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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Thursday 11 January 2018

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL TRADE

The Secretary of State was asked—

Trans-Pacific Partnership

1. **Martyn Day** (Linlithgow and East Falkirk) (SNP): What his policy is on the UK joining the Trans-Pacific Partnership after the UK leaves the EU. [903209]

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): First, I warmly welcome my hon. Friend the Member for Beverley and Holderness (Graham Stuart) to my ministerial team, where he will serve as the Minister for investment. I also pay tribute to the fantastic job that his predecessor, my hon. Friend the Member for Wyre Forest (Mark Garnier), did over the course of his time in the Department.

It is right that the Government prepare for all possible outcomes from leaving the EU, including preparing for no deal. We will consider a range of options as we establish our independent trade policy on a bilateral, plurilateral and multilateral basis. The Asia-Pacific region is a very important market and an engine for future global growth. We are closely following progress of the comprehensive and progressive agreement for the Trans-Pacific Partnership.

Martyn Day: The UK's trade with Trans-Pacific Partnership countries amounts to 7.2% of the UK's total trade, whereas trade with the EU amounts to 48.6%. Will the Secretary of State confirm that his Department's priority is to secure our close economic and trading ties with the world's largest single market before embarking on negotiations with the other trade blocs?

Dr Fox: These are not mutually exclusive. We want an open and comprehensive trading agreement with the European Union because it is an important part of our trade. However, TPP trade is already 14% of GDP—it would be 40% were the US to rejoin—and, as the International Monetary Fund has said, 90% of global growth in the next 10 to 15 years will occur outside Europe, where there will be important markets for the United Kingdom.

10. [903221] **Michael Fabricant** (Lichfield) (Con): Two of the countries in the TPP are Australia and New Zealand. Will the Secretary of State look closely at their closer economic relationship agreement, which allows free trade of goods and services between those two countries, and will he prioritise an agreement between the United Kingdom and those two countries?

Dr Fox: I have made it clear on a number of occasions, including in this House, that when it comes to future free trade agreements, Australia and New Zealand would be two of our top three priorities. If we are able, by another means, to achieve the sort of liberalisation in trade that we would all like to see, then that would be fine.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Surely the Secretary of State would agree that no Trans-Pacific Partnership trade deal will make up for the loss of the European Union market. Has he seen this morning's independent report, commissioned by the Mayor of London, that shows what a cataclysmic effect leaving the EU will have on our business and so many jobs?

Dr Fox: As usual, I do not accept the premise of any part of the hon. Gentleman's question. I do not believe that we will necessarily lose our share of the market. We want to maintain an open agreement with the European Union, and it will want to maintain an open agreement with us, because we are the fifth biggest economy in the world and a major trading partner for it. Of course, this morning's report was anything but cataclysmic. In fact, its worst assessment was less than half the assessment that was given to us before the European referendum on what our loss of market share might be if there were no deal whatsoever.

Barry Gardiner (Brent North) (Lab): I, too, welcome the new arrival to the Government Front Bench. I also welcome yesterday's trade statistics. The Secretary of State and I may disagree over how much that owes to the depreciation of sterling, but we both agree that the narrowing of the trade deficit is a very good thing.

With regard to the TPP, the Secretary of State says, "These are not mutually exclusive", but he must account for regulatory alignment, which is part of the impact that joining the TPP would have. Indeed, the former permanent secretary at the Department for Business, Energy and Industrial Strategy declared that joining the TPP would be "cloud cuckoo land". Does the Secretary of State consider that that regulatory alignment to a trade agreement negotiated in secret to suit the economies of the Pacific Rim, which constitute under 8% of our export market, is a viable proposition for our country?

Dr Fox: I am in favour of trade liberalisation, whether it is bilateral, plurilateral or multilateral. If we can achieve openness in the global trading environment so that we can get global trading volumes up, that is of benefit not just to the United Kingdom but particularly to developing countries that should be able to trade their way out of poverty and not depend on aid.

