reduce waiting lists, keep rents low and keep families in private rental housing to ease the burden on councils, supporting them to provide excellent social housing for the most vulnerable in our communities.

10.8 am

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing today's debate. What we are debating this morning is a serious component of the debate around universal credit, and it is right that we dedicate appropriate time to its consideration.

Colleagues from all parties and of all positions on universal credit will have been as concerned as I was to read research conducted by the National Landlords Association in the second quarter of last year that found that only 20% of UK landlords surveyed say that they are

"willing to let to tenants in receipt of housing benefit or universal credit".

That comes on top of evidence received in September last year by the Work and Pensions Committee, on which I serve, from the Residential Landlords Association, which stated that 38% of the landlords surveyed said that they were having issues with tenants receiving universal credit going into rent arrears. The same survey found that almost a third of landlords had, in the past year, evicted a tenant in receipt of housing benefit, and that more than two thirds of the evictions had taken place due to rent arrears. That is obviously very worrying and undoubtedly gives Members of Parliament cause for concern.

It is important to recognise that these are not in every case new problems created by universal credit. Many tenants in receipt of housing benefit have been paid housing costs directly for a very long time. Around 70% of housing benefit claimants in the private rental sector have had their housing benefit paid directly rather than to a landlord. The housing element of universal credit is paid in exactly the same way. If people need extra support, their rent can be paid directly to landlords through alternative payment arrangements, and budgeting support can be made available. Claimants whose housing benefit was previously paid directly to a landlord will be offered that option automatically. However, as we have heard in the debate, there are issues with the system. Improvements can be made, and I believe that they should be.

Since the beginning of the universal credit roll-out, the DWP has proven that it is taking a "test and learn" approach, slowly and steadily rolling out the system while fixing and replacing problematic elements. That is why the Government have scrapped the seven-day wait, extended the deadline for repayment of advances, made advances easier to obtain and ensured that all DWP headlines are freephone numbers. For tenants, the DWP has taken numerous steps to prevent claimants from falling into arrears, including improving the processes for verifying housing costs and improving the support given to work coaches in jobcentres so that they can resolve housing issues as they arise.

The Government continue to work closely with landlords, local authorities and other organisations to ensure that claimants are supported. Crucially, it must be noted that when a private sector landlord asks for managed payment of rent to be arranged, it can be done on the provision of documentation evidencing two months of rent arrears. That should prevent unnecessary evictions on grounds of rent arrears, and I hope it does.

It is right that we should debate these issues today; they are incredibly important for our constituents. However, it is also right that we should recognise how cautiously and sensibly the DWP has moved throughout the entire roll-out of universal credit.

Wera Hobhouse: Will the hon. Gentleman give way?

Andrew Bowie: I will not, because there are many speakers to come and we are short on time.

The Government have listened to concerns brought by Members and the Work and Pensions Committee, and have acted on them, where necessary, in a calm and considered fashion. I have full confidence that that will continue as we debate the issues surrounding the private rented sector.

10.11 am

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is a pleasure to serve under your chairmanship, Mr Gray. Normally, I would talk about the differences in my constituency—I might go on about it being vast, remote and so on—but my constituency faces absolutely the same issue as the rest of the UK. For example, I had a conversation with a private landlord just the other day who owns quite a lot of property. I suggested to him that he might like to give accommodation to people caught in this trap, and he said, "Oh, no, Jamie. I'm running a business. I'm not a charity. I can't take these risks. I wouldn't get the rent paid. That's for the council to deal with." That puts in a nutshell the problem that we face of private landlords not wishing to engage. It is true, and it is out there.

As my hon. Friend the Member for Eastbourne (Stephen Lloyd) mentioned, there is a lot of housing out there that we could access. It is absolutely true. Members for any constituency can think of property currently lying empty above shops in town centres. If the right inducements were offered to private landlords, that property could be brought back into the housing market.

For example, one thing that used to work in Scotland was the specific targeting of improvement grants at below-standard or empty properties, which encouraged landlords to invest using the grants and then make the

property available. That worked in the past, and could indeed work in future. As Members have said, it is about encouraging private landlords to engage and offering inducements to make it worth their while, so that they do not see it as the difference between running a charity and running a business.

The man to whom I spoke said, “It’s for the council to deal with,” but as we have heard from other Members, councils are completely stretched. If we consider the amount of housing debt that councils must service and the huge chunk that it takes out of the rents coming in, we can see the trap that they are caught in. It is a point for another place and another debate, but the existence of housing debt among local authorities across the UK is a big problem and a millstone around their necks. As we have heard, the six counties of Northern Ireland are addressing the situation, and it works over there. That seems to be a good example to us all. If we are smart, we will look at how they are doing it, carbon copy it and do the same thing ourselves.

Somebody who is no longer with us either in this place or in this world cast some doubt on what society was. It seems to me that we believe that society as a concept has a role. The idea of direct payments to private landlords for the most vulnerable people is absolutely in keeping with the idea of responsible society. My hon. Friend the Member for Bath (Wera Hobhouse), who has left us now, mentioned that part of the Northern Irish deal was looking after those with disabilities, mental health problems and so on. That seems to me to be exactly what society is about: looking after the most vulnerable, because it is part of our collective responsibility as good human beings.

10.15 am

Christine Jardine (Edinburgh West) (LD): It is an honour to serve under your chairmanship, Mr Gray. I thank my hon. Friend the Member for Eastbourne (Stephen Lloyd) for securing this debate on a crucial subject. The two words “universal credit” are becoming feared and disliked in equal measure across this country. In my constituency, we are not due to experience the full effect of universal credit until June, yet already it is having an impact on the private rented sector. The problems that my hon. Friend and many others have warned about now threaten to put further pressure on a housing sector that is already in trouble, and to push vulnerable families into rent arrears and homelessness.

Just yesterday I heard from a constituent who has been given notice to quit their private rented accommodation. They are not in arrears and never have been, but their landlord has decided to sell his properties, influenced by fears of universal credit and the difficulties that collecting rent from people who are not yet receiving money from the benefit system will cause him. I hear daily tales of other private landlords either increasingly excluding those on benefits or simply opting to sell up. As we have heard, 87% of landlords asked said that they would not accept tenants on universal credit.

As my hon. Friend said, we already face a housing crisis in this country: there is a shortage of social housing while tens of thousands of properties lie empty. In Edinburgh alone, there are more than 20,000 people on the waiting list for a house. The figures quoted for Eastbourne and across the country show us that the

situation will only get worse. In the six months for which I have had the privilege of serving Edinburgh West in this place, I have already taken part in numerous debates in which the Government have been urged to stop universal credit and rethink how it works. I make no apologies for urging them to do so again. It is simply not working in the way intended. Instead of making the system simpler, it is making it less helpful and supportive and increasing the threat of debt and homelessness. As my hon. Friends have said, there were warnings, and now we have the concrete evidence in the form of the mounting rent arrears of which every hon. Member has spoken. Private sector landlords have little or no faith that they will continue to receive payment.

I suggest that it is time to act. It is a problem for which a solution is already in place: default payments. Why can we not simply pause and get the Government to re-examine the issue to allow payments to go directly to landlords to reassure them, and to ensure that our constituents continue to have roofs above their heads?

10.18 am

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairmanship, Mr Gray. I thank the hon. Member for Eastbourne (Stephen Lloyd) and congratulate him on securing this debate. I was happy to co-sign his request to the Backbench Business Committee, and I am aware of the issues.

I will make some generic comments at the beginning, and then I will refer to Northern Ireland, as other Members have, and what we are doing there. We in Northern Ireland face the issue of how people can pay regularly for their rent in private accommodation. Every day, every week and every month, it is an issue in my office. Where there is a dearth of Housing Executive properties and housing association properties, people must go to private rented landlords for accommodation. There are approximately 4,000 people on the housing list in my constituency. They are in different categories, but around 1,000 of them are priority, which gives an idea of the housing need. The population is growing continuously, so we need to build above and beyond need to catch up. That is some of the background to the problems. As a result, there are not enough houses for the people who apply for housing, so they look elsewhere.

Rents in housing sector properties in Northern Ireland are between approximately £375 and £400—housing association rents are a bit higher again. In private accommodation outside the Housing Executive, people can pay anywhere between £500 and £600. Who pays that difference? The tenant. In some cases, the tenant is unable to pay and can apply for a discretionary payment that helps to meet some of the deficit. That lasts for a year and then they have to apply again. If they are successful, they have another year of a discretionary payment that enables them to pay their rent. I understand that such comments may be helpful to the debate.

A large proportion of people who live in the private rented sector are single parents under financial stress. We must be ever mindful of those people and how we address this issue. For them, finding the balance from minimal financial resources is an increasingly large problem. That is why this debate is so important. I spoke to the Minister beforehand and I am sure that she will be responsive to the concerns that we have all

[Jim Shannon]

expressed. I want to be helpful to her in referring to some of the things that we are doing in Northern Ireland.

Landlords are faced with real problems. How do they continue to serve people who want private accommodation and work within the Government's system at the same time? The Government have set money aside to increase targeted affordability funding by £40 million in 2018-19 and £85 million in 2019-20. Does that address the issue? From what hon. Members from the mainland have said in this debate, I would gently suggest that it does not. We look to the Minister to see how we can address the problem on the mainland.

The National Landlords Association has furnished me with some correspondence. The result of those problems is that landlords sell their property, and we have more people in poverty and more people seeking accommodation. We have heard about larger numbers of families living together in cramped accommodation. Debt continues to be the problem. In Northern Ireland, we have carried out legislative change. I suggest that the Minister looks at that as a marker of how we could do it better.

The fact is that 4.8 million people or 1.9 million privately renting households are entitled to less housing benefit than before the 2011 reforms. The average decrease is £19 per household per week. The figures show that people in the low-income bracket are suffering most. We need to do something in relation to that.

The National Landlords Association quarterly landlord panel states:

"Just two in 10 landlords...are willing to let to tenants in receipt of housing benefit or universal credit".

That leaves eight landlords who are not prepared to. It is now less than 20%, which is down from 34% in 2013. I am sure the Minister has the background information that came from the Residential Landlords Association, which makes 16 recommendations. I suggest that those recommendations indicate a way and a methodology to address the issues.

My hon. Friend the Member for East Londonderry (Mr Campbell) made a succinct and important intervention. His comment was very salient—I leaned across and said, "Well, that's my speech nearly over now". He is a very modest person, but he was on our party's committee in Northern Ireland that brought forward legislation in Northern Ireland to make a difference. He can take some credit for the changes there, as can our party. It is only fair that we put that on the record and give him the credit that he deserves.

We have legislation in Northern Ireland that clearly encapsulates what we are trying to achieve for everyone in the United Kingdom. Respectfully, if the Minister wanted to put in place something that would be suitable for the whole of the United Kingdom of Great Britain and Northern Ireland, she could do no better than replicate the legislation and the terminology that we have in Northern Ireland. That will address many of the issues that the hon. Member for Eastbourne raised and that other hon. Members and I have tried to address in our small contributions.

10.25 am

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship once again, Mr Gray. I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing this important debate. It is vital that universal credit failures and the opportunities to fix them are highlighted to the Government at every opportunity, in the hope that they might listen.

The hon. Gentleman spoke eloquently about the problems with payments to claimants, which we raised with the UK Government when the Highland Council was a pilot area in 2013. [Interruption.] I hear my former council colleague, the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone), agreeing from a sedentary position. This is a cross-party issue, which I will come back to later. The hon. Member for Eastbourne also spoke about the problem with ideologues. I agree that there has been a continued failure to listen. I hope that that will change and that we will get a more positive response from the Minister about actions that could be taken. I will give some examples later on.

Jamie Stone: I return to my vast and remote mode. One of the warnings that the hon. Gentleman and I and others put to the Government was that the sheer rurality, distance and sparsity of population would present a special challenge when trying to get private landlords to let property.

Drew Hendry: I agree.

The hon. Member for Batley and Spennings Dale (Tracy Brabin) spoke eloquently about the issues that she has witnessed. She talked about universal credit being rolled out, glitches and all. I would go further—we are seeing more than glitches in the roll-out of universal credit. I have witnessed it for nearly five years. These are systemic issues. She mentioned that no child should have to experience these effects, which is absolutely right. This is about the people and their families who are affected in their homes. That hits home the hardest when people come to us with the personal stories of suffering they are enduring. That is when we understand why the Government have to listen and do something about it.

The hon. Lady also talked about the pressures on housing stock and the need to support the private rented sector, saying that 66% of private renters have no savings. That is true and is reflected in my experience, albeit anecdotally. People do not have the ability to inject their own cash into the system because they do not have any cash—it does not exist.

The hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) mentioned that there are problems that need to be fixed. I welcome the fact that we are hearing that around the Chamber. There is a consensus that these serious issues are hurting people.

The hon. Member for Caithness, Sutherland and Easter Ross talked about rent arrears for councils. Again, I refer to what happened in the Highland Council as a result of this problem.

The hon. Member for Edinburgh West (Christine Jardine) has not yet seen the roll-out in her constituency but is aware that a cold wind is coming. Those of us who have experienced it in our constituencies have seen the devastation that it leaves in its wake.

The hon. Member for Strangford (Jim Shannon) made an important point about the price differential between council housing association and private lettings. He asked who pays the difference. If, as we heard earlier, most people do not have private income to fall back on, who does pay the difference? He also made a telling point about the decrease in the already low number of private landlords willing to rent to universal credit claimants, which is backed up in many other pieces of evidence from around the nations of the UK.

Since Inverness was chosen in 2013 as a pilot area for universal credit, we have lived with the problems of a highly dysfunctional system. Originally, the Highland Council engaged with great hope. There was and remains support for simplifying the social security regime. There were too many benefits in the past and it was too confusing. In local and national politics of all colours, people got behind the idea of a system with a lot less bureaucracy and hassle for claimants. If only that had been the outcome. Instead, universal credit in its current form has gradually shown itself to be a failure. Worse, its continued roll-out has had a devastating impact on claimants—not just the unemployed, but working people, single parents, the disabled and even the dying—particularly through the toxic legacy of debt and rent arrears.

The hon. Member for Eastbourne described universal credit as a car crash. It is, and its corrosive effect is not restricted to claimants. Landlords in both the public and the private sector feel a knock-on effect, which squeezes incomes, reduces the supply of rented properties for claimants and chokes investment in new building. We in the Scottish National party have called continuously for the roll-out to be halted and fixed. Like those in Northern Ireland, we will use the very limited powers we have to try to mitigate the impact, as we have done with other matters over the past few years, and inject a little fairness and dignity into the system. However, it remains almost entirely a UK-reserved issue and needs to be dealt with.

I have been a noisy witness in the nearly five years since the pilot, when I was leader of the Highland Council. We have tried every approach to get the Tory Government to listen. I was joined by the political voices on the council—regardless of political colour, if any—to highlight the misery that was gradually unfolding before our eyes. We set out the alternatives, asked for changes and relayed the experiences, the frustrations and the inevitable wider impact that the roll-out would have if it was continued without fixing the problems, yet our voices were not listened to, and now we are seeing the pattern repeating itself wherever universal credit is deployed.

The hon. Member for Eastbourne mentioned the public sector. As a result of universal credit, the Highland Council has seen rent arrears rocketing to around £2 million—a signal of the misery, but also a noose around the neck of investment in housing. Vital resources are being drained from the council as it picks up the cost of the universal credit failure.

According to a recent report by the Residential Landlords Association, universal credit is now the main reason for private sector landlords seeking to evict tenants. We have heard a lot of statistics this morning, but 29% of landlords have evicted a tenant for universal credit rent arrears and now only 13% of landlords say that they are willing to rent to universal credit claimants at all. According

to the RLA, more than 73% of landlords are unlikely to rent homes to someone claiming universal credit, because they are worried that they will not be able to pay.

The Scottish Federation of Housing Associations says that those problems are putting more pressure on public housing; that the administration of universal credit falls short of what its own service standard should be; and that the schedules that associations receive are beset with errors. The federation's survey found that the standard of communications between the DWP and landlords was erratic, and made worse by the absence of implicit consent in the universal credit full service roll-out. Arrears are much higher among people on universal credit. The federation says that the shortcomings need to be fixed and that a pause is therefore required.

The DWP has not allowed implicit consent, except through MPs. That hamstring organisations such as citizens advice bureaux and housing associations, meaning that they cannot effectively help claimants to get their entitlements to retain tenancies. The reliance on explicit consent is impractical, especially in rural areas.

There is a growing worry that the design and the benefits of universal credit are not fit for purpose. It should be the objective of any good enterprise, especially a Government, to listen to the experiences of people affected, especially those delivering a service and those who have been asked to partner and make the required adjustments, but neither I nor anybody else in the highlands have witnessed such a willingness to adapt. The problem has spread to other areas. Landlord after landlord, housing association after housing association, council after council, support group after support group and charity after charity have echoed the calls we have made. Every day, new and more troubling examples of hardship and suffering are exposed. Debt and rent arrears mean long-term damage and lasting harm to communities.

Universal credit, in its current form, is designed to create debt by default—it is constructed that way. What kind of Government create the situation where people and families are turned into debtors, with no hope of escape other than eviction, bankruptcy or both? As the hon. Member for Eastbourne pointed out, some welcome changes were made by the Chancellor in his Budget. However, the Chancellor said in his November Budget speech that he wanted to avoid debt for the Government “not for some ideological reason but because excessive debt undermines our economic security, leaving us vulnerable”—[*Official Report*, 22 November 2017; Vol. 631, c. 1048.]

He went on to talk about vulnerability to financial shocks. Well, people are facing financial shocks now because of the shambolic handling of universal credit. It should be halted; the messages should be taken on board; and it should be fixed.

10.36 am

Margaret Greenwood (Wirral West) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing this really important debate. Many valuable contributions have been made, from which it is really clear that people are experiencing real hardship as a result of the impact of universal credit on ability to pay rent. The example provided by my hon. Friend the

[Margaret Greenwood]

Member for Lewisham, Deptford (Vicky Foxcroft) clearly demonstrates the effect of delayed payments, and my hon. Friends the Members for Batley and Spen (Tracy Brabin) and for Newport East (Jessica Morden) spoke about the specific difficulties that single parents face in having a secure home.

It really is important that the Government take action to address the problems with universal credit in the private rented sector. Approximately 5 million households—just over 20% of the total—are in private rented accommodation, and a quarter of those are families with children. That figure is predicted to rise to just under a quarter of all households over the next five years. Some 1.2 million households currently receive housing benefit in the private rented sector, one third of which are in low-paid work and require support to help top up their rent. Prolonged delays in receiving an initial payment of universal credit have led to many claimants being in rent arrears and at risk of eviction.

The Residential Landlords Association has reported that landlords have become increasingly reluctant to rent to universal credit claimants. Two thirds of private landlords are basic rate taxpayers not on high incomes, so they need rents to be paid on time in order to pay their own bills. That puts increased pressure on the social housing sector and local authorities. Councils hit by cuts in funding from central Government are having to set aside large amounts of money to support people affected by the impact of universal credit. Newcastle City Council is spending more than £390,000 of its own resources to support UC claimants, including £88,000 to cover rent arrears; there is more than £1.2 million in uncollected rent across a tenancy base of just 27,000, purely as a result of universal credit. Nearly three quarters of the spending on discretionary housing payments by Conservative-controlled Bath and North East Somerset Council in this financial year has likewise gone to supporting universal credit claimants.

The Government announced a number of changes in the Budget that were designed to address the problems with universal credit. We welcome them as far as they go, but they do not go anywhere near far enough. For example, from February, the Government are to remove the initial seven-day waiting period, so that the wait built into universal credit at the start of a claim will be five weeks rather than six. That is still too long for people on low incomes, who in many cases are unlikely to have savings to tide them over for that period. According to the English housing survey, 66% of private renters have no savings. We need up-to-date statistics on the timeliness of payments, so that we know exactly how long people in each local authority are waiting and whether the five-week target is being met. Will the Minister make a commitment to publish regular statistics on this matter, rather than ad hoc releases when it suits the Government?

From this month, it will be possible for someone to obtain 100% of their estimated universal credit as an advance payment, which will then have to be paid back over a maximum of 12 months. However, the maximum advance for people who made an initial universal credit claim in the run-up to Christmas was only 50%, which will undoubtedly have meant hardship for many families.

If it is possible to estimate someone's universal credit for the purpose of giving them an advance and to pay that advance within five working days, or on the same day when someone is in immediate need, why do universal credit claimants still have to wait five weeks for an initial payment to be made? Again, will the Minister make a commitment to publish regular statistics on how many people ask for advance payments, how many people receive them and the default rates on repayments? Ministers have stated repeatedly that universal credit is designed to mirror the world of work, but with 58% of new claimants who are moving on to universal credit being paid either fortnightly or weekly prior to claiming, it is time for all claimants to be offered fortnightly universal credit payments.

The Government announced that from April they will introduce a two-week run-on between a housing benefit claim and a new universal credit claim. Again, that is welcome, although it will only help people who have already been claiming housing benefit. The Government have also said that they will make it easier for direct payments to be made to landlords. However, it appears that that is principally aimed at ensuring continuity where a tenant whose housing benefit is already being paid directly to their landlord moves over to claiming universal credit. That is positive, but my Opposition colleagues and I would like to see all tenants offered the option of direct payments. For vulnerable people, who need payments to be made quickly, the need to negotiate with the Department for Work and Pensions for direct payment of housing support to a landlord can take time and effort.

Surely all tenants should have the right for payments to be paid directly to the landlord, and not just those who are vulnerable and have difficulty managing their money. Direct payments provide security for landlords renting to people who are claiming universal credit, providing them with the confidence that they will be paid. Direct payments are especially helpful in the case of people who have formerly been homeless. Private landlords may be much more wary of renting to them, and people who have been homeless may not have had recent experience of managing large bills, such as rent.

The DWP has been working with Crisis on a pilot project in Newcastle whereby people who have been homeless or who are at risk of homelessness because of arrears can have their claimant commitment relaxed while they focus on their housing situation, and they are also offered the opportunity to have their housing support paid directly. Will the Minister, as a matter of urgency, consider issuing guidance to work coaches to identify people who may be in rent arrears and proactively offer them direct payment of housing support? Claimants often appear to be unaware that it is possible for this to be done.

Landlords themselves do not appear to think that the changes announced in the Budget are enough. In a survey carried out by the Residential Landlords Association into the reaction of private landlords to the changes to universal credit, 64% of private landlords said the changes did not give them more confidence to let properties to tenants in receipt of universal credit.

Overall, one of the key reasons for arrears is the level of local housing allowance. LHA rates simply have not kept up with sharply rising rents. They were first cut by the coalition in 2011, and then increases were capped at

1% in both 2014-15 and 2015-16. A freeze was introduced in April 2016, which will last until 2020. According to research by the Chartered Institute of Housing, private sector rents in England grew by an average of 14.6% from May 2011 to May 2017, while wages increased by only 10% in the same period.

That inadequate housing support continues in universal credit. In fact, there is no housing support at all in universal credit for people aged between 18 and 21, unless they are in one of the groups of people who are protected, such as care leavers. Also, the national living wage is set at a lower rate for people under the age of 25, and the chief executive of the Financial Conduct Authority has recently warned about the high levels of debt being incurred by young people just to cover basic household bills such as rent.

Dr Drew: Will my hon. Friend give way briefly on that point?

Margaret Greenwood: I am sorry, but I am really short of time and so cannot give way.

We are all shocked by the sight of people sleeping in the streets. Will the Government think again and restore housing support in universal credit for people aged between 18 and 21?

Overall, the number of working households claiming housing benefit in the private rented sector has more than doubled since 2009. We know that many people, especially many young people, have not just been priced out of home ownership but are finding that their income does not even cover their rent. The DWP's own data show that only 7% of private renters claiming housing benefit are unemployed and seeking work. The rest are either already working on low incomes or are currently unable to work.

Just last week, it was reported that the Stop Start Go charity in Manchester has opened new bedsit accommodation for working people who are homeless because they cannot afford the cost of accommodation in the city. On one night in December, a third of people sleeping at the Booth Centre for the homeless in Manchester were actually employed. The DWP's own data show that the number of people in work who are being placed in temporary or short-term accommodation rose from 15,500 in August 2013 to more than 22,000 by 2015. Research by the Joseph Rowntree Foundation found that the private rented sector has grown by a third over the last 12 years, but the number of tenants being evicted has also grown; 7,200 more tenants lost their homes in 2015 than in 2003.

Labour is committed to increasing the national living wage to £10 an hour across the age range; to building at least 100,000 council and housing association homes for genuinely affordable rent or sale; and to reforming universal credit so that it meets its original principles of making sure that work pays and reducing poverty. Labour will also end insecurity for private renters by introducing controls on rent rises, as well as introducing more secure tenancies, landlord licensing and new consumer rights for renters. That is the real way to make work a route out of poverty and to reduce the need for people to claim housing support.

The Government simply refuse to recognise the scale of the shortage of truly affordable housing that exists. At the same time, they are failing to provide housing

support at a level that will at least enable people to cope with the consequences of Government inaction and to meet rising rents. In the Budget, the Chancellor conceded:

“House prices are increasingly out of reach for many”.—[*Official Report*, 22 November 2017; Vol. 631, c. 1057.]

Yet he offered more of the same on housing. There was no new Government investment in affordable homes and nothing for private renters. The need for someone to have a roof over their head—a home where they can bring up their family—is a basic human need. By 2021, it is estimated that some 7 million people will be claiming universal credit, more than half of whom will be in work. Where will they live if their wages do not cover their rent and housing support does not make up the shortfall? It is time for the Government to heed the warnings from landlords, the voluntary sector and Opposition Members, and to pause and fix universal credit.

10.46 am

The Minister of State, Department of Health and Social Care (Caroline Dinéage): It is a great pleasure to serve under your chairmanship, Mr Gray.

I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing this important debate on the effect of universal credit on the private rented sector. He is a very committed campaigner and I thank him for his work to help us to improve the delivery of universal credit. Universal credit is an important reform and I am pleased to have this opportunity to talk about it, and hopefully to address the issues that have been raised by Members and some of the misconceptions.

As the hon. Gentleman knows, we have been using a test-and-learn approach to universal credit since the beginning. The roll-out of universal credit is a very long one, which is why we have taken that approach—we want to develop the universal credit system based on the evidence we gather as we go along. I thank Members from across the House for their contributions.

The Government are committed to making work pay and universal credit is transforming the welfare system to ensure that it does so. With universal credit, work always pays and, compared with the old system, people spend more time looking for work and find work faster. Universal credit supports people who can work and cares for those who cannot. For the first time, universal credit supports people who are in work, and encourages and incentivises them to progress and earn more.

Members have raised a number of concerns about the impact of universal credit on private rental sector landlords, which I will seek to address. However, we must remember that universal credit is the largest and most significant welfare reform since the second world war. The Government are listening to stakeholders both in Parliament and externally, and we are well aware of the concerns that have been raised. I will try to address some of those concerns today, and to put Members' minds at rest where I can do so.

First, I will clarify for the House some of the things that universal credit has not changed, in particular for landlords in the private rental sector. Since 2008, housing benefit has been paid directly to claimants by default, and not directly to landlords. That remains the case with universal credit. In fact, currently only 25% to 30% of housing benefit payments are made directly to landlords

[*Caroline Dinenage*]

in the private rented sector. If private landlords want housing benefit to be paid directly to them, they need to ensure that the relevant criteria are met, which are broadly the same as those for a request for direct payment under universal credit.

What has changed is that universal credit is assessed and paid monthly, to replicate the world of work, as we have already heard. Our ambition is to create a welfare system that encourages people to take greater responsibility for their finances, so that they are ready and prepared to move into the world of work. It means that, where possible, we want to encourage and support people to take responsibility themselves for paying their landlord, but of course we want to ensure that the necessary protections and support are in place to allow them to do that.

We know that the majority of people are comfortable managing their own money. However, for claimants for whom that is not the case, we have put in place support to help them. That is why we have the facility, as I have mentioned, for universal credit to be paid directly to the landlord where appropriate.

The hon. Member for Eastbourne asked for changes further to support private sector landlords and tenants—for example to make it easier for private landlords to have rent paid directly to them by the Department for Work and Pensions. We have always been clear that we will roll out universal credit in a way that allows us to continue to make improvements, as Members will have seen in the Budget before Christmas. We have already made a number of changes to universal credit as part of our engagement with the sector, and we will continue to develop our approach based on the feedback and evidence we collect as we go along. It is important to remember that, by Christmas, only 8% of universal credit had been rolled out, and by the end of January it will still be only 10%.

We have made practical improvements. For example, we have simplified and sped up the process for private rented sector managed payment requests, which can now be done by email and on a single form, with no additional information required, and work is under way further to improve that process in the universal credit full service.

We have also improved and updated the landlord information and have made it easier to find on gov.uk. We have another meeting this month with private rented sector representatives—such meetings happen regularly—and we will check whether they can access the information they need. Members have raised that matter today.

Drew Hendry: On making it easier for people to get information, there is a long-standing call to reintroduce implicit consent, to allow agencies to assist people with their claims. Will the Minister consider such a reintroduction for universal credit?

Caroline Dinenage: We have removed the need for explicit consent. A universal credit claim is the responsibility of the claimant, and implicit consent puts the development of the system at risk. However, it is something that we keep under review.

Some Members may not be aware that we issue a bi-monthly landlord newsletter. Such regular communications and incremental process changes are necessary if we are successfully to introduce this radical and innovative reform, and we will continue to build on them.

We have also made more fundamental changes to make a difference for private sector tenants and landlords. We have recognised that managed payments to landlords in the private rented sector are running at a lower level than expected. We understand that landlords are often small businesses with one or two properties, and that they cannot afford to have rent arrears. That is why we have made three important policy changes for this sector in recent months.

First, in December, as part of the Budget measures, we announced changes to universal credit guidance to ensure that when private sector housing benefit claimants come on to universal credit, we know whether and why they had their rent paid directly to their landlord previously. That will allow our work coaches to determine whether a managed payment to the landlord for universal credit may need to be applied, and will prompt a conversation with the claimant. That change will provide an important safeguard and help to ensure that those who need the support get it from the outset. It will also help to ensure that claimants receive appropriate budgeting support, by providing a further prompt for the work coach to have a discussion with them.

Secondly, we have changed our policy to ensure that when a private rented sector landlord asks for a managed payment to be set up and supplies evidence of two months' rent arrears, we will implement the managed payment without requiring the claimant's consent, just as in the old system. That change has already been welcomed by the Residential Landlords Association and shows our commitment to working with landlords to keep improving the system.

Both those changes are designed to ensure that vulnerable claimants who cannot manage a monthly universal credit payment are fully supported, and that landlords receive the rent they are owed.

Thirdly, as set out in the Budget, we will tackle rent arrears by providing claimants with an extra benefit payment equivalent to two weeks' housing benefit while they transition on to universal credit. We have abolished the seven-day waiting period in universal credit and we have increased the maximum advance payment to up to 100% of a claimant's indicative award.

A number of Members across the House have spoken about the universal credit monthly payment structure affecting rent being paid to landlords and, therefore, landlords' willingness to rent to claimants. However, as I have explained, we have systems in place for those who cannot pay the rent directly. It is important that we are fully able to empower those who can be trusted with their own financial affairs. In fact, it would be wrong and insulting to assume that universal credit claimants cannot be trusted to manage their finances.

Members have mentioned reports that some landlords claim they would be unwilling to rent to universal credit claimants, including a recent one from the Residential Landlords Association. Such claims have been made by landlord groups since 2008, when we first started paying housing benefit directly to claimants, but it never seems

to have materialised. The evidence shows that the proportion of tenants who are on housing benefit or universal credit has remained broadly consistent for the past 10 years—about 30% of the private rented sector and about 65% of the social rented sector. It would not make financial sense for a business to give up such a large proportion of the market. The way in which universal credit is designed means that landlords would not normally know that a prospective tenant was receiving universal credit. We know that there is anxiety about arrears, which I have addressed, but the fact remains that universal credit is a stable, secure, reliable form of income for claimants and their landlords.

The Department for Work and Pensions regularly engages with private landlords and their representatives. The universal credit team holds quarterly strategic engagement meetings with sector stakeholders, in which it shares the latest updates on universal credit, responds to questions and listens to concerns. Insight from that engagement has already helped us to make numerous process changes to improve interactions with stakeholders. Two examples are the recent changes made to the process for ensuring that managed payments to landlords are put in place where appropriate: treatment under housing benefit and the removal of the need for explicit consent from the claimant.

Department for Work and Pensions staff will continue to work with claimants who have managed payments in place to ensure that they have appropriate budgeting support, and they will remove the arrangements when a claimant is ready. To those private sector landlords who have expressed concerns about renting to universal credit claimants, I say that with the safeguards we have in place, the improved work outcomes that universal credit brings and the personal budgeting support available, such concerns should be groundless.

More attention should be paid to the evidence of universal credit outcomes than to the unhelpful scaremongering of Opposition Members. I can only give in evidence the fact that, in Prime Minister's questions, the Leader of the Opposition claimed that Gloucester City Homes evicted one in eight tenants—12% of tenants—due to universal credit. That would have been 650 tenants. In fact, it was eight tenants, all of whom had arrears before universal credit was introduced. None

of the evictions was as a result of universal credit, and one was because a gentleman had been living in Australia for 18 months.

Universal credit represents a generation-changing culture shift in how welfare is delivered and how people are helped, creating a system that allows people to break free from dependency, take control of their lives, and work. Universal credit picks up from a deeply flawed system and strives to solve problems that were previously thought intractable. In that old system, complexity and bureaucracy so often served to stifle claimants' independence, limit their choices and constrain their outlook. We have shown with our actions, and have demonstrated here today, that we are listening and learning and are making the changes necessary to implement this historic reform safely, securely and with careful regard to our stakeholders.

10.58 am

Stephen Lloyd: I appreciate the Minister's response. She is absolutely right that the changes announced at the Budget show that the Government were listening. Some Opposition Members are slightly frustrated though, because we had been making our criticisms for a long time and an awful lot of people had to go through a very difficult period, even possibly losing their homes, before the changes were made. However, this is a step in the right direction and I urge the Minister to continue to press with her colleagues to keep going.

We all know that there is a severe housing crisis across the country. Regarding universal credit and the changes in the default payment, if the Government were prepared to go that one step further, working with the Residential Landlords Association and others, there would be an opportunity to open up significantly the private sector to universal credit claimants. That would significantly reduce the homelessness challenges we face, and I urge the Government to keep pushing.

I am grateful for the support in today's debate. We all understand that there are good things about universal credit, but a lot of the roll-out has been a car crash. However, it is getting better. I urge the Government to keep listening to us and, most importantly—

Motion lapsed (Standing Order No. 10(6)).

Luton Airport Expansion

11 am

Bim Afolami (Hitchin and Harpenden) (Con): I beg to move,

That this House has considered Luton airport expansion.

It is a great pleasure to serve under your chairmanship, Mr Gray, and to speak in my first Westminster Hall debate on a subject of great interest to my constituents and of importance to the whole region. I thank the Minister for being here to respond to the debate. I wish him all the luck in the world in whatever may transpire in No. 10 later on.

First, let me establish some facts. Luton airport is a rapidly growing airport that currently handles more than 15 million passengers a year. Its passenger numbers have increased by 70% in the past seven years alone. It is owned by London Luton Airport Ltd on behalf of Luton Borough Council, which is also the planning authority responsible for approving any increases in allowed passenger numbers. Luton Borough Council set the limit at 18 million passengers in 2014. In mid-December last year, Luton Borough Council, as owners of the airport, set out a highly ambitious plan to more than double Luton airport's passenger traffic by 2050, bringing it to roughly 38 million passengers. To give some context, that represents an ambition for Luton airport to manage as many passengers as Gatwick airport did as recently as a couple of years ago, when it was, as it is now, the second busiest airport in the UK.

My constituency, Hitchin and Harpenden, lies in rural Hertfordshire but abuts Luton to the west. The flight path of Luton airport for inbound and outbound planes runs directly over thousands of my constituents—particularly in Harpenden, Wheathampstead, Sandridge and Jersey Farm—causing a great deal of noise and air pollution over the area. In addition, although Luton sits on the M1 motorway, a great deal of the traffic that naturally accompanies an airport handling more than 40,000 passengers a day currently runs through the very rural roads of my constituency to the north and east of the airport. That is near such villages as Breachwood Green, Mangrove Green, Lilley, Hexton and Pirton. Much of that area is in the Chiltern hills and is designated as an area of outstanding natural beauty.

Sir Mike Penning (Hemel Hempstead) (Con): I congratulate my hon. Friend on securing this debate. I am sure he is aware that the flights blight not only the lives of his constituents, particularly in rural areas, but the rural parts of my constituency, particularly the Markyate and Flamstead area. The people who live there are the experts on the issue because they have planes flying over them all the time. They were given categorical promises that as the growth took place, noise mitigation would also take place, and that has not happened. Would that not be a good reason to curb the speed of the increase in flights until the airport has done what it promised to do in the first place?

Bim Afolami: I thank my right hon. Friend for that intervention. To add to his point, which I agree with entirely, it is my case that the proposed expansion of Luton airport to the level of 38 million passengers is first unsustainable and unsuitable for the local area that

includes not just my constituency but his and that of my hon. Friend the Member for St Albans (Mrs Main), and secondly—this is a particularly serious point—could undermine trust in government for tens of thousands of Hertfordshire residents because Luton Borough Council owns the airport, receives income from it and yet also acts as the planning authority.

If it is not entirely clear from my comments so far, I am not against airports or Luton airport. I understand the need for and the necessity of a thriving aviation sector, and I recognise—I am sure the Minister will talk about this—the jobs and economic growth that Luton airport brings to the United Kingdom and to Luton. My case, which is supported by the vast majority of my constituents in Hertfordshire, is that the proposed expansion to more than double Luton's passenger numbers is unsuitable for the local area and unsustainable in the context of the constraints that exist in rural Hertfordshire in particular.

Luton is just not the right place for an airport with a proposed size of 38 million passengers. Topographically, its location on a plateau means that it is closed by fog and bad weather much more frequently than the other airports in the south-east. It has a very constrained footprint compared with Gatwick and Stansted, and the dense polycentric pattern of the surrounding settlements, such as Hemel Hempstead, Harpenden and others, means that many towns and villages are affected by noise and pollution. It is right next door to extremely rural Hertfordshire countryside which has, as we would expect, many small narrow lanes. They are often used as rat runs through to Luton airport. Many of them can take only one car at a time and are already seeing vast increases in traffic as passenger numbers rise year on year. In addition, unlike Heathrow, Gatwick and Stansted, Luton does not have a direct rail link to the terminal, although I recognise there are plans for that.

Furthermore, Luton already has the greatest concentration of air traffic movement in its airspace in the UK, and it is one of the most congested airspaces in Europe. Noise complaints from Hertfordshire residents are already extremely high with the existing traffic of more than 15 million passengers. To give some context, those complaints have increased twenty-two-fold in two years. Night flights also hugely blight the lives of many of my constituents. Over the past two years, the number of flights between the hours of 11 pm and 7 am has gone up 25%, from 12,867 to 16,031.

I believe in giving credit where it is due, so I must thank the Government and the Department for Transport for their recent efforts on noise mitigation, as shown by their commitment to an independent noise regulator to be called the independent commission on civil aviation noise. Once established, I hope that body will help provide much more objective independent guidance on how aircraft noise should be assessed and managed and how that should be used to inform airspace decisions.

The Government's consultation document states that "it is clear that tensions are likely to arise when airport operations change in a way which affects how local communities experience noise impacts. We want to ensure that there is not a breakdown of trust between airports and their communities."

I submit that the extremely rapid rise in complaints about aircraft noise in Hertfordshire shows that as things stand, trust between Luton airport and residents of rural areas in Hertfordshire is in danger of breaking

down. I believe it will break down completely if colossal expansion plans are rammed through without appropriate consultation with Hertfordshire residents.

Sir Mike Penning: I would go further than my hon. Friend. He, his predecessor, my hon. Friend the Member for St Albans (Mrs Main) and I have been campaigning on the issue for many years. I can only speak for my constituents, but I am afraid the trust has gone already. Promises have been made so many times in the past, and they have never been fulfilled. Instead of trying to work with the communities, the airport makes noise about doing tests and this and that, but when it comes to the crunch, it never fulfils its promises. This is another classic example where there is growth before the mitigation is put in.

Bim Afolami: I thank my right hon. Friend for that. Perhaps it is because I am new—perhaps I am optimistic and generous—but I do agree with him that trust is crucial. Trust between the citizen and Government, both local and national, is one of the most fundamental underpinnings of our or any democracy. Many of my constituents have lost trust in recent borough council management of the expansion of Luton airport over recent years, as my right hon. Friend describes, and one reason for that is the highly unusual situation whereby Luton Borough Council owns Luton airport and at the same time is the planning authority currently responsible for approving its expansion. I must make it clear for the record that I am not accusing Luton Borough Council of any legal or procedural impropriety. However, there is a significant conflict of interest.