Export Strategy

2. **Mrs Pauline Latham** (Mid Derbyshire) (Con): What recent progress he has made on the development of the Government's export strategy. [903211]

The Parliamentary Under-Secretary of State for International Trade (Graham Stuart): It is a pleasure to join a Government Front Bench full of fresh young talent—even if I am not among them. I pay tribute to my predecessor, my hon. Friend the Member for Wyre Forest (Mark Garnier), who showed tremendous commitment to investment promotion to the benefit both of his constituents and the nation as a whole.

Baroness Fairhead, the Minister of State for Trade and Export Promotion, is currently engaging closely with businesses to inform the creation of the new export strategy. Reporting in the spring, the strategy will ensure that the Government have the right financial, practical and promotional support in place to allow businesses to benefit from growth opportunities, generating wealth and wellbeing for the whole of the UK.

Mrs Latham: I congratulate the Minister on his promotion—I am sure he will do well—and I invite him to Mid Derbyshire at some point on his way back to his constituency. How will the Minister ensure that United Kingdom Export Finance is an integral part of the new export strategy?

Graham Stuart: I am grateful to my hon. Friend for her question, and I pay tribute to her for all her work promoting businesses in Derbyshire and beyond. UK Export Finance's mission is to ensure that no viable UK export fails for lack of finance or insurance, and UKEF is at the heart of our export strategy. Today, I am pleased to announce an even more flexible local currency offering from UKEF to help UK exporters to compete for major overseas contracts. Finance is now available in 62 currencies for purchases from the UK, in addition to pounds sterling, which is an increase of 19 currencies, following the 30 added at the 2016 autumn statement.

Clive Lewis (Norwich South) (Lab): The Secretary of State and his Department have made great play of promoting great British brands. Does the Minister agree that Colman's of Norwich is best served by keeping production and the brand in Norwich, and will he join me in urging Unilever to do just that?

Graham Stuart: I do not want to get involved in internal battles in UK companies about the sites at which they base their operations, but I can tell the hon. Gentleman that growth in manufacturing exports is at a 10-year high and we need to continue to build on that, which would all be threatened if the Labour party were to come into office.

Mr Mark Prisk (Hertford and Stortford) (Con): Exports are rising, but still only from a small proportion of British businesses. We need more exporters and a change of business culture, so may I urge the new Minister, with his colleagues, to challenge business representative bodies to ensure that exporting in Britain is the norm, not the exception?

Graham Stuart: I am grateful to my hon. Friend. Few people in the House have done so much to promote exports, and he is one of the 28 trade envoys doing a fantastic job for the country. Alongside the envoys, my Department works with 43 business ambassadors, who are at the forefront of the change that he describes.

On the business representative bodies, the Department will engage with them in the export strategy review to ensure that the Government and the private sector work to provide businesses with the right practical, promotional and financial information to enable them to export.

11. [903222] **Alison Thewliss (Glasgow Central) (SNP):** Membership of the European Union single market is vital for Scotland's economy. According to the Fraser of Allander Institute, 134,000 jobs in Scotland are supported by trade with the EU, and Brexit threatens to cost our economy £11 billion a year by 2030. Will the Minister reassure businesses in Scotland that they will continue to be able to export tariff-free to the world's biggest single market after Brexit?

Graham Stuart: The hon. Lady is quite right to highlight and champion exports from Scotland, and she will know that the greatest export market for Scottish businesses is the rest of the United Kingdom. I can tell her that this Government will stay committed to promoting trade within the United Kingdom, with our neighbours in Europe and with the rest of the world to boot.

Bill Esterson (Sefton Central) (Lab): I, too, welcome the Minister to his place. I enjoyed serving with him on the Education Committee, and I look forward to debating these important matters with him.

Evidence to the former Business, Innovation and Skills Committee showed a budget of £23.6 million for the trade access partnership in 2013-14, which fell to £11.05 million in 2014-15 and to just £8 million the following year. We are now in the final quarter of this financial year and, just as last year, the Government still have not said what the current budget is. When are they going to end the uncertainty for business, and tell us how much money they are giving to support exporters who want to go to trade shows to promote exports for business and the economy?

Graham Stuart: As usual, I am afraid, Opposition Front Benchers are confusing inputs with outputs and outcomes. We are focused on promoting exports. We are doing that successfully, building on the position in 2010, and that is why we are seeing a record level of the manufacturing and other exports on which the hon. Gentleman's constituents depend.