In 2015 the highly esteemed National Audit Office—esteemed not only by the Government and the House; as a member of the Public Accounts Committee I work with its civil servants frequently and they are incredibly capable people—published a report on managing conflicts of interest in the public sector. The report states:

“A failure to recognise a conflict of interest can give the impression that the organisation...is not acting in the public interest and can damage...confidence in government.”

Luton Borough Council’s ownership of Luton airport, which generated a net profit of roughly £47 million in the last financial year, coupled with the huge increase in flight noise for many thousands of my constituents and across Hertfordshire, as I have already demonstrated, as well as with the huge increase in passenger numbers, leaves many of my constituents feeling that Luton Borough Council has one real interest: growing passenger numbers and therefore revenue for its airport. That interest has been pursued without any real consideration for the significant negative impacts on the people of Hertfordshire that I have outlined here today. As one of my constituents put it to me, Bedfordshire gets the gain, and Hertfordshire gets the pain.

So, what shall be done? I propose that the Minister responds to the following points in his response. First, bearing in mind the huge growth proposed at the airport, will the Government confirm that the plans for any future expansion must be approved as a nationally significant infrastructure project submission to the Planning Inspectorate, with the decision therefore no longer being made by Luton Borough Council? Secondly, will the Government act not to allow any further expansion of passenger numbers beyond 18 million without the

imposition of much greater conditions around noise concerns, flight route changes, and a much tougher limit on night flights, so that Luton is finally treated like other London airports? Thirdly, will the Government call on Luton Borough Council to provide detailed plans for the necessary infrastructural improvements, particularly on local roads, that will be necessary in Hertfordshire even based on existing passenger numbers, as well as in Bedfordshire, and explain how they propose to fund it?

Finally, will the Government call on Luton Borough Council and Luton airport to work much harder to gain the trust and partnership of Hertfordshire residents, as mentioned earlier by my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning), not only for any expansion of passenger numbers in future, and actively keep future growth in step with mitigation measures and constrain that future growth if necessary?

I thank the House for being so patient with me in my first Westminster Hall debate. I give way to my hon. Friend the Member for St Albans (Mrs Main).

James Gray (in the Chair): You are not giving way. You have completed your remarks.

Bim Afolami: Forgive me.

James Gray (in the Chair): I was about to say that by agreement with the hon. Gentleman and the Minister, both of whom have been informed, I call—the hon. Gentleman does not—Mrs Anne Main.

11.13 am

Mrs Anne Main (St Albans) (Con): It is a delight to serve under your chairmanship, Mr Gray. I pay a huge tribute to my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) for securing this debate so early in his career. As my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning) has said, the issue has been rumbling on for a very long time. I will be brief because we need answers from the Minister.

First, I want to pay tribute to STAQS—St Albans Quieter Skies—which does terrific work on noise pollution, and to LADACAN, the Luton and District Association for the Control of Aircraft Noise. When I was first elected in 2005 my postbag was largely untroubled by complaints about aircraft noise, but that is not the case now. I accept, as does my hon. Friend the Member for Hitchin and Harpenden, the ongoing benefits to business and leisure users of having a good local airport with routes that are efficient and least disruptive to residents. My constituents understand the need for air traffic, but feel that the noise burden is not shared fairly or equally.

There has been a 150% increase in complaints since the RNAV—area navigation—route was introduced in August 2015. The RNAV route dictates that easterly departures are directed in a narrow corridor over north St Albans and Sandridge. That change alone, although well-intentioned, has concentrated the pain of noise felt by residents across the affected district. As my hon. Friend has said, Luton airport is owned by London Luton Airport Ltd on behalf of Luton Borough Council. As my residents would point out, that makes it its own judge and jury.

[Mrs Anne Main]

In 2013, Luton council's development committee voted to permit capacity expansion to double to 18 million passengers, along with a package of planning conditions designed to mitigate environmental impact. The decision was based on promises that quieter aircraft would be gradually introduced. Everything has happened far faster than projected, and the noise mitigation has not made any difference.

I shall cut my remarks short and simply say that I have visited my constituents' homes and gardens at different times of the day. There is a calculated noise decibel level by Luton airport's own noise monitoring, which was taken over a 16-hour day and apparently equates to something between a quiet office and a bedroom. Standing in my constituents' gardens, that is not the experience of the residents. An average over a 16-hour day was given when noise can be felt in different ways. At 6 o'clock in the morning I am aware of the noise far more than at 10 o'clock in the morning when my washing machine and dishwasher are going. So the average masks the true life experience of residents and it is bogus.

My constituents need to know that something will be done as soon as possible. Expansion cannot go ahead if strong protections against further noise pollution are not deliverable and guaranteed. Luton airport cannot keep on being its own judge and jury.

Sir Mike Penning: Will my hon. Friend give way?

Mrs Main: I am sorry; my right hon. Friend has made two interventions and I am already cutting my remarks short.

I want the Government to step in and take a keen and active interest in the future development of this airport. Residents who have had the noise monitoring kit cannot accept that 47 decibels is a true reflection of the interruption in their lives, their sleep patterns, and enjoyment of their own gardens. I therefore ask the Minister to take a real interest in this issue and listen to what residents say.

11.17 am

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) on securing his first Westminster Hall debate. We can safely assume that he could afford a 90-minute debate, given the local interest. I welcome the chance to respond to the points he has made. I sympathise with his concerns and will do my best to answer his points in the time available.

My crash course in Luton airport this morning and learning all about it has revealed that it has seen its 44th consecutive month of growth, with passenger numbers in 2016 16% higher than in 2015. Such growth is clearly continuing. The airport has 13 airlines operating regular scheduled and charter flights and six operating cargo routes. It is a busy major airport that flies to more than 30 countries with 70 destinations and 128 routes. It is the only London airport offering a scheduled service on 24 of those routes. It is a key employer in the local area, supporting around 30,000 jobs, putting £1.5 billion into the economy and around £500 million into the local economy surrounding the airport. All of that indicates

that, as all Members have said this morning, it is an important and worthwhile contributor to the local economy. However, that does not obviate the points that Members make about the impact on local people's lives.

We have started the process of developing a new aviation strategy, setting out the long-term direction for aviation policy to 2050 and beyond. The strategy will focus on consumers and cover the whole country. It will look at where Government could and should make a difference. Last year, we published a call for evidence that asked for views on a number of issues based around six objectives, which will be further consulted on in the coming year. The objectives will include ensuring that any new strategy addresses the impacts of aviation on local communities and the environment.

As part of the call for evidence consultation, the Government proposed that airports throughout the UK, including Luton airport, make the best use of their existing runways subject to environmental issues being addressed. We received a vast number of responses, as I am sure hon. Members can imagine, which we are currently analysing and to which we will respond shortly.

We warmly welcome the ambition of airports to respond to local and regional demand, and to invest in infrastructure to enable services to more destinations, with better facilities and more choice for passengers. That is particularly the case at Luton airport, where passengers are beginning to see the benefits of a £150 million investment programme, transforming the airport and passenger experience by expanding the terminal and passenger lounge, and building a new multi-storey car park.

Mrs Main: My constituents describe this as the stiletto effect: the area navigation route concentrates the pain in a very sharp area. I know that that is the Government's policy. Can it be looked at? A large amount of pain in a small group is not fair.

Paul Maynard: I welcome that intervention. I was about to stop describing the positives of Luton airport and move on to the more controversial aspects, one of which is how the Government's new approach to airspaces will hopefully address some of the concerns that my hon. Friend has expressed. I will come on to that shortly, if I may.

First, I would like to deal with the question raised by my hon. Friend the Member for Hitchin and Harpenden about who will take decisions on the expansion. I understand the concern that Luton Borough Council may take those decisions at the same time as being the airport's owner. I am more than happy to confirm that, as a nationally significant infrastructure project, it will be a decision taken by the Planning Inspectorate, with reference back to the Secretary of State. Under section 23 of the Planning Act 2008, all airport expansion decisions that seek to increase their planning cap by more than 10 million passengers per year are required to follow the development consent order process and are considered nationally significant infrastructure projects. Such projects are subject to Government approvals as part of that process.

My hon. Friends the Members for Hitchin and Harpenden and for St Albans (Mrs Main) both asked what the Government's position will be regarding any further expansion of passenger numbers beyond 18 million

without the imposition of much greater conditions regarding noise concerns, flight route changes, and the use of airspace overall. We strongly recognise that noise disturbance from aircraft is of concern to local communities, and can be more pronounced at a time when an airport is experiencing growth. I know that the airport is already looking at trying to implement a higher performance-based standard on its westerly departure route heading to the English south coast. The main purpose of that measure is to reduce the overall noise impact of the route, including near the village of Sandridge—a particular hotspot for noise complaints. I understand that it may be consulted on later in the year. I urge hon. Members to engage with the airport to ensure that that occurs.

The Government's role is to ensure that the right balance is struck between the environmental impacts and the economic and consumer benefits that aviation growth can deliver. All three Members who have spoken recognised that there are both benefits and negatives to having an airport in close proximity. We believe that noise is best managed at a local level and that Government involvement should be limited to strategic decisions. It is worth bearing in mind that Luton airport's existing noise restrictions, set at a local level, are on the whole stricter than those set by the Government for the three designated London airports.

In line with the Government's airspace policy published in October last year, any proposed flight path changes as a result of expansion will have to go through an options analysis. That will enable communities to engage with a transparent airspace change process and ensure that options such as multiple routes are considered for noise mitigation. That is a fundamental change in how we approach the concerns Members have expressed today. For example, there will be new metrics for assessing those impacts, including impacts on health and quality of life. There will be a new call-in power for the Secretary of State, applicable in airspace changes of strategic national importance, which provides, in my view, a democratic backstop for which communities have been calling. There will also be changes to compensation to ensure that impacts are properly reflected in what local people receive.

In addition, the Government have committed to establishing an independent commission on civil aviation noise to ensure that the noise impacts of airspace changes are properly considered, and to give communities a greater stake in noise management. As my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning) pointed out, the people who live under the flight path are the experts. I always believe that we should listen to the experts when formulating policy. As somebody who grew up under the flight path from Manchester, I am more than aware of what it can be like to have planes overhead continually. The policies that we have introduced address the impacts of noise for those living underneath flight paths; will enable airspace modernisation; will give the opportunity to make the most of quiet and modern aircraft; will provide more predictable periods of relief from noise; and—critically in the south-east—will reduce the need for stacking.

My hon. Friend the Member for Hitchin and Harpenden made a point about asking for further information from Luton Borough Council on its plans to help to fund and support local infrastructure. The Government have set out the framework through which airports can plan for

and lead improvement, growth and expansion, critically including surface access. Central to that is the fact that the airport is best placed to lead on surface access issues, including proposed infrastructure developments for the airport, in partnership with local enterprise partnerships, local authorities, business groups, passenger groups, and critically local communities. The current aviation policy framework recommends that each airport develops its own surface access strategy in collaboration with those stakeholders, and sets them out in an airport master plan and associated surface access strategy. The new aviation strategy on which the Department is consulting will ask how the Government can support the planning and delivery of improved surface access to meet passengers' needs.

Passengers travelling to Luton airport by rail will benefit from the brand new light rail system, due for completion in 2020. That new £225 million rail link will replace the existing shuttle bus service and provide a direct link from Luton Airport Parkway station to the airport terminal. At Luton airport, the Government have also funded improvements connecting the M1 spur to the wider motorway network at the £30 million new junction 10a, helping to reduce congestion. Furthermore, and perhaps most pertinent to the points that my hon. Friend made, the south-east midlands local enterprise partnership has also secured more than £21 million of funding to improve local road access for passengers and for planned development around Luton airport.

My hon. Friend's final point was one raised by all hon. Members: the importance of rebuilding trust between airports and local communities, not just regarding the expansion of passenger numbers, but more generally, addressing historical issues. I understand that the publication of the vision document by the airport owner—that is, Luton Borough Council—is the first step in quite a lengthy process. The council will have to undertake further consultations with local communities in both Hertfordshire and Bedfordshire, and with other stakeholders this year. That will include the airport operators as well. The plan is not theirs, but the council's—the airport owner, as opposed to the operators.

We recognise that those who live closest to airports bear a burden of the costs. The Government's current policy objective is to encourage the aviation industry and local stakeholders to strengthen and streamline the way in which they work together, particularly at local level. The airport is already actively engaging with its local community, both directly and through the statutory London Luton Airport Consultative Committee. Furthermore, I assure my hon. Friend that projects subject to the development consent order process as well as local planning processes have to go through multiple consultation stages, during which his constituents and other stakeholders will be welcome to interact and have their say. That will be a new process for Luton airport, which has not had to go through that before.

In conclusion, we are committed to building a successful aviation industry, which is why our strategy is designed to look forward as far as 2050. We have to put the passenger at the heart of that, but also to ensure that we address the needs of the wider industry as well as the communities around the airports. I hope my comments today reassure my hon. Friend on some of the key points, and will perhaps give him some further avenues to pursue in working with the airport to improve the

[Paul Maynard]

lives of people in his community, and those of other hon. Members. I thank everyone for their attendance and attention.

Question put and agreed to.

11.28 am

Sitting suspended.

Independent Living Fund

[MRS ANNE MAIN *in the Chair*]

2.30 pm

Ian C. Lucas (Wrexham) (Lab): I beg to move,

That this House has considered changes to the Independent Living Fund.

It is a real pleasure to have you chair the debate this afternoon, Mrs Main, on the extremely important subject of the independent living fund. The subject is perhaps not discussed as much as it ought to be. It is a very complex area, relating to a fund where there have been profound changes in recent years, affecting some of the most vulnerable members of our community. Fundamental changes have occurred that we need to assess, as one of the things that this House does least well is to revisit changes that have taken place to see whether they are having a positive or negative impact on those affected.

I am grateful to the House of Commons Library for its excellent debate pack and for helping to clarify some of the complex issues in this policy area. At the outset, I would also like to say thank you to my constituent, Nathan Davies, an independent living fund recipient whose circumstances I will talk about during the context of the debate. I have great admiration for him. He is very concerned about the current state of the independent living fund in Wales and its future development.

It is important at the beginning to set the scene and to set out the background to the recent changes to the independent living fund. The fund was first set up in 1988 with the express and very worthy purpose of helping disabled people to continue to live out in the community and to contribute to society generally.

Jessica Morden (Newport East) (Lab): My hon. Friend is quite right to talk about the importance of the independent living fund to his constituent. My constituent Richard, who is also a recipient, told me, “Words cannot really do justice to what the ILF means to me. It is like oxygen. It allows me to get out and about and not to be isolated—to live the best life I can.” Does my hon. Friend agree that gets to the crux—

Mrs Anne Main (in the Chair): Order. Interventions should be very brief, please; this is getting rather long.

Jessica Morden: Does my hon. Friend agree that that gets to the crux of just how important this debate is?

Ian C. Lucas: My hon. Friend and her constituent eloquently set out the importance of the fund. It gives freedom to individuals in receipt of funds to carry out what they want to do in their lives and to contribute broadly to their community.

The fund stayed open to new applicants until 2010 and was then closed. It operated across the UK until June 2015, when it was formally closed. Funding was devolved to English local councils and to the Scottish, Northern Ireland and Welsh Governments. The devolved Governments have pursued different policies on the fund. The Scottish Government set up Independent Living Fund Scotland, and my understanding is that the Northern Irish Government’s funds are also administered through that Scottish body.

Patricia Gibson (North Ayrshire and Arran) (SNP): Would the hon. Gentleman agree with me, and many disability rights groups, that when the decision was made in 2010 to close the fund to new applicants and restrict it to people working 16 hours or more, that signalled the signing of its death-warrant?

Ian C. Lucas: What it did was create a situation that was not sustainable in the long term. Clearly, individuals who ought to have been entitled to support from the fund were not able to access it simply because of when they were applying. So we needed to put in place a different set of circumstances after 2010.

This is a difficult issue, particularly in cash-straitened times. For that reason, the can was kicked down the road from 2010 through to 2015. The decision made in 2015 was, in my view, a hospital pass from the UK Government to other institutions, whether they were devolved Governments or local councils. Budgets were transferred, but they were closed budgets, which had been restricted since 2010. A group of people who became entitled after 2010 were not gaining access to funds. That was not sustainable and had to be addressed by those bodies now responsible—the devolved Governments and the local authorities. Those difficult issues were not dealt with by the UK Government. They were passed on to local councils and to devolved Governments at a time of difficult, straitened and reducing budgets. The very difficult decisions being made on the funding were having to be made by local councils, Members of the Scottish Parliament, Assembly Members, Welsh Government Ministers and Members in the devolved Assembly in Northern Ireland. It is a very difficult issue and we need to be frank in saying that the complexity does not lend itself to easy solutions.

My constituency is in Wales, where the devolved ILF funding was used to set up the Welsh independent living grant. The Welsh Government have said that in 2018 they intend to devolve funding to Welsh local authorities to administer the fund. In that context, it is helpful to consider the experience in England, where funding was devolved to local authorities back in 2015, and very helpful in that regard is the recent qualitative analysis of the closure of the independent living fund in England and the post-closure review carried out by the Government. I make it clear that that is very helpful, but it does not go far enough, and that is an important point on behalf of all recipients of the independent living fund. In order to understand the real impact of the closure of the fund and the devolution of funding, we need to know the quantitative aspects of the results of the Government's actions. We need to know how much individuals who were previously receiving funding from the independent living fund are now receiving.

In one sense, that is self-evident. Individuals who were in receipt of funding before 2015 used that money to do the things that they wanted to do with their lives, for example, for care support, or to work or to get to work—all those things that those of us who do not have disabilities take for granted. The great value of the fund was that it helped people who had disabilities to do the things that those of us who do not have disabilities can do every day. When some of that money was taken away from them, that caused real anguish; the prospect of dealing with whether that money is going to be taken away also causes a great deal of worry.

In Wales, that is what happening at the moment. It is proposed that later this year, the funding will be devolved to local government bodies within Wales without ring-fencing. There is a great element of uncertainty in the minds of individuals currently in receipt of the independent living fund grant about whether they will have sufficient money to continue to do what they want to do.

Mr Gregory Campbell (East Londonderry) (DUP): Given in particular the competing priorities of local authorities, does the hon. Gentleman agree that there is potential for the lack of ring-fencing to result in a very negative impact on those most vulnerable in our society?

Ian C. Lucas: That is absolutely the case. I will be pointing out that that is exactly what has happened in some cases.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate my hon. Friend on securing this debate, which is very timely in considering some of the hardships involved. The problem with devolving such funds to local authorities is, as the hon. Member for East Londonderry (Mr Campbell) mentioned, the background of a lack of resources. Local authorities are placed in the situation of having to prioritise things, and that could inflict further hardship on people who rely on the fund. I have heard about many such cases.

Ian C. Lucas: Absolutely. It is about those difficult decisions that local authorities have to make to balance their budgets. If they are given a budget, the temptation is to do the best they can with their money but to trim, which can have a real and adverse impact on the individuals concerned.

My own efforts to get to the bottom of the financial position of disabled people who previously received money from the independent living fund have, I am afraid, met with little success to date. I tabled some parliamentary questions and the Department for Work and Pensions blandly said in response that there was no central record of the amounts received by individuals following the closure of the fund in England. If one was cynical, one could say that that was convenient but anyway, frankly, it is just not good enough.

My concern, to pick up on the point made by my hon. Friend the Member for Coventry South (Mr Cunningham), is that we are in an era of declining local government budgets and are dealing with some of the most vulnerable people in our society, who were previously in receipt of funding from the independent living fund that enabled them to live their lives in the community. In many cases, however, they now receive less money than they did previously.

Susan Elan Jones (Clwyd South) (Lab): Does my hon. Friend and parliamentary neighbour agree that two debates are happening? One is about devolution, localism and the like—a lot of which is very creative—and the other about everything happening in the background with an agenda for cuts. That is where the problem lies and that is how people with grave disabilities could be greatly affected.

Ian C. Lucas: That is absolutely the case, and I want to talk about one of the people affected: the constituent I mentioned earlier, Nathan Davies.

[Ian C. Lucas]

Nathan is a proud resident of Wrexham and 40 years old. Aged 15, he was diagnosed with a degenerative condition, Friedreich's ataxia, which I had never heard of until Nathan told me about it. In broad terms, it is a rare, progressive genetic condition and, in most cases, a person with the disease will be confined to a wheelchair, as Nathan is, within 10 to 20 years of diagnosis. It causes people to tire easily.