Trade Deals: Non-EU Countries

3. **Tom Brake (Carshalton and Wallington) (LD):** What progress he has made on securing trade deals with non-EU countries. [903213]

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): As the Prime Minister set out in her Florence speech, the UK will seek a time-limited implementation period with the EU. We will prepare for our future independent trade policy by negotiating trade deals with third countries, which could come into force after the conclusion of the implementation period. To that end, we have already established a series of 14 working groups and high-level dialogues with key trade partners.

Tom Brake: Will the Secretary of State confirm that he is still on track to deliver 40 trade deals with non-EU countries after we leave the European Union in March 2019,

as he said he would be? Will he explain to the House what demands there have been from those countries for additional visas for their citizens to come to the United Kingdom, and how that impacts on the tens of thousands figure?

Dr Fox: The Government are indeed committed to ensuring continuity of the 40 or so EU free trade agreements after we leave the European Union, and that is why we introduced the relevant legislation this week. I am, however, rather disappointed that the right hon. Gentleman and his party saw fit to vote against that legislation, and deny British business that confidence.

Sir Desmond Swayne (New Forest West) (Con): Should we seek any level of protection, the agreements will take longer and yield less—won't they?

Dr Fox: Our clear aim is to achieve continuity and stability. We want the agreements that we have already as part of the EU to be delivered safely and securely into UK law, and that is the point of the Trade Bill.

Emma Little Pengelly (Belfast South) (DUP): Concerns have been raised that the transitional arrangements may lead to significant changes to the detriment of the United Kingdom. Will the Secretary of State confirm that he is not intending to make any significant or substantive changes to any of the transitional arrangements?

Dr Fox: That is absolutely correct; we aim to keep the transitional arrangements as close as possible to the condition they are in today, given that we have some minor changes to make, for example in the disaggregation of tariff-rate quotas.

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con): From the preliminary dialogue that my right hon. Friend has had with the United States, what assessment has he made of the prospect of doing a trade deal with that country?

Dr Fox: May I add my congratulations to my hon. Friend on his well-deserved recognition of the service that he has given to this House and his constituency? We have four working groups with the United States on continuity, short-term outcomes, the potential scoping of a future free-trade agreement, and working with the US at the World Trade Organisation. I am content that we are making progress on all fronts.

Chris Bryant (Rhondda) (Lab): I also welcome the Under-Secretary of State for International Trade, the hon. Member for Beverley and Holderness (Graham Stuart). He is a wonderful man, but I warn the Secretary of State not to send him anywhere at very high altitude because he is not very good with that.

The Secretary of State is right to try to pursue lots of good trade deals with countries outside the European Union, but is one of the major problems the corruption in some of the biggest countries? Brazil, Russia, India and China all fall very low down on Transparency International's corruption perceptions index, and especially in Russia it is difficult for British businesses to do big business because they have to pay bribes all the time.

Dr Fox: The hon. Gentleman is right, and when I am having those discussions I often describe corruption as a supply-side constraint in many of those economies. If we are able to get trade agreements and good legal agreements, and if we make transparency a key element of that, we will be contributing to success on both sides.

SMEs: Exports

4. **Iain Stewart** (Milton Keynes South) (Con): What steps his Department is taking to support exports by small and medium-sized businesses. [903214]

8. **James Morris** (Halesowen and Rowley Regis) (Con): What steps his Department is taking to support exports by small and medium-sized businesses. [903219]

The Minister for Trade Policy (Greg Hands): We have three main ways to support exports by SMEs. First, the great.gov.uk website offers digital tools, and has had more than 2.7 million visitors; secondly, international trade advisers based across England are supporting businesses; and thirdly, UK Export Finance has provided £3 billion in support. Last year it helped 221 UK companies, 79% of which were SMEs.

Iain Stewart: I am grateful for that answer. An additional hurdle faced by many SMEs in growing their exports is obtaining affordable political risk insurance. What steps can the Minister's Department take to help in that matter?