Despite his diagnosis, Nathan worked as a journalist for many years until his medical condition meant that he could no longer continue to do so, although that did not mean he stopped being active. Since 2010 he has received funding from the independent living fund, enabling him to live independently with the help of his family and carers. He continues to write and has published an authoritative study of football grounds in Wales—available from all good book stores—and he now campaigns on disability issues. He is not a man to be trifled with, he campaigns hard in elections and he is known as an important local character in the Wrexham area. He is also a big supporter of Wrexham association football club, which will of course return to its rightful place in the Football League next year—promotion permitting.

Last year Nathan's contribution was recognised by his local Wrexham Glyndŵr University with the award of a richly deserved honorary degree. Today, pretty typically, Nathan is on the front page of *The Leader* local newspaper in Wrexham, campaigning against a council proposal to charge disabled people for car parking. His resilience and determination are admirable qualities, in particular in the face of the condition he suffers from. We should be helping, not hindering, people like Nathan.

Nathan has pointed out to me that in the past he received specialist advice from the independent living fund, the staff of which he found very helpful in discussion and for assessments. That is something I have heard from other recipients when I have attended recent consultation events on the ILF. As a result of support from the fund, Nathan has been able not only to live in the community but, as the independent living fund intended, to contribute in a really positive way to the community in which he lives, notwithstanding his disability and the challenges that he faces.

The difficulty is that doubt about the future of the fund in Wales is now causing Nathan great worry. Devolution of funding to local councils when their budgets are under great pressure means that there is no guarantee that the levels of funding will be maintained, even if an individual recipient's condition deteriorates—for example, I mentioned Wrexham County Borough Council's proposal to introduce car parking charges, which will be an additional expense for someone such as Nathan. The limited research available from England indicates that, as a result of the changes following 2015, more recipients have seen their income fall than increase and 22% of recipients have said that their income has “decreased a lot”; 19% of recipients have said that their day-to-day support has got “a lot worse”; and, in addition, local councils have informed 34% of the recipients of extra restrictions on how they may use their money for support.

In October 2016 the UN Committee on the Rights of Persons with Disabilities reported on the fund:

“The Committee finds that former Fund claimants have seen the support they received from local authorities substantially

reduced, to the extent that their essential needs in areas such as daily personal care are not sufficiently covered.”

My own experience is that local authorities are under great financial pressure, and their staff are subject to increasing stress as they make the budgeting decisions.

The UK-wide consistency that characterised the independent living fund funding is no more. Different national systems, as well as devolved budgets within some of those systems, mean that there is likely to be an increasing disparity in provision for individuals in different parts of the country. I struggle to understand the rationale for that approach. It seems to diminish the support given by the previous administration of the independent living fund and to create great uncertainty in the minds of recipients of the fund.

In our constituency surgeries, we all see the great complexity of payments made to disabled people—direct payments, the independent living fund and personal independence payments—and it is difficult for professional advisers to find their way around the system, let alone individual claimants. My key plea to the Minister, who I am very pleased to hear was confirmed in her post earlier this afternoon—that is hot news for everyone—is that, at the very least, the Government should be collecting the detail of the impact of the ILF changes on previous recipients.

We should know and be obtaining from local authorities details of the financial impact of the closure of the fund on individuals. The suspicion is that the transfer of the funds to local authorities is a way of shifting difficult decisions on assessments to councils with diminishing funds, and that the failure to ring-fence budgets will reduce payments. This is the worry in the minds of disabled recipients. If the Government want to assuage those worries, they need to produce real evidence that that is not happening.

In Wales, there is real concern about the Welsh Government's intention to devolve ILF budgets to local councils. Nathan Davies has arranged an exhibition, characteristically, at Theatr Clwyd in Mold, to highlight his concerns and to put his campaign out there. I will raise those concerns directly with the Welsh Government and I will rely on the evidence from the all too limited research in England to show the adverse impact of the changes in ILF on the income of previous recipients. The lives and experiences of some of those vulnerable individuals have been adversely affected by the changes in recent years. In order to address those concerns, we need more information from all the local authorities in England, to find out the real impact on the individuals concerned, and to take action to improve the situation for those people.

2.51 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Wrexham (Ian C. Lucas) on making such a cogisant speech and describing the issues very well. He mentioned Northern Ireland and, obviously, I will take the chance to refer to that. My hon. Friend the Member for East Londonderry (Mr Campbell) intervened to give some thoughts on what might come. We may be a wee bit disappointed not to have many people participating in the debate, because those who have an interest in the independent living fund will know the good it brings. Perhaps Members' interests are on a much more taxing issue in the main Chamber.

The independent living fund is a national resource dedicated to and specifically tasked with delivering financial support for disabled people. Every one of us deals with all sorts of people in our constituency offices, and a large number of those are disabled. I have always been encouraged by the fact that the independent living fund enables people with clear disabilities to have some sort of a normal life, like we all have. Who in their right mind would not say that it is right to do that? Why should someone who is visually disabled, has behavioural problems or problems controlled by medication not have the opportunity for some independence? Just because people are disabled does not mean that they cannot look after themselves and that they should not be encouraged to do things. The fund enables those disabled people to live normal lives in the community, rather than live in residential care. There must be a great pride and enjoyment in independent living, with people being on their own and not needing residential care. Although the fund is not available in the way that it has been in England and Wales, we retain that in Northern Ireland—it is also retained in Scotland. We continue to support former independent living fund recipients.

Obviously, it is a pleasure to see the Minister in her place. We are here not to give her a hard time—that is not what it is about—but to suggest that, although it is a devolved matter, we recognise its good. Perhaps the Minister will respond to that in a positive way, and to the very salient points made by the hon. Member for Wrexham. Why should those who have disabilities not have recourse to an independent living fund? Why should they not be able to live a normal life? I believe they should, and I say to the Minister gently that it is discriminatory to do otherwise. The hon. Gentleman referred to that in his introduction, and I will focus on that in my contribution.

I refer the Minister to the inquiry carried out by the UN Committee on the Rights of Persons with Disabilities, which was conducted under article 6 of the optional protocol to the convention on the rights of persons with disabilities, to which the UK has been a signatory since 2007. I understand that a number of UK groups and organisations have contacted the committee with fears that Government reforms were having a negative impact on the basic but critical right of disabled people under articles 19, 27 and 28 of the convention. It is important that we do not ignore that. I am my party's spokesperson on human rights, so it is an issue close to my heart, and I want to focus on it in the short time we have.

Articles 19, 27 and 28 of the convention are concerned with living independently, employment and social protection—all three are critical things that we have every day in this Chamber as able-bodied people, but that other people may not have in some parts of the United Kingdom of Great Britain and Northern Ireland. The Library briefing states:

“The Independent Living Fund in the State party has been closed to new claimants since 2010 and was definitively closed in June 2015. The funds transferred from the central administration to local authorities under the scheme of localization were not ring-fenced in England”—

the hon. Member for Wrexham referred to that in his speech—

“affecting the majority of former Fund users.”

Therefore, the ones who are most impacted are those who were recipients of it and now are not. The impact on them is greater than ever. The briefing states:

“The Committee finds that former Fund claimants have seen the support they received from local authorities substantially reduced, to the extent that their essential needs in areas such as daily personal care are not sufficiently covered.”

We encouraged them to be involved in the scheme and then we took away that scheme. We took away the independence that they once had. That concerns me. It continues:

“The Committee takes note of the decision made by the devolved administrations in Scotland and Northern Ireland for the maintenance of schemes equivalent to the former Independent Living Fund”.

The briefing also cites an article titled “Government's failure to ring-fence ILF funding ‘is leading to postcode lottery’” across the United Kingdom of Great Britain and Northern Ireland.

Mr Jim Cunningham: One issue—I am sure the hon. Gentleman has come across this as well—is young people with mental illnesses, which very often imposes a burden on the families concerned.

Jim Shannon: I have come across that issue—many of my constituents are affected. Often, for those people with mental problems, the medication and their families monitoring, assisting and supporting them is all part of it. They want to have that independence as much as they can within the restrictions of their lifestyle and medications, with the support of their families.

We cannot forget the press headlines of the last few years—I will quote some of them to have them on record. I am not a Welsh MP, and none of us here is a member of the Welsh Government, but one headline in relation to the Welsh independent living grant states that the Welsh Government have “sold disabled people down the river”. Another headline reads: “Disabled activist ‘is fighting for his life’ as he hands petition to Welsh government”. I know and understand that it is a devolved matter for which the Minister is not responsible, but these are indications of where we need to do things. Another headline, dated 13 July 2017, reads: “Disabled people call for return of UK-wide Independent Living Fund”, to which everyone should subscribe. The last of the recent headlines is: “Years of austerity have left personal assistance in ‘very fragile state’”.

Hon. Members have a duty, to which I think we all subscribe, to reach out to ordinary people who just happen to have a disability that restricts their ability to have a normal life, to protect them and to enable them at least to aim for a much better lifestyle. It is the duty of elected Members of the House from all parties to ensure that we offer support to those who, unfortunately, do not have the ability to look after themselves. Let us do that in a suitable way. I look to the Minister, with great respect, for a response that enables us all to do that. I know that we have it in Northern Ireland, but parts of the mainland do not. Let us get it all together.

3 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I thank the hon. Member for Wrexham (Ian C. Lucas) for bringing forward this debate and for his considered and thoughtful approach.

A number of Members expressed concerns about changes to the independent living fund. The hon. Gentleman set out clearly and poignantly the case of his constituent,

[Patricia Gibson]

Nathan Davies, and reminded us why the fund is so important. The fund is worthy of our attention because it is vital to people who live with disabilities. It is specifically designed to help people with a disability to live independently in our communities, and provides additional financial assistance to those already in receipt of support from social services to enable them to access essential support. We should all be able to support that without equivocation. Threats to the fund, or threats to reduce it, make it harder for people with disabilities to live independent lives. Who on earth would support that?

By the DWP's own admission, the UK Government's closure and transfer of the scheme to local authorities in 2015 caused many recipients severe hardship. We have heard repeated examples of that happening in constituencies throughout the United Kingdom. I say to the Minister with utter sincerity that that feeds into the perception held by a number of people that this Government are cruel and callous when it comes to supporting the sick and the disabled. I know that the Minister will reject that analysis—I would expect her to—but that perception exists, and that is a problem for the UK Government. I hope she is mindful of that and does her best to address it. The closure of the independent living fund does not help to counter that perception but feeds it. I am sure the Minister wants to seek to address that, and I know that she will take the point on board carefully.

Many Members mentioned the UK Government's short-sighted and hugely concerning decision not to ring-fence the fund when devolving it to local authorities. Lord Freud, who was then Under-Secretary of State at the DWP, told the House of Lords in 2014 that

"local authorities need to be allowed to meet their statutory responsibilities in a flexible and responsive way and the ring-fencing of funding prevents this."

I am sure that the intentions were honourable, but we have heard repeatedly that there can be no doubt that that created, by accident or design—it does not really matter to people suffering from the policy—a postcode lottery. We heard that from the hon. Members for East Londonderry (Mr Campbell), for Strangford (Jim Shannon) and for Wrexham. That is because local authorities now determine their own eligibility criteria, and they often do not provide the same funding as the independent living fund did. Considering that the fund is about vital support, that cannot be acceptable, and that decision needs in all good conscience to be revisited. I urge the Minister to do so, and I hope that she is minded to.

Ian C. Lucas: I very much take the hon. Lady's point. Is that not made worse by the fact that budgets are broadly decreasing at the same time? Local government bodies have the unenviable task of somehow maintaining funding to individuals at a time when their income is falling.

Patricia Gibson: I very much agree. Local authorities across the United Kingdom face difficult choices, but many people, particularly in England, believe that they face unprecedented funding crises. In Scotland, we have tried hard to protect local funding as far as possible—it is not always possible—under budgetary constraints,

but Welsh and particularly English local authorities have faced deep, biting cuts. Thankfully, we are working hard to avoid the worst excesses of those cuts in Scotland, but devolving something and not ring-fencing it when there are so many budgetary pressures creates a difficulty with regard to what is prioritised and what it is possible to do.

Mr Jim Cunningham: On the hon. Lady's point about local authority budgets, to take the west midlands as an example, Birmingham, the largest local authority, has to make cuts of just under £1 billion. In Coventry, that figure is more than £100 million. That is the type of pressure there is on budgets. My view, frankly, is that central Government should never have devolved—

Mrs Anne Main (in the Chair): Order. The hon. Gentleman is making a speech rather than an intervention. I call Patricia Gibson.

Patricia Gibson: I take on board what the hon. Gentleman says. We have heard that there is a sense that devolving vital support to local authorities without either ring-fencing it or properly funding it is a way of dodging responsibility. I know that the Minister will seek to address that. Considering how important that support is for people living with disabilities, the situation is not sustainable.

It was deeply disappointing that, in 2010, the Labour Government tightened the fund so that it would accept applications only from people who were working 16 hours or more a week. That was done essentially with no consultation, and it was one of the last acts of the outgoing Labour Government. That was greatly disappointing to many people, particularly given how important the fund is and how many disabled people throughout the United Kingdom looked to the Labour Government at that time to champion their rights and support them. Many would argue—disability organisations certainly have—that tightening the eligibility criteria was the first step towards signing the death warrant of the fund itself, which is deeply unfortunate.

We in Scotland have chosen a different path. The devolution of powers permits various constituent parts of the UK to do things differently if they see fit. That is what devolution is all about. I say in just about every debate that I participate in that I do not really care where a good idea comes from: if it is a good idea, we should all seek to emulate it. I urge the Minister to look carefully at the independent living fund in Scotland. This issue should not be party political. It should be about seeking to do what is best for those who rely on this essential support. Party politics should not come into it. I urge the Minister to look carefully at what is going on in Scotland and to learn whatever lessons she thinks are of use to help to give people in England essential support.

The hon. Member for Wrexham is absolutely right that these are not easy decisions—thinking about how to spend taxpayers' money is never easy—but most people in society would agree that supporting people with a disability to live independently in their communities and contribute in the best way they can to those communities, which is what they want to do, is worth looking at seriously. This is not easy, but some things are too important for us always to be guided by pounds, shillings and pence.

Ian C. Lucas: Can the hon. Lady tell me whether the Scottish fund is open to new applicants?

Patricia Gibson: I can: it opened at the end of 2017, and I will make a few remarks about it. In 2015, the Scottish National party Government created the public body, the Independent Living Fund Scotland, on the back of the UK Government closing the UK scheme. There was £47.2 million of the former independent living fund to be administered to support 2,600 people in Scotland, with 99% of recipients stating that the fund helped them to live their lives more independently. In addition, the Scottish Government injected an additional £5 million to support those aged between 16 and 21—a transitional fund to help them into adulthood. From the end of last year, it is open to new applications.

We must not lose sight of what the fund is for: to help recipients of all ages to contribute to and participate in their communities, which we can all support and get behind. We want all people—people living with a disability or not—to live as independently and productively as they possibly can. The Scottish Government have worked with those living with a disability to develop the fund to ensure they have choices and are treated with dignity, respect and fairness.

The Scottish Transitions Forum, a national network of more than 850 professionals, young people, parents and carers, funded by the Scottish Government, has helped to inform the progress of policies. It is essential and should go without saying that the voices of the people directly affected by the policy should help to shape it from the bottom up. I urge the Minister to ensure that, across the United Kingdom, policies and initiatives, particularly with regard to those living with a disability, heed their voices and put them at the heart of the process to help improve the situation.

3.11 pm

Marsha De Cordova (Battersea) (Lab): It is a pleasure to serve under your chairmanship, Mrs Main. I congratulate my hon. Friend the Member for Wrexham (Ian C. Lucas) on securing this important debate and I thank everybody for their valid contributions and interventions this afternoon. My hon. Friend makes a really good point in that this issue has probably not been discussed. Given it has been nearly two and a half years since the fund was closed, it is worth our revisiting it today. He points out that this is a technical issue. Also, he made the really important point that we need to know the quantitative impact of the devolving of funds on existing claimants. He rightly set out the importance of the fund and the part it has played in many disabled people's lives to enable them to live an independent life and able to fully participate in society.

My hon. Friend set out how the fund made a contribution and how it was devolved to local authorities, particularly in England. That is a good example of the impact it could have when the scheme is changed in Wales. As it stands, it will potentially be devolved to local Welsh authorities, as has happened here in England. He made the point that local authorities' budgets have been put under great strain, given the funding cuts they have had to endure over the past seven years. We need to take a fresh look at the way funding is given to support disabled people.

I pay tribute to Nathan Davies, a constituent of my hon. Friend the Member for Wrexham and a recipient of the fund. He is a disability rights campaigner and I

thank him for all that he does. We need to hear the voices of disabled people so that we fully understand the impact that decisions made here have on disabled people outside.

Susan Elan Jones: Does my hon. Friend agree that one of the fears that my hon. Friend the Member for Wrexham, I and others have is that, because there are such pressures on council budgets, there will be great campaigns on locally based issues—the closure of a library or the like—but individuals with disabilities will not have that same sort of voice and could therefore be left unheard and with financial problems as a result of the changes?

Marsha De Cordova: My hon. Friend makes a really valid point. She is right. We need to ensure that the voices of disabled people are heard. I can refer back to my own experience here in London in a particular local authority when the campaign on the closure of the independent living fund began. A lot of campaigning took place. It is important that we encourage and empower disabled people to ensure their voices are heard. I totally take her point that we need to ensure disabled people's voices are not lost in any of the debates. As a disabled woman myself, my role is to ensure disabled people are empowered and their voices always heard.

From the outset it is fundamental that any support for severely disabled people is adequately funded so that we can ensure people with disabilities can live independently. We know that disabled people are twice as likely to live in poverty compared with non-disabled people, in part due to the extra costs associated with living with a disability. I cannot carry on further without talking about the Government's past record in terms of the disproportionate impact that their cuts have had on disabled people. There are 4.2 million disabled people living in poverty and over the past seven years many disabled people feel they have been scapegoated by the Government. A 2016 inquiry by the UN's Committee on the Rights of Persons with Disabilities found that since 2010 the UK Government have been responsible for "grave or systematic violations".

The independent living fund—I will refer to it as the ILF—closed in June 2015. The funding was devolved to English local authorities and the Scottish, Welsh and Northern Irish Governments. Devolved Governments adopted their own different policies. We have already heard about the Scottish, Welsh and Northern Irish policies. The ILF was originally set up in 1988 to help cover the extra costs of being severely disabled. It was also to ensure that disabled people could lead a full and active independent life in their community, rather than living in institutions or in residential care. At the time of the fund's closure, more than 16,000 disabled people in Britain were receiving an average of around £350 a week towards the costs of living independently.

The ILF was a vital financial resource for many severely disabled people that enabled them to live independently. It helped to cover the everyday tasks that many of us take for granted such as cleaning, washing, cooking, going out and being able to participate fully. At the time of the closure the coalition Government stated that all existing recipients would continue to be funded by their local authorities. In reality, that has not always been the

[*Marsha De Cordova*]

case. It was suggested that many local authorities would not ring-fence funding and the grant would simply be absorbed into a general pot.

For example, Disability Rights UK research suggested that only 29 councils in England would ensure non-ring-fenced funding would be allocated. Indeed, the UN Committee on the Rights of Persons with Disabilities, “observed that social care packages have been reduced in the context of...budgetary constraints at the local level.”

As I have alluded to, we know that since 2010 local authorities have come under extreme pressures and have seen their budgets cut. They will continue to have to make cuts and it is unsure how much support disabled people will receive. For example, when an individual who received 27 hours of support a week through the ILF was reassessed under the local authority arrangement, he was to be given just nine hours’ support. Potentially he would have to make contributions as well, and naturally that would have been unaffordable.

The extensive cuts to local government funding have ensured that in many cases some disabled people have been restricted or limited in the lives they could lead. As has been pointed out, there were local campaigns; I was not in this place at the time but I am led to believe that there was a protest here, by disabled people who wanted to change Government’s decision to end the independent living fund in its current form without devolving it to a local level. Despite assurances from the Government of the day, support has been removed from some disabled people, and reduced for those with the highest support needs. In England in particular, there is pretty much a postcode lottery; the level of support that people get is almost dependent on the local authority area they live in. We would all agree that it is fundamental that disabled people’s independence should not be dependent on the level of funding or eligibility criteria set by an individual local authority. Distribution of funding should also be based on need; therefore there should be some sort of universal policy for how that is done.

I want to speak briefly about eligibility. That is determined by the local authority, and we do not see, in many cases, whether recipients’ support has decreased or increased. A decrease would undoubtedly have an impact on someone’s ability to live independently. I share the concern of my hon. Friend the Member for Wrexham and hope that the Minister can respond on the important issue of what the impact of the changes to the independent living fund has been. How many recipients’ support packages have been reduced, and how many have remained the same? Are there any instances, among so many disabled people, of the support being enhanced? It is also important that we should know that disabled people’s voices will be included in the future when decisions are made about them. That is something that I believe and take a stand on, as does the Labour party. Since 2013 disabled people have experienced £27 billion in welfare cuts, affecting social security and social care support.

As I said at the start of my speech, we believe that it is fundamental that adequate funding is provided to enable severely disabled people to live independently. The Government must ensure that local authorities and devolved Governments are adequately funded. I urge the Minister to touch in her response on how we will deal with working-age disabled people.

Mrs Anne Main (in the Chair): I remind the Minister that Mr Lucas has the right of response, so perhaps she will leave a couple of minutes at the end of her remarks.

3.23 pm

The Minister for Disabled People, Health and Work (Sarah Newton): It is a pleasure to serve under your chairmanship, Mrs Main, and I appreciate that reminder.

I welcome the debate secured this afternoon by the hon. Member for Wrexham (Ian C. Lucas). It is important, and I agree with him: although I have been in the House seven years, and obviously we legislate for a lot of changes, we do not spend enough time going back over them to see whether they delivered on our good intentions. It is important to scrutinise, debate and revisit what we have done. There are of course always lessons to be learned, and we should do that—learn the lessons as we go forward. I welcome the contributions made by the hon. Members for North Ayrshire and Arran (Patricia Gibson), for Battersea (Marsha De Cordova) and for Strangford (Jim Shannon). I can clearly see that they and other Members who intervened in the debate deeply share my commitment to disabled people, and that they want to ensure they can play as full as possible a part in society. They spoke passionately about their constituents and people who have benefitted from the independent living fund.

From the outset I want to assure everyone present for the debate that the Government are absolutely committing to provide the right support for disabled people so that they can live independently. I want to address the detailed points that were raised, but it is important to take up the challenge set by the hon. Member for Wrexham to look back and explain the reasons for deciding to close the fund in the first place. It is clear to me, looking back at what my predecessors aimed to do, that the decision was driven by a clear case for reform, rather than any desire to cut costs. The way disabled people are supported to live independent lives has changed significantly in the past 20 years, so the ILF model was becoming increasingly outdated. There have been significant changes to the social care landscape over the period, which have meant that mainstream provision now offers the type of control and choice that we have heard about this afternoon. That is far more available in mainstream provision than it was at the time when people thought we needed an independent living fund because those services, and that support, were not available.

I do not think it was right that the ILF was a discretionary fund. As with any discretionary fund, that inevitably led to quite a lot of inequity; people with similar disabilities did not get equal access to services. I was proud to be a member of the Bill Committee on the Care Act 2014, which I remind hon. Members secured all-party support. It was recognised as a huge, significant reform to social care—probably the most significant for 60 years. It was clear that the Act was intended to promote greater independence as well as to increase disabled people’s control over their care and support. It incorporated and built on many of the features of the ILF. Of course, importantly, the Act introduced national eligibility criteria for access to adult social care. That was no longer discretionary, with people having to apply to a fund and others deciding how it should be spent. Criteria were nationally set. Local authorities have a statutory responsibility to deliver on it, but of

course they have discretion to do more. We have heard examples from Scotland. Wales takes a different approach, and local authorities throughout the country can innovate. They can join up with other services, such as supported housing, and there are huge opportunities to innovate and join up services.

The Care Act 2014 established not only eligibility criteria but standards. Like any hon. Member present this afternoon, when I work with my constituents we are interested in the quality of care. It is important to focus on that, and not always just on the amount of money, although funding is of course important. The Act brought in consistency in eligibility and in quality of care, and that was a huge step in the right direction.

When responsibility for the ILF was transferred to local authorities and devolved Administrations, of course it was very much part of the Government's thinking on supporting the principles of localism. Local bodies are accountable to local people in their areas, and are best placed to make the decisions about how to support people. Just like other Members, I get frustrated and even angry with the local authority in my area when it does not prioritise the most vulnerable people. I do not shrink from the fact that because of the financial situation that we inherited in 2010 there have had to be cuts to local authority budgets, but they still have substantial amounts of money. They have to make choices, and when anyone asks me I am clear that they should prioritise the most vulnerable.

We have heard comments this afternoon about the legality of what the Government are doing, and that in some way we are in breach of our obligations under the Equalities Act 2010. I wish to respond to that and emphasise that the Government's decision to close the independent living fund was challenged in a judicial review, and throughout the process the DWP won on all points. It was judged that the consultation was fair and that it had paid due regard and proper attention to the public sector equality duty. At appeal we were directed to prepare a new equality analysis, which we did, and that informed the decision to transfer funding and responsibility to local authorities in England and the devolved Administrations in Scotland and Wales. That was announced in March 2014, and it was all put in place at the time of the transfer.

At that time, a huge amount of support was given to local authorities and the devolved Administrations, which people very much welcomed. The ILF was fully funded when it was transferred to local authorities, and the Government guaranteed funding for former ILF users until at least 2020. The funding forecasts used to calculate local authority grants were based on the ILF's own models. That was an independent body—a charity—and the forecasts were based on its models. The budget for the final year of the ILF was £262 million, and in England £363 million was transferred in two years following the closure of the scheme. A further £498 million will be transferred to local authorities between now and 2020, to cover ongoing local authority payments to former ILF recipients. Funding per person has been maintained, and that is what matters to individuals.

As has been said, the funding was not ring-fenced, because I firmly believe that local councils are better placed than central Government to take decisions about their own area, including how they spend their budget. Any attempt to dictate the terms of the transfer would

have frustrated the aim of enabling local authorities to join up services that they often already provide to disabled people in their communities.

Ian C. Lucas: The Minister said that funding to individuals has been maintained. How does she know that when she does not keep records of the amounts paid by local authorities to individual recipients?

Sarah Newton: The hon. Gentleman raises a good point. We transferred the money for that purpose—I was going to come to this point later in my speech, but I will say it now. The hon. Gentleman gave various numbers for losses, cuts, and people not receiving money that came from the research that he has done, including work with third-party organisations. Before this debate I asked him to come and see me so that we could talk the issue through, because the fund was certainly transferred in the full expectation that its recipients would have their funding maintained. If there is evidence to the contrary I would like to sit down with him and go through that.

I appreciate the hon. Gentleman's welcome for the independent review of the impact of the fund. That was carried out by leading social scientists and showed that the majority of people interviewed during the research were seeing the same level of expenditure, or more, and that the level and quality of support were going up. However, there was variability in that research, and I would be delighted to sit down with the hon. Gentleman and make sure that the money is being spent in the way that was intended.

Through the devolution of the fund, the vast majority of recipients of ILF—94%—were also recipients of care and financial support from local authorities. There was a lot of duplication, and that has enabled local authorities to have the person-centred approach that the Care Act 2014 was always about. We need to join up services around the individual because no two people are the same. No two families have the same circumstances, so we must ensure that support meets the needs of the individual and enables them to live as independently as possible. As the hon. Gentleman recognised, these are devolved matters, and it is for the Welsh Assembly to make these decisions. The Welsh Minister for Social Services and Public Health said that funding of the ILF will continue in Wales, as that will equalise support and “make it more sustainable”. That is certainly a point that the hon. Gentleman's colleagues in Wales recognise.

We have a clear commitment to ensure that disabled people have the support to lead independent lives, and that is demonstrated in the fact that the Department spends well over £50 billion a year. This year, £52 billion will be spent on benefits to support disabled people and those with health conditions. That is around 2.5% of our GDP, and more than 6% of Government spending, and it is up by £7 billion in real terms since 2010. It is simply wrong when colleagues stand up in the House and say that the Government are cutting benefits for people with disabilities. These are indisputable facts, and when hon. Members stand up in the Chamber, and elsewhere, and wonder why there is a perception that the Government are being cruel and heartless to disabled people, I think they should look at themselves in the mirror. When Members constantly misrepresent the facts, of course people will be worried and scared. Like any other

[Sarah Newton]

constituency MP I hold weekly surgeries, and I am frankly dismayed when people come along holding their Labour leaflets and showing me what they are being told. They are scared about cuts that are not happening.

Marsha De Cordova: It is not right to say that we are not being truthful because there have been severe cuts to support for disabled people. The introduction of the personal independence payment and the abolition of disability living allowance means that fewer people will receive additional support to help meet the extra costs of living with a disability. The time limiting of contributory employment and support allowance has also led to a reduction in the number of recipients who are eligible for support—

Mrs Anne Main (in the Chair): Order. This is an intervention, not a speech. The Minister is replying to the debate.

Sarah Newton: As I said, we are spending more than £7 billion more than in 2010, and the changes we have made to the personal independence payment mean that more people are now eligible for support. People with conditions such as multiple sclerosis and those with variable conditions are now eligible, as are people with mental health problems. We have widened the range of people with health conditions and disabilities who can apply for the personal independence payment.

Ross Thomson (Aberdeen South) (Con): Does the Minister agree that there is a stark difference between perception and reality, and that while some may use that perception for partisan reasons and to play politics, the reality on the ground is that the Government are supporting those who are disabled to live fulfilled and full lives, and helping them to gain choice and control over how their support is delivered?

Sarah Newton: I am grateful to my hon. Friend for pointing that out. The numbers clearly show a significant contribution to helping people live independently, but these things are not the only things we are doing. He is completely right to talk about enabling people to play their full part in society, including in work, and I am delighted that so many more disabled people are in work. The vast majority of disabled people want to play their full part in society and to be able to work, and we have set up very ambitious plans to ensure that more people have more support.

Let us look at some of that support. Not only do we have ESA and the personal independence payment, but enhanced and tailor-made support is available through the work coaches in Jobcentre Plus—that is more than £330 million. The marvellous Access to Work programme enables people to receive support of up to and over £40,000 a year so that they can go to work and stay in work. The subject of the newly launched Work and Health programme brings me on to the point raised by the hon. Member for North Ayrshire and Arran about working collaboratively with Scotland. I am delighted that in Scotland people are working so constructively on some of that innovation, and testing new ways that we can support people to get into and stay in work.

We have a constructive working relationship with Scotland, and Scotland is benefiting from some of the considerable investment we are putting into that programme. Just this year we have two funds, one of nearly £80 million and another of about £35 million. I will, of course, always look to work with colleagues in any part of the country where we can work collaboratively and constructively to learn from each other, so that we can enable more people to play as full a part in society as they possibly can.

We have also talked about other parts of the funding. Adult social care is incredibly important for disabled people, and we have committed to publishing a Green Paper by the summer, setting out how we will reform the system and have a longer-term settlement on social care. An inter-ministerial group has been set up to do that, because it is an essential reform that we need to achieve. It is also important to have a cross-party, whole nation approach to doing that, because various Governments have tried to get it right, but we have yet to come up with a settled view we can all support. I think that is long overdue, and I will work hard to support that inter-ministerial group in coming up with a set of proposals that will aim to command the support of the whole House. Any hon. Members here who would like to join would be welcome.

Marsha De Cordova: I am really pleased that there will be a cross-ministerial group. Can the Minister confirm that working-age disabled people will also be considered in the Green Paper and in the reform of adult social care?

Sarah Newton: We definitely have two pieces of work under way. One is part of adult social care and is about the care of elderly people, and one is for working-age disabled people. That is incredibly important. We are always looking to see what more we can do to support disabled people to live as independent a life as possible, and I also want to ensure that, as we look ahead, we draw on the lessons we will learn through the considerable investment in innovation that we are putting in through the Work and Health programme. I want to ensure that we have an evidence base for the reforms we want to put in place.

In the meantime, we know we need to put more money into the system. We have put in an additional £2 billion over the next three years. That money was committed in March last year, and will mean that local authorities have the funds they need to support disabled people in living as independent a life as they can and to meet their social care needs. Councils have access to £9.25 billion more in dedicated funding for social care over the next three years. I think that, with this additional funding, local authorities have the ability to meet the needs that have been clearly set out there and to meet the responsibilities set out in the Care Act. It is important to analyse the impact of the closure of the independent living fund and I am happy to meet the hon. Member for Wrexham, because what I really want to do is focus on what more we can do in the future.

I hope that hon. Members who have been present for today's debate will see that we have a big ambition, through a whole range of programmes, to enable disabled people to live independently and play their full part in society, helping them into work. I believe that the challenge we face as a nation is above party politics;

it should be above party politics. Those colleagues who want to work with me to improve, learn and move forward to realise that bold ambition are very welcome to join me in a meeting and in that great challenge.

3.44 pm

Ian C. Lucas: I thank the Minister for her response. The first step I would like to see is for the Government to begin collecting the information from local authorities on the real impact of the closure of the fund on individuals within each local authority area in England, so that we are informed about that situation and can hopefully put at rest the minds of those individuals who face the closure of the fund, such as my constituent Nathan Davies. As a matter of policy, it should always be the case that the Government collect information arising from their own policy decisions. I am amazed that that has not happened to date.

On the issue of the impact of cuts to individuals in receipt of disability benefits, the reality is that, as constituency MPs, we see individual people whose income has been reduced because of political decisions made by the Government. Whether or not the Government have paid an extra £7 billion into the Department for Work and Pensions fund, those individuals have had a reduction in their income. That is what we are campaigning on, and why we are arguing in favour of supporting those people and making political cases.

The Minister is a politician, as I am. We take different views, but I do not doubt her integrity and she should not doubt ours. We campaign because we are representing those individuals who have had their incomes reduced as a result of the political choices the Government have made. We will continue to make that political point, because we see a different vision from the one she sees. That is what our democracy is about. For the most part, this has been a non-partisan debate, and I am rather surprised that the most partisan element was introduced by the Minister, because it is a hugely important issue. We all want to support disabled people. I would be happy to meet the Minister to discuss matters. I will have discussions with members of my own party about the future of the fund in Wales, because I am not convinced that the evidence from what has happened in England supports devolution to local authorities as a good way forward. If the Minister can convince me otherwise, so be it. I will meet Welsh Ministers to discuss the issue with them too.

I am grateful for the debate, which has been helpful and has clarified a number of issues, and I am grateful for the manner in which you have chaired it, Mrs Main.

Question put and agreed to.

Resolved,

That this House has considered changes to the Independent Living Fund.

3.47 pm

Sitting suspended.

Shoreham Air Show Crash: Access to Justice

[MARK PRITCHARD *in the Chair*]

4 pm

Tim Loughton (East Worthing and Shoreham) (Con): I beg to move,

That this House has considered the Shoreham air show crash and access to justice by families of the victims.

I welcome the Under-Secretary of State for Justice, my hon. Friend the Member for Bracknell (Dr Lee), as the last man standing in the Ministry of Justice. I will be easy in my comments and certainly not apportion any blame to him for the inadequacy of any answers he may be able to provide.

This is an important matter. On 22 August 2015, a vintage Hawker Hunter jet plane crashed at the Shoreham air show in my constituency. Eleven men tragically lost their lives, and many stories of the personal tragedies that accompanied that loss touched a chord across the nation. It represented at the time the largest civilian loss of life in the United Kingdom since 7/7, and the first fatalities on the ground at any UK air show since 1952. Those statistics will give little comfort to the victims' families, and I am sure that I echo the feelings of the whole House when I say that our thoughts and prayers go out to them, and that the first priority remains to give them the support that they will need in these difficult times.

Those were the words that I used when opening a debate in this Chamber on 15 September 2015, just three weeks after that tragic accident. Twenty eight months on, the coroner's inquest has still not happened and is not scheduled until November 2018 at the earliest, and no decision has been taken by the Crown Prosecution Service about whether any charges will be brought against anyone or any body. The lack of any decisions about prosecutions has already led to delay in the coroner's inquest. Indeed, the West Sussex coroner, Penny Schofield, has written again just this week to families of the victims to postpone the third pre-inquest review hearing, due on 24 January, to 26 March. There is growing concern that the inquest may well not happen in 2018 at all, given its dependence on getting prospective criminal proceedings out of the way, despite the huge efforts being made by the coroner, which I know are greatly appreciated by the families of the victims. I want to pay tribute to the sensitive and sympathetic way in which the coroner for West Sussex, Penny Schofield, has dealt with the families in this tragic case.

I raised this issue directly with the Prime Minister at Prime Minister's Question Time on 1 November 2017, and specifically the extraordinary decision by the Legal Aid Agency not to extend funding from the exceptional cases fund to the families of the victims at the coroner's inquest when it eventually takes place.

Ellie Reeves (Lewisham West and Penge) (Lab): I am sorry to learn about the difficulties that the hon. Gentleman's constituents have experienced in trying to secure legal representation and legal aid. Legal aid is an issue that I take great interest in, and I previously tabled early-day motion 498 in relation to legal aid for inquests. Does he agree that the Government should review legal aid for

[*Ellie Reeves*]

inquests and ensure that legal aid is granted in all cases for bereaved families where the state is funding one or more of the other parties?

Tim Loughton: I do agree, and indeed the Government are doing that. I will come to that point later on.

I originally raised that decision in a letter to the PM in August jointly with other Sussex Members, including my hon. Friend the Member for Bexhill and Battle (Huw Merriman), but, alas, had not received a response directly from the Prime Minister at the time. The Prime Minister replied at PMQs that she fully understood the concerns of the families and assured me she was committed to ensuring that

“where there is a public disaster, people are able to have proper representation.”—[*Official Report*, 1 November 2017; Vol. 630, c. 814.]

Those were her words. The Lord Chancellor was asked to look at the problem, which is connected to the point that the hon. Member for Lewisham West and Penge (Ellie Reeves) made. I appreciate that the Prime Minister takes a close interest in this tragedy. Indeed, in contrast with the apparent indifference of No. 10 under the previous Prime Minister to the magnitude of this tragedy, the now Prime Minister championed the outstanding role played by the police, especially in the traumatic days that followed the crash, and added her tribute and flowers for the victims.

It is deeply disappointing that since 1 November, all that has happened effectively is a confirmation from the Ministry of Justice that the Legal Aid Agency made its decision properly, that the application and subsequent appeal were considered in line with relevant guidance and that Ministers cannot intervene. The Prime Minister simply pointed out that, before I raised this issue, the Lord Chancellor had announced a post-implementation review of the legal changes made by the Legal Aid, Sentencing and Punishment of Offenders Act 2012, and I might consider making a submission to that review. That is the point that the hon. Member for Lewisham West and Penge made, and I will certainly be using the transcript of this debate to put that case.

The air accidents investigation branch produced a very thorough and comprehensive report on 3 March 2017, but it was not its job to apportion blame and instigate legal proceedings—that is not the way it is set up. A number of questions were raised by that report. The law firm *Stewarts Law*, which has been representing pro bono some of the families, has made a number of comments about that report. The AAIB report says that the investigation found that

“the parties involved in the planning, conduct and regulatory oversight of the flying display did not have formal safety management systems in place to identify and manage the hazards and risks. There was a lack of clarity about who owned which risk and who was responsible for the safety of the flying display, the aircraft, and the public outside the display site who were not under the control of the show organisers.”

It goes on:

“The regulator”—

the Civil Aviation Authority—

“believed the organisers of flying displays owned the risk. Conversely, the organiser believed that the regulator would not have issued a Permission for the display if it had not been satisfied with the

safety of the event...No organisation or individual considered all the hazards associated with the aircraft’s display, what could go wrong, who might be affected and what could be done to mitigate the risks to a level that was both tolerable and as low as reasonably practicable. Controls intended to protect the public from the hazards of displaying aircraft were ineffective.”

Stewarts Law notes:

“Further, there is a valid, proper and serious legal argument that the CAA failed as a regulator in properly implementing a safety recommendation made over six years ago by the AAIB from a previous fatal Hawker crash at Shoreham in 2007.”

As it stands, at the official coroner’s inquest, there will be 19 interested parties involved. All non-family properly interested persons will be legally represented. Only the families of the victims—surely those with the closest and strongest interest in the proceedings—will not have legal representation.

Peter Kyle (Hove) (Lab): I congratulate the hon. Gentleman on securing the debate. As a neighbouring MP and someone who also lost a constituent in this air show crash, may I thank him for the open-hearted and spirited way in which he worked in collaboration with me during that gruesome period? Many of the victims of this air crash were the highest earners of the families from which they were taken, which means that in a hugely complex investigatory and legal landscape funded by Government agencies, these grieving families, who are very vulnerable and most unable to tackle these big issues, need the help of Government more than anybody else. Does he agree?