Greg Hands: My hon. Friend asks a good and pertinent question, and that is why UK Export Finance is working to ensure that SMEs can access the insurance that they need to export and invest overseas with confidence. Last year we launched an enhanced overseas investment insurance product to protect UK businesses against political risk when investing abroad, and I strongly recommend that product to companies in my hon. Friend's Milton Keynes constituency.

James Morris: There has been a significant revival of small and medium-sized manufacturing in the Black country over the past two or three years, so does the Minister agree that we need to do all we can to support those small and medium-sized manufacturing companies in the Black country to access markets around the world with development potential?

Greg Hands: My hon. Friend makes a good, strong, pertinent point, which applies not just in the Black country but throughout the country. We have our export strategy, which will be reporting in the spring. I remind the House of our fantastic manufacturing figures—record growth in output, the highest in 10 years, growing 4% year on year according to new data just out. Confidence in manufacturing is at its highest in four years, according to the EEF.

Peter Grant (Glenrothes) (SNP): There is a very close relationship between small and medium-sized manufacturers' success in exporting and the viability of small and medium-sized road hauliers, many of whom are seriously concerned at the possibility of incurring substantial additional costs and facing additional bureaucracy if we cannot get an agreement that,

for example, driving licences issued in the UK will be recognised in other countries when we leave the EU. What progress has been made in ensuring cast-iron guarantees that small road hauliers will not face any additional burdens in exporting to the EU after Brexit?

Greg Hands: As my right hon. Friend the Secretary of State has pointed out, we are seeking a barrier-free, frictionless trading arrangement with the European Union as we leave. May I point out that the hon. Gentleman is seeking to put in place the potential for barriers between Scotland and the rest of the United Kingdom? Sixty-four per cent. of Scottish exports go to the rest of the UK, compared with just 15% to the rest of the Union.

Jim Shannon (Strangford) (DUP): Many SMEs have identified external and internal finances as well as a lack of awareness of the support available to them as barriers to entering the export market. Will the Minister ensure that those concerns are addressed in the Government's review of the export strategy?

Greg Hands: The hon. Gentleman makes a good point, and that is certainly very much part of the export strategy. I remind him and the whole House of some of the work we have been doing to ensure that finance is more accessible. We signed agreements in July 2016 and July 2017 with the leading UK banks to ensure that their SME customers can access finance more easily and that UK Export Finance assistance in particular is directly available.

Regulatory Alignment with the EU

5. **Afzal Khan (Manchester, Gorton) (Lab):** What assessment he has made of the implications for his Department's policies of the joint declaration of 8 December 2017 on maintaining full regulatory alignment between the EU and the UK. [903216]

6. **Liz Twist (Blaydon) (Lab):** What assessment he has made of the implications for his Department's policies of the joint declaration of 8 December 2017 on maintaining full regulatory alignment between the EU and the UK. [903217]

9. **Mr Paul Sweeney (Glasgow North East) (Lab/Co-op):** What assessment he has made of the implications for his Department's policies of the joint declaration of 8 December 2017 on maintaining full regulatory alignment between the EU and the UK. [903220]

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): As we leave the EU, the Government's objective remains to maximise overall trading opportunities for the whole of the United Kingdom. As the Prime Minister has made clear—including at the time of the joint declaration of 8 December—we will be seeking a deep and special partnership with the EU, but at the same time looking to forge new and ambitious trade relationships with our partners around the world, as we develop our independent trade policy.

Afzal Khan: What discussions has the Secretary of State had with potential new trade agreement partners, including those that already have an agreement with the

EU and those with whom the Government have established trade dialogue or working groups, about regulatory alignment?

Dr Fox: We are intending to maintain consistency with the agreements that we already have. That is why we brought the trade legislation forward. We do not anticipate any change in that; we intend it to be the same as it is to date, to provide continuity for business.

Liz Twist: Can the Secretary of State confirm whether maintaining full regulatory alignment with the EU will extend to farming standards in the United Kingdom, and that therefore chlorine-washed chicken will not be entering the UK in the event of a future agreement with the USA?

Dr Fox: We have made it very clear on numerous occasions that we do not intend there to be any diminution of standards in food safety, environmental standards or workers' rights as we negotiate new trade agreements.