Tim Loughton: The hon. Gentleman makes a good point. I pay tribute to him and other neighbouring MPs who had constituents who were victims, as I extraordinarily did not. We have been able to act together to give some support and comfort to the families involved. Indeed, there was a public appeal that raised some £200,000, which has been distributed through the Sussex Community Foundation, and I have been on the board of that. I have seen at first hand the huge impact that this has had on families for whom the victims were the breadwinners. As well as going through the trauma of grieving, they have had to reinvent their lives. We need to be as supportive of these people as possible so that they can get through the formal processes, get their lives back on track and get some sort of closure. That is just not happening, which is why I have come back today to raise this matter again in the House.

As I have said, it is not assured that the inquest will go ahead this year, delaying yet further the opportunity for the families to get to the bottom of exactly what happened and achieve some degree of closure.

Huw Merriman (Bexhill and Battle) (Con): Will my hon. Friend give way?

Tim Loughton: I will, and then I want to make some progress before I run out of time.

Huw Merriman: I thank my hon. Friend for giving way, for leading all of us who have bereaved constituents and for the work he has done, particularly for my constituents in Heathfield. I think he is building on this case already, but I put it to him that with an inquest where all the others appearing will be represented and may have a certain drive to ensure that the inquest goes in one particular direction, and where there will be no prosecution as there would be in a court, it is even more

imperative that the families get legal aid, to ensure that there is some semblance of balance for the coroner and guidance.

Tim Loughton: My hon. Friend makes a very good point, to which I will come shortly. I again thank him for co-signing the letter to the Prime Minister and for joining us in this whole enterprise.

The families still have no idea whether anyone will be charged and held responsible for the deaths of their loved ones. That is disgraceful. There has been ping-pong between the police and the CPS as to whether files and complete information have been presented to the CPS. It was confirmed only at the beginning of December that all the files required were with the CPS. Of course we want a thorough investigation of what happened, but does it really need to take this long? The CPS needs to make a decision one way or the other as to whether a prosecution can go ahead, and if one cannot, it needs to explain fully to the families why there are not grounds for a prosecution. We are in a state of limbo that is holding up the entire process, which is completely unacceptable. Frankly, I would have hoped that the Law Officers would have played some part in nudging, at least, the CPS to expedite this matter.

Twenty-seven months on from the debate in which I urged that the first priority must be to give the families the support that they need in these difficult times, it is hard to see how that has been achieved as it should and could have been. I am afraid that the Prime Minister's words when she stated that the families of the victims of a public disaster should be able to have proper representation ring rather hollow.

Why is the decision by the Legal Aid Agency not to permit funding under the exceptional case funding provisions introduced by LASPO in 2013 so patently wrong and unjust? Exceptional case funding is currently available for categories of law that are not in scope for legal aid and where failure to provide legal services would be in breach of an individual's rights, within the meaning of the Human Rights Act 1998, or other enforceable EU rights relating to provision of legal services. Inquests have never fallen within the main body of legal aid provision. Currently, legal aid for inquests is available only at the discretion of the Legal Aid Agency under the exceptional case funding provisions, so this case is just the sort of eventuality that was envisaged when the fund was set up in the original LASPO Act. It has nothing to do with cuts in legal aid funding, as some have tried to claim.

The Law Society has supported this application and strongly believes that bereaved families should have access to legal representation where possible. As it has put it:

"The current definition of exceptional case funding does not provide an adequate 'safety net' for inquests. Applications for exceptional funding are highly complex and time consuming, requiring applicants to have an understanding of human rights law, and in the case of inquests, be able to show that there is an Article 2 (right of life) issue or a wider 'public interest'".

The application has also been supported by the West Sussex coroner, Penny Schofield, who specifically points to problems with the families uniquely being deprived of legal representation, which could lead to a more time-consuming inquest, costing more and denying justice to all on a level playing field. She has said:

"This is a highly complicated case. It involves areas of aviation law which are complex and technical in nature. Families will

struggle to participate in the Inquest in any meaningful way without the assistance of legal representation.

The Inquest will engage a number of complex legal issues including article 2 of the European Convention on Human Rights. It is further complicated by the fact that I will be sitting with a Jury.

If the families are not represented it is likely that the Inquest, which is already likely to last up to 8 weeks, will take considerably longer...The outcome of this Inquest will have a wider public interest. The Inquest will allow for the identification of dangerous practices and/or systemic failings that could potentially be a significant risk to life, health or safety to others for those attending airshows or working in this environment in the future."

She finishes her letter by saying:

"I would fully support any application for funding and would emphasise that in my view it is essential not only for the families but for the wider public at large."

One cannot put it more clearly than that. Furthermore, other, non-family interested parties that are public bodies, and for which legal representation will come from public funds, include Sussex Police, the Civil Aviation Authority, the air accidents investigation branch and the Health and Safety Executive. They will get legal representation paid for out of public funds, but the family of a victim does not qualify.

I pay tribute to Stewarts Law, the solicitors who have represented most of the families pro bono and who have made the formal application for legal funding. They made a case for legal representation to involve an aviation specialist Queen's counsel, supported by a junior counsel and solicitors from the five firms involved with the families across the board. They make the case that "without the support of effective legal representation, it will be impossible for the families to participate in the inquest."

They also make the case that funding should be required by article 2 of the ECHR, the right to life. As has already been said, the AAIB report raised serious questions about the protection of that right by certain public agencies—the systemic failure by the state and its agents in the safe regulation of public flying displays. That should constitute qualification under article 2.

The inquest will undertake an investigation into the cause of the accident. It will give the 11 families an understanding of the events that led to the deaths of their loved ones and enable them to participate in the fact-finding inquisitorial process. Unlike in the criminal investigation, the families have an opportunity to be involved in the inquest process and require legal assistance to do so—my hon. Friend the Member for Bexhill and Battle made that point. The police have referred to the thousands of documents that will be provided to the coroner, and to which the families will have access, that will include technical evidence, lay evidence and witness testimony. Surely the families are entitled to proper legal scrutiny of those. Detailed specialised knowledge is necessary to understand the AAIB report and the supplementary oral evidence from the AAIB, and challenge it accordingly. Additionally, the volume of case documents in the inquest will be such that the families will further require legal expertise to assist in managing the documents and explaining their relevance to the proceedings. Therefore, a strong case was made in the application. It just defies logic that, in this exceptional case, the families have not qualified for exceptional case funding.

This inequality of arms is inequitable and could undermine the inquest's ability to serve the public interest through a failure to protect rights under article 2 of the

[Tim Loughton]

ECHR, with the families in effect being left to represent themselves with one hand tied behind their back. There clearly is a wider public interest, although it is refuted by the Legal Aid Agency. There is a wider public interest not least for the more than 300 civilian air shows that take place up and down the country. They have already been affected by the changes that the CAA introduced in the light of the AAIB investigation report, meaning that some have not been able to stay viable—insurance premiums have gone up in many cases. What is that if not a wider public interest? At the conclusion of the inquest, the coroner is able, under regulation 28 of and schedule 5 to the coroners rules, to make recommendations for changes to ensure improvements to air safety and to prevent future accidents. That is each family's main aim: they wish to prevent similar deaths and to ensure that others do not have to endure this huge trauma and bereavement. That is a wider public interest.

Clearly, therefore, the Legal Aid Agency judgment is flawed. I have requested a meeting with the chief executive, Shaun McNally, which he has agreed to, after it has looked at things further. I gather that the board is still assessing the judgment. I urge it to apply the principles for which the exceptional case fund was established in the first place. In addition, I urge the Government to look at the Law Society recommendations about what the review of LASPO should change, including researching the reasons for the low level of exceptional case funding—the point made by the hon. Member for Lewisham West and Penge.

There is also a wider issue about the inadequate way we fund legal representation for families of victims of multiple-death events. The issue is highlighted most starkly by the appalling delay in achieving justice for the victims of the Hillsborough disaster, which we have heard so much about in this place. In the report commissioned by the Home Office, “The patronising disposition of unaccountable power”, the Right Reverend James Jones, the former Bishop of Liverpool and chair of the Hillsborough independent panel, said that there is a “pressing need” for bereaved families to have publicly funded legal representation at inquests at which public bodies are legally represented. I entirely agree. I have had discussions with the hon. Member for Wirral South (Alison McGovern), who has championed their cause, about achieving a level playing field in these fortunately rare but devastating cases. I have co-signed the letter to the Prime Minister to that effect and hope that the new Secretary of State for Justice and the new team will meet us to discuss that.

This is my ask of the Government and the Minister. First, despite the rules, the Government should find some way to step in and underwrite funding for legal representation of the families urgently, and well before the review of LASPO. Secondly, Law Officers need to put pressure on the CPS to make a decision one way or the other and fully explain it as a matter of urgency. In the longer term, they need to look at the how we ensure that families affected by such tragedies have full recourse to proper legal representation on a level playing field.

This was an exceptional tragedy. It was a tragedy not only for the families, but for the local community, which still bears the scars of what happened, and for the country as a whole, when the spotlight and the cameras

were on the small town in my constituency for those days back in August. It was an exceptional tragedy, and it needs an exceptional response from Ministers and the Government. I hope the Minister will give some assurances that that might now happen.

4.20 pm

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): It is a pleasure to serve under your chairmanship, Mr Pritchard. I begin by paying tribute to my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) for his tireless and tenacious efforts and for securing this debate. I am grateful for the opportunity to respond on behalf of the Ministry of Justice.

The Shoreham air disaster was an appalling tragedy. My heart goes out to all those affected. My hon. Friend has spoken movingly about that tragedy, both today and in the past in the House. The inquest is a distinct judicial process. It can be a traumatic ordeal for the bereaved, both in hearing how their loved ones died and through the frustration in the search for answers. That search for the truth, the answers to the unknown questions, is important in helping the bereaved to understand and make sense of tragedies such as this. It is also important for ensuring we have proper accountability for what happened, and thereby enable the families affected to move on with their lives, even though, of course, it can never compensate for their loss.

The inquest process comes on top of the independent review that was commissioned by the Department for Transport, working with the air accidents investigation branch, which reported last year. I note that the Civil Aviation Authority has accepted all the air accidents investigation branch's recommendations. I mention this because of its importance in the search for all of the answers that the families quite understandably want.

The inquest itself is meant to be an inquisitorial process. It should not be an adversarial court proceeding. Participants are not required to present legal arguments, and they can ask coroners to question witnesses on their behalf. Inquests are about fact finding. They seek to establish the truth. Most inquest hearings are conducted without the need for publicly funded representation. That must be right to ensure they are as accessible as possible to both the bereaved and the wider public.

The specific process for the coroner will be unfamiliar to most people and it is important that the bereaved are properly supported, as they navigate an unfamiliar judicial procedure at such a heart-rending time for them. That is why the coroner reforms we implemented in 2013 were designed to put bereaved people at the very heart of the process. For example, families now have the right to request most of the documents in the case, and they can expect the coroner's office to update them at regular intervals, and explain each stage of the process. The bereaved should be treated with compassion and respect, and their needs should be central to the coroner's investigation and inquest.

The crucial point is that inquests should be more sensitive and more accessible to the citizens they are there to serve. Of course, early legal advice may sometimes be needed and helpful. That is why we have protected early legal advice to support the bereaved in preparing inquests, ensuring that it remains within the scope of

legal aid. It may also be that publicly funded representation at the inquest hearing itself is necessary in certain exceptional circumstances, and if that is the case it should be provided. This was the position prior to the introduction of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, and it remains the position today.

I know criticisms have been made of the exceptional case funding scheme, and how it operates in respect of inquests, but it is important to note that, in the last two years, 328 applications for publicly funded representation at an inquest were granted. That is 62% of all applications, so the scheme does work. It does support families. I appreciate that this will be scant solace in my hon. Friend's case, or in any other case where legal aid was not granted, but my hon. Friend also knows that Ministers cannot intervene in the decision-making process in individual cases, nor should that be possible. Individual decisions are made independently by the Legal Aid Agency, and it is important that these decisions are, and are seen to be, free from political interference.

At a human level, of course I appreciate the frustration in this case, but it was an independent decision made by the LAA. If an applicant disagrees with a funding decision taken by the agency, they have a right to an internal review, and to make further representations. I understand that the application for review in this case was not accepted, but that does not preclude further representations being submitted. My understanding is that so far none have been made.

More broadly, last year the Ministry of Justice spent £1.6 billion on legal aid in England and Wales, which accounts for more than one fifth of the Department's budget. The Government have a responsibility to ensure that those in the greatest hardship, those in greatest need, can secure access to justice. Our job is to make sure that the most vulnerable have the support they need, and that precious and finite resources are made available to that end. That is a responsibility that we take very seriously.

Our approach is not set in stone. We keep it under constant review. For example, Dame Elish Angiolini's important report on deaths in custody highlighted that there are issues in the system relating to public participation in the inquest process. The report was reviewed in the Department and we are updating the former Lord Chancellor's guidance, so that it is clear that the starting presumption is that legal aid should be awarded for representation of the families at an inquest that follows the non-natural death or suicide of a person detained in custody.

We have a wider review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 and the legal aid reforms introduced then, which is under way and

will report by the summer recess. The former Lord Chancellor has made it clear that we will look at the legal aid provision in inquests alongside the LASPO review. But I have to say that we must grapple with a more fundamental point about the accessibility of inquests. It is absolutely crucial that we consider the experiences of the bereaved during the entire process, and explore ways in which we can make inquests more sensitive at such a traumatic time. It is important to consider carefully when legal representation is necessary in what is intended to be an inquisitorial, fact-finding hearing.

The Department basically accepts my hon. Friend's fundamental contention, which he made at Prime Minister's questions back in November, around the equality of arms at inquests. In recent years, more and more interested persons, including public organisations, are deploying lawyers at inquests and this can create an unfair imbalance for ordinary families. But the Department does not believe the right public policy response is to engage in a legal arms race. The Department believes that we must make sure the inquest process retains its inquisitorial rather than an adversarial character and quality. I do not mind saying that overall we need to try to reduce the number of lawyers involved, where it can be responsibly done, if our aim is to make inquests more accessible, and meet the needs of the bereaved, without compromising fairness to anyone involved.

We will look at that in detail over the coming months, including the scope for reducing the number of lawyers on all sides, making the procedure more accessible, and improving the guidance available to support the bereaved. At the same time, we are already investing over £1 billion to transform our courts and tribunals, building on the worldwide reputation of our justice system, so that it is more sensitive to victims, more modern, more efficient, and more accessible. This will provide swifter and simpler justice for everyone, especially those at their time of greatest need. The justice system, and the inquest process in particular, must have due process, but it also needs to be sensitive to the needs of bereaved people at times of their greatest anxiety and indeed even suffering. Legal aid is, no doubt, one piece in that jigsaw, but we must look more widely at the system if we are going to deliver even better access to justice in the 21st century.

I conclude by congratulating my hon. Friend again on his comprehensive and, perhaps more importantly, passionate presentation on behalf of his constituency and constituents. I welcome the other thoughtful contributions, and I will ensure that the new ministerial team at the Ministry of Justice reflects further on them, as we take forward the Ministry of Justice's vital reform agenda.

Question put and agreed to.

Yorkshire Devolution

4.29 pm

Dan Jarvis (Barnsley Central) (Lab): I beg to move, That this House has considered Yorkshire devolution.

It is a pleasure to serve under your chairmanship, Mr Pritchard, and it is a pleasure to see the Minister still in his post—not that there was any doubt of that, I am sure. This debate comes at a critical moment for our region. I was struck by the words of Archbishop John Sentamu, who said this morning:

“Today, our elected leaders have an unprecedented opportunity to repay the trust vested in them by the people and to forge an exciting new future for this great county.”

He went on to say:

“I pray that we will live this out recognising that we have more in common spiritually, culturally, socially, economically, and politically than which divides us... Together we are Yorkshire.”

What eloquent and wise words they are. In delivering them, Archbishop John has set both the standard and the tone for this debate.

All of us here have a responsibility to work co-operatively together to best serve the interests of our region. In that spirit, today I will propose what I hope is a constructive way forward for a future devolved settlement for Yorkshire and the Humber. Before I do, let me say a word about how we got to where we are.

Diana Johnson (Kingston upon Hull North) (Lab): May I congratulate my hon. Friend on securing this very timely debate? I also want to congratulate him on making sure that we are talking about Yorkshire and the Humber. The Humber is essential if we are going to make devolution in Yorkshire and the Humber work, because of the energy estuary and the fact that the north and south banks provide the second largest port complex in the UK—they are vital to this deal.

Dan Jarvis: My hon. Friend makes an important point: the Humber is absolutely vital to this devolved settlement. Whenever I discuss this, I always have her in mind and am always careful to make sure that I speak the words “Yorkshire and the Humber,” but I am grateful to her for reminding us.

I was in the process of reflecting on how we got to where we are. All hon. Members will know that last year, as other parts of the country moved ahead with their devolution deals, we reached an impasse in Yorkshire. In response, the councils of Barnsley and Doncaster held a community poll on devolution.

Stephanie Peacock (Barnsley East) (Lab): I congratulate my hon. Friend on securing this important debate. Does he agree that the very clear result of the community poll sends a strong message to the Government that the people of Barnsley would like a wider devolution deal? With that result in mind, the Government should work with Sir Steve Houghton and Barnsley Council to produce a deal that reflects the overwhelming will of the people of Barnsley. A fresh approach could end the inequality between north and south that has existed for too long.

Dan Jarvis: I am grateful to my hon. Friend and neighbour, with whom I agree. The people of Barnsley and Doncaster were given a very clear choice of whether they wanted their local authority to pursue a Sheffield city region deal or a wider Yorkshire deal. I am very pleased that the people of Barnsley and Doncaster

made their voices heard. Some 85% voted in favour of a wider Yorkshire deal, and in doing so endorsed the approach that their council leaders had taken. They showed those of us who proudly represent the people of Yorkshire and the Humber the scale of their ambition for devolution. For those of us who represent Barnsley and Doncaster, our marching orders are clear.

Philip Davies (Shipley) (Con): Will the hon. Gentleman give way?

Dan Jarvis: I will give way in just one moment, once I have given the marching orders as they have been sent to those of us representing Barnsley and Doncaster. The marching orders are thus: go back to the Government and get the deal the people want.

Philip Davies: Would it not have been more helpful if the community poll had been held before Doncaster and Barnsley signed up to a South Yorkshire deal? In fact, it seems to me that the community poll showed that they had been so badly led by the Labour leaders in Barnsley and Doncaster that they had signed up to something that they clearly did not want. Surely the community poll should have been held before they signed up to the deal, not afterwards.

Dan Jarvis: If I might say so, I think that is a very strange interpretation of the result. The result was a decisive mandate for the leadership of Barnsley and Doncaster councils and a clear endorsement of the wider Yorkshire deal. It is absolutely right that we listen to what the people have told us. If we do not, we will be failing not only to listen but to understand that, right now, for parts of the country and particularly in the north of England, as I hope the hon. Gentleman would acknowledge, the status quo is not delivering. People are disillusioned, and they have a right to feel that way. Just over 18 months ago, the people of Barnsley and Doncaster overwhelmingly voted for Brexit, in part because they felt powerless and in part because they felt tired—tired of being left behind and powerless to do anything about it. It is not hard to see why. Not only do the people of Yorkshire receive an income that is 80% of the national average, but they also receive £300 per head less in terms of public spending, which results in education and health outcomes lagging well behind those of more prosperous regions.

Paula Sherriff (Dewsbury) (Lab): I congratulate my hon. Friend on securing this debate. Does he share my frustration at the recent Budget, in which areas that had secured a regional deal received large amounts of money, whereas the Yorkshire and Humber area seemed to be left behind?

Dan Jarvis: I absolutely share the frustration that my hon. Friend expresses. I am seeking today to engage in the most constructive fashion with the northern powerhouse Minister, and I think this represents a very important opportunity for him and for the Secretary of the State to send the strongest signal of intent to the north of England that they are listening to what people are saying, and are prepared to make decisions that best serve those people's interests.

Judith Cummins (Bradford South) (Lab): I congratulate my hon. Friend on securing this very important debate. Does he agree that, if Government get behind the coalition of the willing, a deal for Yorkshire will be possible?

The Secretary of State needs to deal with this issue with the utmost importance and get a date in his diary to meet with Yorkshire leaders as a matter of urgency. To do otherwise would be a terrible indictment of his commitment to securing a deal for Yorkshire.

Dan Jarvis: I absolutely agree with my hon. Friend. She knows that this Friday in York, the coalition of the willing—leaders from across our area—will meet to reaffirm their support for the wider Yorkshire proposal. I very much hope that when the Minister sums up, he is able to confirm that either he or the Secretary of State will arrange a meeting to sit down with those local government leaders and discuss the way forward.

I was explaining the fact that results in education and health outcomes mean that in our area we lag behind other more affluent parts of the country. I do not begrudge any other part of the country its affluence, but I do understand why people in our region are disillusioned and angry. That desire for Brexit, and the need for devolution, are symptoms of the same malaise. I believe that if we are to make Britain healthy again and heal its divisions, we need a new economic and political settlement that involves genuine devolution of political and economic power that will spread prosperity and opportunity to towns and counties of all regions.

In short, if we are serious about closing the north-south divide, piecemeal changes simply are not good enough. The solution must be as ambitious as the challenge is profound. That is why I believe that a wider Yorkshire deal is the way forward. By working together across the whole of our county and, like in the west midlands, not being confined to just one city, we would have the collective clout and the brand reputation to co-operate and compete not only with other parts of the UK, but with other parts of the world.

Kevin Hollinrake (Thirsk and Malton) (Con): The hon. Gentleman talks about “wider Yorkshire” and “one Yorkshire”. Are his constituents who voted in the recent referendum aware that it will not encompass all of Yorkshire because Sheffield does not want to be part of that settlement? Are they aware of that?

Dan Jarvis: If the hon. Gentleman bears with me, he will hear me refer to that later in my speech. The purpose of this debate and of my remarks is to try to move us from where we are now to a place that delivers the best opportunities collectively for our region. My constituents were very clear about what they were voting for—a wider Yorkshire deal—because they believed that that would be in their economic interests.

The economic case for the wider deal is profound. That is why it is supported not just by the Confederation of British Industry, but by the Federation of Small Businesses and the Trades Union Congress. When Carolyn Fairbairn, the director general of the CBI, told *The Yorkshire Post* that wider devolution would be “good for jobs, good for growth”,

and for unlocking investment and building confidence, I could not have agreed more. When Bill Adams, regional secretary of the Yorkshire TUC, told *The Yorkshire Post* that we can

“combine the advanced manufacturing of South Yorkshire with the energy hub and ports of Humberside, the tourism and agriculture of the North with the financial and manufacturing centres of West Yorkshire”,

I could not have agreed more. Both nationally and internationally, a single Mayor would provide the single voice required to unlock the much-needed new investment. That is critically required in areas such as our transport system.

The inequality in transport spending between north and south has been well documented, but it is worth repeating just how bad the situation has become. London is set to receive 10 times more transport investment than Yorkshire. Because of that, Yorkshire’s transport system is out of date, unreliable and expensive. The separation of transport executives, each with its own precept and fares structure, makes short journeys, such as the 20-minute trip from York to Doncaster, prohibitively expensive. Twenty pounds for an anytime day return is too expensive for working people, and far too expensive to promote the growth that our region needs. A wider Yorkshire combined authority directing investment decisions and using its purchasing power to negotiate with transport providers would address that lack of integration, improve bus and rail services, promote growth and leverage further investment.

Devolution is about more than just transport infrastructure. It is about accessing funding for skills and training, building affordable homes, and preserving our unique culture, countryside and heritage by working together, harnessing our talents, combining our energies and maximising our influence, all of which is in reach.

The people of Barnsley and Doncaster identify with being part of Yorkshire, as do people across our region. The sense of place, community and belonging that comes from identifying with Yorkshire is, in many ways, our greatest asset. As such, we need to make use of it, but I accept that all that is easier said than done, because first we need a consensus between the Government and local authorities in our region. For that to happen, we need a new plan that is carefully considered and painstakingly developed and comes from listening to and understanding all the different views. That will take more time, so first we need an interim solution not only to preserve the goal of a wider Yorkshire deal, but to allow the Sheffield city region to begin to see the benefits of devolution and give everyone concerned the time and space needed to work on a deal.

With the right political will, I believe that holding a wider Yorkshire mayoral election in 2020 is entirely reasonable and achievable, but as things stand we are on course to elect a Mayor of the Sheffield city region in May. The newly elected Mayor would have so few powers that spending up to £2 million on this election would undermine not just his or her position, but the credibility of the whole devolution project. People in Barnsley and Doncaster would rightly feel further disenfranchised and ignored. Indeed, if we are prepared to ignore an 85% majority, what does that say about the state of our democracy?

Today, the leaders of Barnsley and Doncaster councils have written to the Secretary of State setting out a clear plan proposing that an interim Mayor of a Sheffield city region should be appointed for two years while negotiations for a wider Yorkshire deal proceed. That follows the precedent set by my hon. Friend the Member for Rochdale (Tony Lloyd), who at the time was the police and crime commissioner for Greater Manchester

[*Dan Jarvis*]

and was appointed the interim Mayor of Greater Manchester in 2015, with an election being held two years later.

That would mean that the Sheffield city region could access the money and powers sooner rather than later, and that the four councils could consult on a scheme in respect of the additional powers contained in the existing Sheffield city region deal. It would also leave those councils that wish to proceed with a wider Yorkshire deal—the so-called coalition of the willing—free to continue their negotiations and potentially to form a shadow combined authority in which they could work for a wider Yorkshire deal. Barnsley and Doncaster would then be free to join that wider deal as and when it is agreed. Sheffield and Rotherham would also be free to join it, or they could continue with their own city region deal and hold an election at the same time in 2020. That framework embodies both compromise and progress. It is a good offer.

In conclusion, I ask only that the Minister listens to the people of Barnsley and Doncaster. They were very clear in what they said, and it would be wrong for them to be ignored, not least because the Secretary of State was right when he told the Local Government Association that the driving force behind devolution is the desire to bring decision making to a more local level. Now that the people of Barnsley and Doncaster have made their decision—all we want is the very best for Yorkshire and the Humber—we need to put that decision into practice.

Kevin Hollinrake: Does the hon. Gentleman's plan mean that other areas of Yorkshire would not be able to push ahead with a deal before 2020, even if they wanted to? Does it stop anyone else moving forward with their own deal?

Dan Jarvis: The hon. Gentleman would accept—or I hope he would—that the majority of local councils, including North Yorkshire, West Yorkshire and South Yorkshire, have indicated their support for a wider Yorkshire deal. That is what they will be discussing in York. This is not a political argument, in the sense that there is cross-party support. As I am sure he acknowledges, there are some incredibly decent and talented members of his own party, leaders of local government, who strongly share the view that it is in our collective interest to have that wider deal.

We now need a process of negotiation, which is why I very much welcomed the fact that the Secretary of State sent a letter to the leaders of Barnsley and Doncaster councils just before Christmas. It was a very good letter, which initiated a process of negotiation that we are developing further today. It is important that we do that while being mindful that we are working to achieve what is in the best interests of the people we are elected to serve.

Nic Dakin (Scunthorpe) (Lab): I congratulate my hon. Friend on securing this debate. Would the discussions he envisages involve the north Lincolnshire authorities? As he said, it is important that the whole of the Humber, as well as Yorkshire, is involved in this process.

Dan Jarvis: I absolutely would envisage that. I hope my hon. Friend is able to put that point to the Minister, because I would be interested to hear the Government's view.

My view, as I reflected a moment ago, is that it is incredibly important that the deal is for Yorkshire and the Humber—both banks. Therefore, as part of the coalition of the willing, it is very important that the partnership relationship exists.

Alec Shelbrooke (Elmet and Rothwell) (Con): I have listened carefully to what the hon. Gentleman is saying, and I seek clarification on his comments; I am happy to be corrected if I am wrong in my understanding. Is he saying that at the end of the process, if Sheffield and Rotherham councils do not want to break away from the Sheffield deal and carry on, only Barnsley and Doncaster councils will come into the Yorkshire deal, and Sheffield and Rotherham will stay separate and on their own? That is not the Yorkshire deal. Is this just a mechanism for Barnsley and Doncaster to remove themselves from the deal agreed on and come into another deal? That would undermine the whole “one Yorkshire” argument that he is making. I seek clarification on those points.

Dan Jarvis: The hon. Gentleman makes a reasonable point. It is designed to be a mechanism that provides the best possible deal for our region. I think that everybody here would accept that we have fallen behind. Other parts of the country, such as the west midlands, Greater Manchester and the city of Liverpool, are now moving forward with the devolution deals that they have agreed.

What we are looking to achieve is an arrangement that would give Barnsley and Doncaster the flexibility to move into a wider Yorkshire deal in 2020 if that were an option, but would also not bind the hands of our good colleagues and neighbours in South Yorkshire, Sheffield and Rotherham. It would be for them, in consultation with the Government and other members of the combined authority, to take a view on whether they see their future as part of a Yorkshire deal or wish to proceed with their own Sheffield city region deal, which could include neighbouring parts of the country as well.

Alec Shelbrooke: I am most grateful to the hon. Gentleman for being generous with his time. To develop that point, is it suggested that the East-West-North Yorkshire deal would be developed, and that Barnsley and Doncaster could then choose to join it, or is that what would happen at the start? If councils in West, East or North Yorkshire did not want to join in with South Yorkshire, would they be able to stay out of it?

Dan Jarvis: The hon. Gentleman rightly presses me on points of detail. Those are precisely the points that will be discussed by the coalition of the willing when it meets in York on Friday, and they are precisely the important points that should be discussed in any subsequent meeting with those leaders and either the Minister or the Secretary of State. However, the purpose of this debate is to provide a response to the constructive letter received by the leaders of Barnsley and Doncaster from the Secretary of State just before Christmas, and to continue that process of negotiation, so that we can work towards a deal that best serves the interests of the people across our region.

Mr Clive Betts (Sheffield South East) (Lab): I thank my hon. Friend for securing this debate. I feel comfortable with a lot of what he has said; it is based on the

Secretary of State's letter before Christmas saying that if districts want to leave the Sheffield combined authority city region at some stage for another arrangement, they should be free to do so, but equally, if districts want to remain there, particularly Sheffield and Rotherham, they should be free to have a devolution deal.

My one concern about his proposal—I have spoken to him about this—is whether it sends the right signal, given that devolution is ultimately about transferring powers to people. The first thing that we are saying to people is, “You can have a Mayor and an arranged devolution deal from May, but by the way, you can't be involved in electing this Mayor; the political leaders will choose them.” I am not sure that that sends the right signals to people about what devolution is all about.

Dan Jarvis: I am grateful to my hon. Friend, and I was grateful for the opportunity to discuss this with him earlier. I appreciate that there is much in what I have said that he feels he can agree with. He raises an important point, but it must be set against the fact that an overwhelmingly decisive mandate has just been delivered to the leaders of Doncaster and Barnsley councils not to pursue the Sheffield city region deal. I accept that these are perhaps imperfect solutions, and I accept that we are not in the place where any of us would have liked to be when we embarked on this journey some time ago, but the most recent democratic mandate is the one delivered emphatically by the people of Barnsley and Doncaster just a couple of weeks ago.

Julian Sturdy (York Outer) (Con): I am listening carefully to what the hon. Gentleman is saying; he is making an articulate argument. I agree that we need a solution for Yorkshire, and that that solution must be ambitious, as he said. However, I want to pick up on one point that he made. He mentioned a wider Yorkshire deal by 2020. I know that he is making the case for Barnsley and Doncaster, but as an MP for York and North Yorkshire, the idea that we might not have devolution until 2020 worries me. Will he consider bringing forward devolution in other areas across the county as well, such as in the greater Yorkshire deal, and then considering amalgamating it all, perhaps by 2020, into a wider Yorkshire deal, so that all areas of our great county start to get the benefits of devolution?

Dan Jarvis: The hon. Gentleman makes an important point. It is interesting, in the run-up to this debate, that some people have said to me that we should press for a wider Yorkshire settlement earlier than 2020, and other people have said that it is unrealistic to expect that a deal could be done within that time frame. His basic point is absolutely right: we need to work constructively with the Minister and the Department to strain every sinew to ensure that our part of the world has, at the very least, an equal playing field on which to compete with other parts of the world.

I will make one further point, which is the essence of the case that I am trying to make. I do not say for one moment that Yorkshire and the Humber should be a special case, but I do believe—I make no apologies for stating it in these terms—that it is a special place. There is something special about what John Sentamu described this morning as God's own county. There is a huge strength in our diversity. If we could create an arrangement that brought together 5.3 million people into an economy

bigger than 11 EU nations, we would truly be a force to be reckoned with, not just in this country but around the world. In the far east—China, Japan or wherever—people know about Yorkshire. It means something to them, and it means something to us. This is a once-in-a-generation opportunity to put in place an arrangement that could be really meaningful for the people we represent, and I very much hope that we will not miss out.

In conclusion, I reflect back on the decisive results delivered across the north of South Yorkshire just before Christmas. We need to put into practice the decision taken by those people. We need to find a solution and to seize this once-in-a-generation opportunity that we have been given to drive forward the northern powerhouse and give the Yorkshire region the chance to transform its economic and political future. I say to the Minister in all good faith that not many Ministers are given the opportunity to do what he has the opportunity to do now. I hope that he will take it up.

Mark Pritchard (in the Chair): We have at least nine Members standing, and nine or 10 minutes to spare. I can call nine people for one minute, or fewer people for longer. Following Mr Speaker's example of trying to empower Back Benchers, I call Kevin Hollinrake.

4.58 pm

Kevin Hollinrake (Thirsk and Malton) (Con): I congratulate the hon. Member for Barnsley Central (Dan Jarvis) on securing this important debate, and on the constructive way in which he has dealt with the issue. It feels as if we are making some progress, although perhaps we are not in a perfect position yet.

To respond to some of his points, I think that there is a clear feeling across Yorkshire that we are being left behind. On the status quo, nobody whom I have spoken to in Yorkshire who is interested in the economy or politics feels that the status quo is what we want. We know that we need to move forward as quickly as possible. It is about money and powers. It is also about attracting the right person to come forward to lead a Yorkshire devolution deal.

The hon. Gentleman talked about two options—well, one option, really: one Yorkshire or wider Yorkshire. We know that that deal is not on the table at the moment, because of the deal that has already been agreed, yet he proposes that we set conditions on the deal to tie it to another deal that might be agreed. Why do we not just move ahead with the other deal? The South Yorkshire deal can move ahead today, and we can move ahead with a greater Yorkshire deal—a Yorkshire-wide deal. Then we would have two devolution deals in place, and all the money can come in behind that—that is what people are interested in. They are interested in the money, the powers and attracting the right person, but the hon. Gentleman is putting roadblocks in the way of that. I am not saying he is doing so deliberately, but the reality is that we can move ahead today—

Mark Pritchard (in the Chair): Order.

5 pm

Edward Miliband (Doncaster North) (Lab): I support the case made by my hon. Friend the Member for Barnsley Central (Dan Jarvis). On behalf of all Doncaster MPs, I congratulate him on securing this debate.

[Edward Miliband]

I want to make one very brief point. Devolution is about listening to local people, and the feeling in Doncaster could not be clearer. There was a unanimous view in the council—Labour, Conservative, Mexborough First and independent—in favour of the wider Yorkshire deal. The business community, through the chamber of commerce, said it wants a wider Yorkshire deal, and so did 85% of the public on a turnout higher than that for the police and crime commissioner elections. I appeal to the Minister not to impose on the people of Doncaster an election they do not want. Work with us, my hon. Friend and the coalition of the willing to create the deal we want, and go for my hon. Friend's solution.

5.1 pm

Lee Rowley (North East Derbyshire) (Con): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate the hon. Member for Barnsley Central (Dan Jarvis) on securing this debate. I feel slightly like an imposter at the party, because I come from the best county in the country—Derbyshire—so I am looking across the border at this issue.

I want to make one very brief point. The Sheffield city region proposal, which has been part of this discussion for a number of years, has at times included elements of Derbyshire. Quite a number of us over the border in Derbyshire have had significant reservations about the proposal for many years. We were pleased when Chesterfield Borough Council finally withdrew from the Sheffield city region a number of months ago.

I will not take up more time than the minute that I have, given the obvious importance of this issue to all colleagues across the ridings of Yorkshire and their real passion. I just want to say that Derbyshire is and has always been different from Yorkshire, and it does not want to participate in a Sheffield city region if that continues.

5.2 pm

John Grogan (Keighley) (Lab): I am looking at the occupants of the two Front Benches, and never have two proud sons of Lancashire had more opportunity to do something for God's own county.

I have three very quick points. The letter from the Secretary of State before Christmas was very significant, because for the first time the phrase "one Yorkshire devolution" was used in a ministerial letter. I have some questions about that concept. First, the letter talked about all other councils in Yorkshire agreeing an all-Yorkshire settlement. Does that mean that every council, including Wakefield, has to agree to it?

Secondly, why cannot talks on those proposals start now? In December, the press spokesman for the Department for Communities and Local Government said that so long as there is an agreed proposal, talks can begin. Will the Minister confirm, as my hon. Friend the Member for Barnsley Central (Dan Jarvis) suggested, that talks can begin immediately in January so we can have a settlement long before the Tour de Yorkshire in May?

Finally, will the Minister confirm that it is policy to schedule all mayoral elections across the country in 2020? If so, an all-Yorkshire election in 2020 would fit in very nicely with that.

Mark Pritchard (in the Chair): It is not a conspiracy, but I am a Lancastrian too.

5.3 pm

Tracy Brabin (Batley and Spen) (Lab/Co-op): I congratulate my hon. Friend the Member for Barnsley Central (Dan Jarvis). With the time against me, I want to make one short point. You may be aware of my interest in the cultural industries, Mr Pritchard. I believe that this is an opportunity for branding big style. Yorkshire has more than played its part in contributing to British culture. Just look at the success of Hull as the city of culture and Sheffield as a leader in animation and digital content. Screen Yorkshire in Leeds is the biggest investment fund of its kind in the UK, with £15 million for film and TV filmed regionally. We have brilliant shows—"Peaky Blinders" "Dad's Army", "A Month in the Country", "Catch Me Daddy", and "The Damned United" to name but a few. With our skilled workforce, world-class locations, history, space and value for money, Yorkshire could be a filming attraction the world over.

Thinking big about the north was supposed to be the role of the northern powerhouse, and devolution was a central plank. We have not moved nearly fast enough towards Yorkshire devolution for too long now. It is the new year, so I implore the Minister to make a resolution to make 2018 the year that the whole of Yorkshire sees devolution.

5.4 pm

Hilary Benn (Leeds Central) (Lab): This is a major opportunity to break the stranglehold of centralisation and to liberate Yorkshire to fulfil its potential, because while these arguments go back and forth we are missing out on getting the means that we require to make the most of the potential of the more than 5 million people of Yorkshire. We have heard about the inequality in transport investment. We are not making the most of our economic potential. At a time of Brexit, it is absolutely vital that we do so. We must invest in infrastructure and skills, attract people and provide homes for them, but we lack the means to fulfil that potential at the moment. I welcome the progress that has been made, but I hope that Ministers will hear that we are making a simple plea: if they give Yorkshire the tools, we will do the job.

5.5 pm

Rachael Maskell (York Central) (Lab/Co-op): I thank my hon. Friend the Member for Barnsley Central (Dan Jarvis) for the pragmatic way he set out the issue. It is a process not an event, and therefore we need to look at what has happened over the past few years. In my city, York, our council was in a very different place, and wanted a deal with North Yorkshire to start with. Thankfully, it moved on, and is now urging the Minister to put in place a wider Yorkshire deal.

As different authorities have moved forward in this process, it is important to assess where we are now and move forward in the way my hon. Friend set out. We desperately need investment. We will be leaving the European Union in just 14 months' time, so we need the leverage of Yorkshire's size. If it comes together, it can bring in the trade and inward investment we desperately need so we do not end up with not just a north-south divide but an east-west divide as we start to become the poor relative of the rest of the nation.

5.6 pm

Alex Sobel (Leeds North West) (Lab/Co-op): Yorkshire is a self-confident, prosperous and culturally coherent UK region. In 2017, it contributed about 7% of UK GDP. Yorkshire's greatest institutions, businesses and citizens have profoundly shaped our national story. Yorkshire people are proud of being part of Yorkshire, and it is time that policy makers acknowledged our unique identity.

Yorkshire is demonstrably not a place with one metropolis around which the rest of the historic county revolves. It is simply not suited to the Government's policy for devolution in the form of metro Mayors or city regions. My constituency is a case in point: it ties together the university, urban areas, rural areas, market towns and villages. A broad, county-wide deal that recognises the reality of our region's identity, variety and strengths would be better for directing investment and spreading opportunity fairly. I cannot conceive that anything other than a single Yorkshire authority could have the muscle to deliver on such monumental challenges.

Aligning a single Yorkshire election with those for other devolved authorities in 2020 makes sense. Following the letter from Barnsley and Doncaster, we can see the Yorkshire Mayor taking their post in 2018 as a strength, and can look at how to retain the views of South, West, North and East Yorkshire and the Humber within a "one Yorkshire" model. Let us get a road map and move towards that model.