Mr Sweeney: Given how critical this issue is to maintaining an open border on the island of Ireland, what assessment has the Secretary of State made of practical supervision and management of maintaining full regulatory alignment with the European Union as per the joint agreement, and what institutions need to be established?

Dr Fox: Alignment is about pursuing the same objectives; it is not the same as requiring regulatory harmonisation. We hope that our agreement with the Republic of Ireland is covered by a full and comprehensive agreement with the rest of the European Union.

Hannah Bardell (Livingston) (SNP): The Irish Government have been clear that a deal that maintains regulatory alignment means free movement of people, goods and services across the border to Northern Ireland. Given that the United Kingdom Government have shown that they are willing to give a nation of the UK a differential deal, will they now bring to Brussels the Scottish Government's proposals to keep Scotland in the single market and customs union, and if not, why not?

Dr Fox: Why not? Because when we leave the European Union we leave the single market and the customs union—it is not that complicated.

Trade Deals: Developing Countries

7. **Jeremy Quin (Horsham) (Con):** What assessment he has made of the potential effect of trade deals between the UK and developing countries on the economies of those countries. [903218]

The Minister for Trade Policy (Greg Hands): The UK is proudly spending 0.7% of gross national income on overseas development assistance—the first G7 country to honour its promise to do so. We are also committed to ensuring that developing countries can use trade as an engine of poverty reduction, and trade agreements play an important role in that. Our priority is to ensure that developing countries maintain their preferential access to the UK market as we leave the EU.

Mr Speaker: These texts are always delivered by Ministers in mellifluous tones, but they are often far too long. I know that there are people who scribble them for Ministers, but Ministers have a responsibility to recognise the virtues of the blue pencil.

Jeremy Quin: But I also recognise the wisdom of the Minister's answer, Mr Speaker, and I am grateful for it. I share his aspirations. Will he please remind the House what he will do to give those aspirations legislative effect?

Greg Hands: The Taxation (Cross-border Trade) Bill, which had its Second Reading on Monday, provides exactly for the scheme of preferences to be taken across into UK law. I find it extraordinary that the Opposition parties voted against it. They voted against the UK having its own trade preferences scheme for developing countries. That is a disgrace. I very much hope that they will reconsider their position as the Bill passes through the House of Commons.

Topical Questions

T1. [903224] **Christian Matheson** (City of Chester) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): Mr Speaker, you should see the length of the answers before we get to this stage.

My Department is responsible for UK exports, investment and trade policy. As we begin 2018, the House should note that in 2017 we achieved an all-time record for foreign direct investment. Our exports are up by 14% and employment is at a record level. Yesterday we saw that venture capital coming into tech firms was also at an all-time high, and that is before we consider the improvements in our manufacturing performance.

Christian Matheson: The Secretary of State does not want to trade under EU rules, under which we have considerable influence, but he is happy to trade under World Trade Organisation rules, under which we do not have very much influence. What does he find objectionable about EU trading rules that he does not find objectionable about the WTO?

Dr Fox: That is rather to misunderstand the situation, because the EU itself has to trade under WTO rules and is not exempt from them. We look forward to having our independent seat on the WTO, of which we are a former member, so that we can have a greater say in global trading policy, because as a member of the European Union we have none.

T4. [903227] **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What practical steps is my right hon. Friend's Department taking to increase capacity in developing countries to trade their way to sustainable growth?

The Minister for Trade Policy (Greg Hands): Assisting trade capability in the developing world is one of the key parts of our official development assistance strategy, launched by the Department for International Development last year. In Buenos Aires last month the Secretary of State and I announced a big increase in funding for the

WTO's enhanced integrated framework, which does precisely that, making the UK the largest donor to that WTO fund.

Barry Gardiner (Brent North) (Lab): The steel industry has repeatedly complained that the Government are not prepared to impose penalties on exports from countries with significant market distortions. America is clear, having imposed penalties on China under section 232, and the EU is clear, having recently voted to pass new anti-dumping rules, but the Secretary of State has constantly ducked the issue and refused to say what his Department will do after we leave the EU. When will he give the steel industry a straight answer?