Mark Pritchard (in the Chair): Before I call the Chair of the Select Committee, may I say the first shall be last and the last shall be first? The Minister, in his generosity, has allowed an extra couple of minutes, so Mr Betts, you have two minutes, rather than one.

5.7 pm

Mr Clive Betts (Sheffield South East) (Lab): Thank you very much, Mr Pritchard. I thank the Minister for that as well. He is assuming that what I have to say might agree with what he thinks, but there is a slightly discordant note about the longer term. I have real reservations about having one elected Mayor for Yorkshire. I see it as a centralising rather than a devolutionary move. Decisions that are currently worked out at a city region level on transport would be transferred to a Mayor, presumably based in Leeds. I have real concerns about trying to pull together the transport interests of Whitby and Sheffield. Actually, Sheffield has got a real interest in working with the Mayor of Manchester to get proper trans-Pennine routes. That is really important, and we do not have to have the same Mayor for those areas to achieve that.

Advanced manufacturing is doing very well in Sheffield and Rotherham at present. We did not achieve that by going around the far east waving a banner saying, "Come to Yorkshire." We did it by hard graft, with a local industrial strategy that is working and delivering on the ground. I am not sure that having a Mayor for Yorkshire will add value to that process at all.

I respect the fact that my hon. Friend the Member for Barnsley Central (Dan Jarvis) has brought some interesting ideas forward, based on the Secretary of State's helpful letter about how to find a way forward for the four South Yorkshire districts, as part of the Sheffield city region, that want to move into a wider deal if one

becomes available, and allowing them to do that without anyone being able to block that. That is helpful. It is also helpful that if Sheffield and Rotherham want to stay in their own deal, they will be able to do so.

It seems to be accepted that we will have some arrangement for two years, with a proper deal, properly funded, and with proper powers. The one issue of concern now is: how will that Mayor be elected or appointed? I do not think it conflicts in any way with the referendum that Barnsley and Doncaster have had to say, "Those districts still want to work towards a wider deal, in line with the referendum result, but, in the meantime, if we have a Mayor and have a deal, should the Mayor be elected or appointed?"

I have real reservations about saying to the public, "You are going to have a Mayor, and the political leadership is going to choose them." I find it really difficult to square that part of the proposal with the whole issue of accountability and enfranchisement and the powerlessness that people feel.

I wonder whether we can have a discussion. Perhaps there is a way of saying that, if there is an election, it should be for just two years, to bring it in line with the 2020 deadline. That shorter period would give districts the opportunity to reappraise at that point whether they want to move on to another deal, if available, or stay with the existing deal. I hope that is a helpful suggestion about having an election, but doing it in that timeframe.

Mark Pritchard (in the Chair): In fact, the hon. Gentleman had an extra 30 seconds because of Mr Sheppard's generosity in giving up 30 seconds. The Scottish National party now have four and a half minutes, the shadow Minister will have five and the Minister, eight, with two minutes for Mr Jarvis's wind-up.

5.10 pm

Tommy Sheppard (Edinburgh East) (SNP): Thank you very much, Mr Pritchard. I rise to speak on behalf of the SNP in the debate, and I have to say that I feel like I have gatecrashed someone else's party to some extent. However, Standing Orders dictate that I say something, so I very much wish to. We do not have a dog in this fight—of course, if it came to a vote, we would probably be prohibited from exercising our judgment under the current Standing Orders anyway. None the less, we do watch the debates in Yorkshire and elsewhere in England with great interest.

To some extent, there is a similarity between the campaign we had to achieve a devolved national Parliament in Scotland—and our campaign to go further and have devolution so complete that we have independent control of that Parliament—and the campaign for English devolution, inasmuch as they are about changing the constitutional basis of the governance of these islands. In terms of the political ambition that drives this debate, there is much that we share and very much support.

People often talk about devolution and the English regions in the same breath, but they are not the same thing. I want to make one important point of difference. The campaign for the establishment and extension of the Scottish Parliament is not about the decentralisation of public administration within a common political framework. It is about allowing the creation and evolution of a different political framework, which will allow a different set of choices to be made, whether that be

[Tommy Sheppard]

within the United Kingdom or without the United Kingdom. That is slightly different from the campaign for English regional government.

However, we very much support the idea of devolution and decentralisation within England. We only have to look at a motorway map of the United Kingdom or the inter-city rail network map to see that, for far too long, strategic thinking and planning in the United Kingdom has been dominated by a desire to make the periphery connect to the centre, rather than the creation of sustainable regions of the country that can interconnect and achieve a much greater benefit. The debate is part of breaking that down, and we very much welcome it.

There ought to be some sort of national English plan. For far too long, central Government has ducked this question and, just because it is too difficult or there is not support in some areas, they have been unable to come up with a strategic plan into which these things could locate. I hope the Minister will say that that is somewhere on the horizon, because in the absence of that plan, the city deal, city region and city Mayor proposal is about pushing something ahead in an area where little resistance is expected. What seems to have happened in this instance is that resistance has come about both within the proposed city region area and in neighbouring areas.

Without wishing to take sides or make any particular prescription, it seems to me that surely the only thing Government can now do, given the level of dissent registered to their plan, is to press the pause button, bring people together and have a proper consultation about how decentralisation can go forward in Yorkshire on a basis on which all participants can agree. If it is pushed through without that consent and agreement, it will be ill-fated and will not work.

5.14 pm

Jim McMahon (Oldham West and Royton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate my hon. Friend the Member for Barnsley Central (Dan Jarvis) on bringing this timely and important debate on English devolution. What this Parliament has not done sufficiently is hear what the public were saying during the EU referendum campaign. We are going through the transactional debate with the European Union about trade terms and our future relationship in a way that most people feel completely disconnected from. What people were saying during the campaign was that they are sick and tired of accepting that the way things have been done for generations is going to be continued in the future.

The real, lived experience for many people in this country is that their communities and families have been left behind. The industries that used to support our towns and that many of our towns and cities were built on do not exist anymore, and the well-paid, decent working-class jobs are not there for future generations as they were for the generations before them. People growing up and raising families in those areas have a right to say that they will not accept that settlement.

Government cannot continue to command and control from this place, misguidedly believing that that will change the way the country works in every community across our diverse and complex land. The problem with

devolution as it stands is, first, that there is an absence of a clear national framework, which means it is anybody's guess as to how these devolution deals have been constructed, how component authorities have been included and how they will be resourced in the future.

There have been contradictory approaches from the Government in terms of where power sits. In some areas, we see skills being devolved but educational powers taken away and centralised in this place. Local authorities' involvement in local schools is completely taken away, but then they are told to sort out the schools' problems and fix a broken system for young people who have been let down.

I am not one for regional assemblies and regional government. There is a tendency in the new structure for power to be taken from the ground upwards, rather than given away from the centre. That is not in the spirit of devolution. I was resistant to regional assemblies because I saw that taking place. Yorkshire is the exception to that rule. What is devolution meant to be about? Devolution ought to be about people and place. Before we construct any governance arrangement, we ought to pay proper consideration to the sense of belonging that people feel to their community.

Kevin Hollinrake: Will the hon. Gentleman give way?

Jim McMahon: I will not, because I am conscious of the limited time we have.

Members will know from the areas they represent that many of our communities have not got over the 1974 reorganisation that created metropolitan boroughs. They will hark back to the days when their local district council used to exist and their sense of belonging. The one thing that would survive all that reorganisation in Yorkshire is the sense of being Yorkshire. We ought to take into account that very strong and powerful sense of belonging.

The other thing is that the foundations of devolution are extremely weak. The cuts that have been made to many local authorities across Yorkshire mean that their basic everyday survival is at risk. Adult social care and children's safeguarding pressures are significant, and councils are looking to the future and wondering how they are going to make ends meet.

The deal that has been on the table so far has been crumbs off the table. The Government are saying, "If you're willing to come round, there are a few million pounds for housing and for transport." The regional imbalances will continue—London gets the lion's share and our regions get left behind—but that cannot be the future.

From the Opposition Front Bench, I want to put an offer on the table. This is our position. We have heard from some parts of Yorkshire about an interest in looking at a "one Yorkshire" deal, but we have not yet tested the appetite across Yorkshire for what could be a comprehensive deal covering the whole region. My offer to the Minister is this: why do the Government not look, in a proactive way, at a Yorkshire-wide referendum to ask people what they want? If devolution means anything, it would be the community, from the grassroots, deciding for themselves. That will be a different devolution—I am not proposing the same devolution we see in Greater Manchester, Merseyside, the West Midlands and other areas.

That cannot be at the cost of local authorities. We need to properly work out what the role of those component local authorities is. I would strongly argue that the existing infrastructure of local government is more ready to receive greater powers, greater freedoms and greater funding to deliver local services than central Government, but that can happen only if the Government are committed. What is wrong with asking people what they want?

5.20 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate the hon. Member for Barnsley Central (Dan Jarvis) on securing this important debate. He spoke passionately on behalf of his constituents and set out what he believes is a potential solution to the current impasse with the South Yorkshire devolution deal. In fact, an hour or so before this debate, I received a letter from Barnsley and Doncaster councils that set out a proposed solution in a very similar form to his.

Before we talk about what can be done to unblock Yorkshire devolution—it is clear that there is a stalemate—it is important to point out that we are not starting from a green field. The negotiations on the South Yorkshire devolution deal started in 2015. The hon. Gentleman and many of his colleagues were in this House and had an opportunity to engage with their local authority and ask what devolution should look like in South Yorkshire. I accept that he would probably say that times have changed and that the poll with its massive 20% turnout—although the result was emphatic from that 20%—changes things.

I am grateful to get it on record that, as the hon. Gentleman correctly said, the Government set out a compromise solution before Christmas that could enable us to break the stalemate in South Yorkshire. The difference between his proposed solution and ours is that we believe that the best way to ensure that further devolution can take place anywhere else in Yorkshire is to fully implement the devolution deal for South Yorkshire first, including having an election. Back in 2015 and on two further occasions, the four South Yorkshire authorities came to Government and requested that that deal, together with the gain share, was legislated for in this House. It was voted through the House of Commons.

Given the poll in the hon. Gentleman's constituency, that might not be the ideal solution, but we would face certain challenges in relation to his proposed solution. First, it remains the law of the land that the election for the South Yorkshire Mayor will take place in May. The process for delaying the date of that election would be to ensure that all the councils in South Yorkshire agreed to the election being delayed. As of today, I am not aware that all of them have.

Secondly, the Government would need to agree to a new proposed date for the election. We would need to have a draft order prepared, cleared through the Government's legal adviser and laid before Parliament. We would then need time to approve it through motions in the House of Commons and the House of Lords and time for the order to come into force. To do that between now and May, given the parliamentary business that we have, looks extremely tight. That is why I hope that all the authorities of South Yorkshire will give

proper consideration to the proposed compromise solution that was set out by my right hon. Friend, the Secretary of State for Housing, Communities and Local Government.

I want to set out the terms of that compromise on the record. It is proposed that the four South Yorkshire councils agree to do all that is necessary for the Sheffield city region deal to be implemented as soon as practicable after the mayoral election. That would require them to first undertake the consultation on the functions that should be devolved to the combined authority and to the Mayor and to give their consent to any order effecting that devolution.

The Government would then agree with Barnsley, Doncaster, Rotherham and Sheffield councils that if a "one Yorkshire" solution were to come forward or a deal were developed, and the Government and councils concerned were able to consent to it, the constituent parts of the existing South Yorkshire deal would be free to leave that deal at the end of the initial mayoral term, on the proviso that the transport arrangements covering South Yorkshire had been considered.

I understand from the hon. Member for Barnsley Central that that is not an ideal solution, but it may be a practical one. We have proposed the compromise to all the South Yorkshire authorities and it is ultimately for them, with the compelling result of the referendum in Barnsley and Doncaster in mind, to negotiate between themselves to see if a compromise can be reached. We have had a response from Barnsley, Doncaster and Sheffield; we have not yet had a response from Rotherham.

I make an open offer to the hon. Gentleman that I will work with him and his colleagues to see if such a compromise can be reached. I reiterate that the Government do not intend to undo the legislation of this House to change the date of the election for the South Yorkshire mayoral combined authority election, and even if we intended to do so, I do not believe that it would be possible in parliamentary terms to pass the necessary orders from where we are today.

Melanie Onn (Great Grimsby) (Lab): It sounds as if the proposal that has been laid out by the Opposition has not found favour with the Minister as yet. I hope that that does not preclude any conversations that other authorities across the whole of Yorkshire may wish to have. Would he encourage local authorities to have such conversations—if they continue, which I hope they will—with other authorities in the whole of the Yorkshire and Humber region including northern Lincolnshire?

Jake Berry: I encourage conversations to continue across Yorkshire. One of the key point of the compromise proposed by the Government before Christmas to the four local authorities currently in the South Yorkshire deal was that it did not preclude in any way Yorkshire authorities coming together and discussing what a future Yorkshire devolution deal might look like.

John Grogan *rose*—

Jake Berry: I want to deal with the comments of the hon. Member for Keighley (John Grogan), so if I take his intervention now, I will not have time to deal with them. He asked whether the "one Yorkshire" deal means one Yorkshire. The proposal set out by the Secretary of State clearly states that a "one Yorkshire" deal would include all Yorkshire authorities. It is ultimately for the

[*Jake Berry*]

authorities in Yorkshire to go away, negotiate and to try to seek a consensus across Yorkshire about whether that deal can be done. All devolution settlements are made on a ground up basis. If the Yorkshire authorities can reach a consensus, “one Yorkshire” will mean one Yorkshire.

The hon. Gentleman also asked when talks can begin. It is not for the Government to dictate when talks can take place between any authorities in Yorkshire. It is up to those authorities.

John Grogan: Will the Minister give way?

Jake Berry: I am sorry; I do not have time. Finally, the hon. Gentleman asked whether it is the Government’s intention that all elections for mayoral combined authorities take place in 2020. The answer to that is no.

5.28 pm

Dan Jarvis: I am grateful to all hon. Members for their constructive contributions to the debate. This is a hugely important issue at a hugely important time. The Minister is right that the process goes back several years, but since 2015 a number of very significant things have happened that he did not reflect on. There was not

then, as there is now, a coherent body of local authorities working constructively to achieve a wider Yorkshire deal. A lot has changed since 2015, not least that Britain has taken a massively strategically important decision to leave the European Union, or that we do not have the footprint that was originally envisaged for the Sheffield city region.

I absolutely welcome the letter from the Secretary of State before Christmas; its tone was very constructive and helpful. However, when the Minister raised concerns about the ability to legislate for any change, I thought he was being a little under-ambitious. Where there is political will to make changes, it should be entirely possible to do so.

I very much hope that the Government will look carefully at the detail of the letter. I accept that the Minister has received it only relatively recently, but it is a good offer that provides a sound basis for a further process of negotiation. That process must begin today and continue throughout the rest of the week, because the clock is ticking and it is in all our interests to work together to secure the best possible deal. That is what I am prepared to do, as I am sure everybody else here is.

5.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statement

Tuesday 9 January 2018

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Local Government

The Secretary of State for Housing, Communities and Local Government (Sajid Javid): For some time there have been concerns about financial management and governance at Northamptonshire County Council, and in recent months a number of reports have been published, which have led me to question whether the authority is failing to comply with its best value duty. Particular reports include the external auditor's (KPMG) "adverse" value for money opinion in relation to the 2015-16 and 2016-17 accounts, publically available budget documents, and the September 2017 Local Government Association peer review into the council's financial planning and management.

Having carefully considered the evidence available to me, I have today decided to exercise the powers granted to me by Parliament under the Local Government Act 1999 to appoint an inspector to carry out an inspection to better understand the authority's compliance with its best value duty. The matters to be covered initially by the inspection will in particular relate to the authority's corporate governance and financial management systems.

I have asked the inspector to report findings to me by 16 March 2018, or such later date as the inspector agrees with me.

This decision is not taken lightly. I hope it sends a strong signal that robust processes are in place to investigate allegations of failures in financial management and governance in local government.

I hope hon. Members will appreciate that we cannot be drawn into more detail while investigations are ongoing. Once the inspection is complete, I will carefully consider the inspection report. If it shows that the council is in breach of its best value duty I will then consider whether or not to exercise my powers of intervention under section 15 of the 1999 Act.

[HCWS394]

Petition

OBSERVATIONS

Tuesday 9 January 2018

FOREIGN AND COMMONWEALTH OFFICE

Myanmar's Muslim Ethnic Minority

The petition of residents of Lanarkshire,

Declares that urgent action should be taken to stop the violence against Myanmar's Muslim ethnic minority; further that Rohingya Muslims in the Rakhine state have been indiscriminately targeted against in a recent increase of human rights abuses; further that the United Nations High Commissioner for Refugees claims that Rohingya Muslims are victims of acts such as: indiscriminate killings, torture, rapes/sexual assault and the destruction of mosques; and further that Myanmar's Muslim population are being displaced internally and taking refuge elsewhere.

The petitioners therefore request that the House of Commons urges the Government to call for an immediate end of violence against an already persecuted religious minority; further to set up an international commission to investigate the claims of atrocities and genocide for possible crimes against humanity; and further to set up with the international community a process to monitor and look into citizenship of Myanmar.

And the petitioners remain, etc.—[Presented by Marion Fellows, *Official Report*, 15 November 2017; Vol. 631, c. 2P.]

[P002078]

Observations from the Minister for Asia and the Pacific (Mark Field):

The Government remain deeply concerned by the situation facing the Rohingya of Rakhine State. Over 640,000 have fled from Burma to Bangladesh since late August 2017. This is a major humanitarian crisis created by Burma's military. Although the violence in Rakhine has decreased, humanitarian needs are not being met and over 800 people a day are still crossing the border.

The UK has played a leading role in the international diplomatic and humanitarian response to the Rohingya crisis and will continue to do so. The Foreign Secretary convened a meeting of Foreign Ministers on Burma in New York in 18 September 2017 which ensured a clear international call for the Burmese authorities to stop the violence. The UK reinforced this by proposing and securing a presidential statement on Burma on 6 November 2017, the first Council product on Burma for ten years. This statement called on the Burmese authorities to

urgently: stop the violence, protect civilians allow refugees to return and allow full humanitarian access. The statement stressed the importance of transparent investigations into allegations of human rights violations, and holding to account all those responsible for such acts. The UK is one of the largest bilateral donors to the assistance being provided by the international community to the Rohingya in Bangladesh, with a total contribution of £59 million.

The Government have been clear in their condemnation of the terrible atrocities that have occurred in Rakhine State. There is no equivocation: we recognise this has been ethnic cleansing. I called for an independent international investigation into reports of human rights violations when I met Burma's Defence Minister on 20 November 2017. Lord Ahmad, Minister for the Commonwealth and the UN, reinforced this when he represented the UK and secured support for a resolution at the special session of the UN Human Rights Council on 5 December 2017. The UK co-sponsored the resolution which was passed by the UN General Assembly on 24 December 2017, which recommended establishment of a UN Special Envoy to Burma to address these issues.

The UK will continue to work with international partners to maintain pressure on Burma's civilian Government to allow a credible investigation and ensure accountability for the perpetrators of any crimes. The UK was central to the establishment of the UN Fact-Finding Mission, whose members I met on 15 December 2017 and whose important work the UK will continue to encourage. Furthermore, the UK has deployed two civilian experts to Bangladesh to conduct a capacity needs assessment on investigation and documentation of sexual violence, and to provide recommendations on support for evidence gathering. As the Foreign Secretary said in the House of Commons on 21 November 2017, it is vital that any evidence or testimony gathered is collated in the proper way, so relevant judicial authorities can determine whether or not the actions amount to genocide or other crimes under international law.

The UK believes the Rohingya of Rakhine State should be given citizenship status in Burma. The Kofi Annan-led Rakhine Advisory Commission (RAC) makes clear that the issue of citizenship must be addressed in Rakhine by making progress on citizenship verification under the existing laws and by reviewing the controversial 1982 Citizenship Law. Aung San Suu Kyi has committed to implementing the Rakhine Advisory Commission's recommendations. The UK Government have welcomed the report and the Burmese Government's declared intention to implement its recommendations. I have spoken to two of the international members of the Advisory Board for the implementation of the Rakhine Advisory Commission's recommendations. The UK stands ready to offer practical support to this work, which offers the best chance to improve the lives of all the communities of Rakhine.

ORAL ANSWERS

Tuesday 9 January 2018

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Tuesday 9 January 2018

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