Dr Fox: What a cheek, in the very week that Labour voted against our ability to impose any penalties whatsoever in future. The steel industry and steelworkers in this country were betrayed this week by Labour Members, who would leave them as sitting ducks for dumping and subsidy, such is their love for their new hard-left, anti-trade ideology.

T3. [903226] **Douglas Ross** (Moray) (Con): The Secretary of State will be aware that Scotch whisky is one of the UK's greatest exports, and much of it is produced in my Moray constituency. Around 10% of the industry's £4 billion of annual exports are linked to EU free trade agreements. Will he update me on the steps he is taking to ensure that, when we leave the EU, the benefits of EU free trade agreements to the industry are maintained?

Dr Fox: My hon. Friend makes an important point. The Government are committed to seeking continuity in our current trade and investment relationships, including those covered by EU trade preferences. Scotch whisky is a very important part of our exports and we want to maintain the vital bilateral dispute mechanisms, all of which are part of Scotch whisky's contribution to our economy.

T2. [903225] **Jeff Smith** (Manchester, Withington) (Lab): In setting up the Trade Remedies Authority, the Government will need to include a full range of skills, knowledge and experience. Will that include representations from the devolved Governments and trade unions?

Dr Fox: The Government are still looking at the potential membership. Of course before we can do so we have to have the legal basis for establishing the Trade Remedies Authority. The hon. Gentleman voted with his party against its establishment.

T5. [903228] **Vicky Ford** (Chelmsford) (Con): Last year, I welcomed Nesta and Sage to Parliament when they launched their report on the state of small businesses. It said that just 18% of British small and medium-sized enterprises are exporting around the world, so what more can the Department do to help our innovative small businesses, especially in providing more information on the local rules and regulations those companies face in other markets?

The Parliamentary Under-Secretary of State for International Trade (Graham Stuart): I thank my hon. Friend for that question and for all she does to champion Chelmsford exporters, building on her great expertise in the European Parliament and elsewhere.

The Department does huge amounts to support small businesses to export and, as my right hon. Friend the Minister for Trade Policy explained earlier, we are seeing significant success in that regard. Baroness Fairhead recently announced a new great export readiness tool on great.gov.uk to help SMEs better to understand how export-ready they are and what they can do to start exporting or to expand their exporting activity.

T6. [903229] **Mr Alistair Carmichael** (Orkney and Shetland) (LD): Given what we know Saudi Arabia to be doing in Yemen, is it appropriate that we should still be selling arms to it?

Dr Fox: All arms exports are covered by the consolidated criteria and, as the recent judicial review showed, the Government pay very due attention not just to the letter, but to the spirit of the consolidated criteria.

T7. [903230] **Mr William Wragg** (Hazel Grove) (Con): With particular reference to the Trade Remedies Authority, will my right hon. Friend expand further on the potential consequences had the House voted the Trade Bill down this week?

Dr Fox: Were we not to establish our own Trade Remedies Authority, we would be unable to protect British business from dumping and subsidy in future. All those in this country who work in the chemicals, steel or ceramics industries will now know that the Conservative party is determined to have the legal protections they deserve, but the Labour party and its allies in this House voted against giving our businesses and those workers that protection.

T8. [903231] **Dr Philippa Whitford** (Central Ayrshire) (SNP): Scotland is known internationally for its high-quality food and drink such as whisky and seafood, but there is real concern about the loss of protected geographical indications that are backed by the EU. How will the Secretary of State consult all the devolved Governments to help them to protect their unique products?

Dr Fox: The hon. Lady should judge the Government by their action. In the transitional adoption of the agreements that we already have as a member of the EU—in those 40 trade agreements—protection of GI is an essential part. I notice that the Scottish National party voted against that as well.

Ross Thomson (Aberdeen South) (Con): Exports from my constituency include agricultural products from firms such as Saltire Seed and exports from the Aiken Group, one of the world's leading suppliers for engineering solutions. What would the impact on Aberdeen be of not being able to implement continuity trade agreements with countries with which the EU already has trade deals?

Dr Fox: Clearly, there would be a major disruption in the local economy, which is why it is so important that we get that continuity. The reason the Government introduced the Trade Bill with the parameters it has is that we are looking to get stability and continuity on the agreements we already have. I reiterate what I said in the House a couple of days ago: it is not about new free

trade agreements; it is about giving stability to the ones we already have, which is why I am amazed that anyone should vote against the Bill.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): What analysis has the Department done of the cost to business of complying with possible new non-tariff barriers, and what help will the Government provide companies, particularly SMEs, to understand the impact of any possible changes in this area?

Dr Fox: Of course we look at all possible scenarios, but I reiterate what I have said several times today: we want to see an open and comprehensive trading agreement with the European Union, because that is good not only for the United Kingdom but for the European Union. European member states are looking for their companies to have access to the UK market, just as we are doing the other direction.

Martin Vickers (Cleethorpes) (Con): Last month, I welcomed a delegation from Taiwan to my constituency, where we met representatives of the offshore renewables sector and the seafood sector. Will Ministers work with me and with local businesses to ensure that we maximise our exports to that growing market?

Greg Hands: Last month, I chaired the second of our joint economic and trade committee talks with Taiwan, and I can tell my hon. Friend that renewable energy was right at the heart of those talks. The UK has the highest capacity market anywhere in the world for offshore wind, and that is of strong interest to the Taiwanese authorities. Those discussions are ongoing.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry but demand has exceeded supply, as is commonplace, and we must now move on.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Apprenticeships

1. **Trudy Harrison** (Copeland) (Con): What steps the Government are taking to ensure that women are able to access high-quality apprenticeships. [903232]

3. **Gillian Keegan** (Chichester) (Con): What steps the Government are taking to ensure that women are able to access high-quality apprenticeships. [903234]

12. **Sir David Amess** (Southend West) (Con): What steps the Government are taking to ensure that women are able to access high-quality apprenticeships. [903245]

The Minister for Women and Equalities (Amber Rudd): It is good news that women now account for over half of all apprentices. We continue to implement apprenticeship reforms to improve the quality of apprenticeships for all, and we are using the employer apprenticeship diversity

champions network to champion gender representation in industries where greater participation by women is still needed.

Trudy Harrison: I thank the Minister for her response. The National College for Nuclear opens in my neighbouring constituency on 9 February. This will add to an already fantastic asset of training facilities with world-class equipment. What steps are the Government taking to ensure that young people with disabilities are able to access these training courses and apprenticeships?

Amber Rudd: It is great news that the National College for Nuclear is opening shortly, enabling young people and others in the area to access the sort of education and skills that they need for the future. We want to ensure that apprenticeship opportunities are open to all people, and of course that includes people with disabilities. We provide additional funding to employers and training providers working with apprentices with disabilities, to support their learning and enable adjustments to the workplace. As well as engaging employers through the apprenticeship diversity champions network, we are working to ensure that Disability Confident badging is clear for vacancies on the Find an Apprenticeship website, including those for engineering roles.

Gillian Keegan: The further education college and the university in Chichester offer a wide range of courses giving young people in my constituency access to high-quality apprenticeships. However, I am concerned that only 21% of places for degree-level apprenticeships in digital, tech and management are filled by women. That is the same as it was 30 years ago when I did that apprenticeship. What is my right hon. Friend doing to encourage more women and girls to take up apprenticeships as a pathway to a successful career?

Amber Rudd: My hon. Friend raises an important point. It is not enough that more than 50% of apprenticeships are being taken up by women. We want to ensure that there is greater diversity, particularly in areas where lower numbers of women are participating than we would like. Our careers strategy sets out a long-term plan to build a world-class careers system to help young people and adults to choose the career that is right for them, and promotes gender equality by increasing young people's contact with employers, demonstrating different jobs and career paths to raise aspirations. In addition, a new legal requirement means that schools must give providers the chance to talk to pupils about technical qualifications and apprenticeships. In that way, we hope to raise awareness of the additional routes that are available to young people.

Sir David Amess: I am delighted that 580 people started apprenticeships in Southend last year. Will my right hon. Friend please advise me on what more she can do to incentivise local employers to offer even more apprenticeships to women in Southend?

Amber Rudd: I congratulate my hon. Friend on having a high level of apprenticeship starts in his constituency, but he also makes the point that we need to ensure that women are starting apprenticeships in a variety of areas, and particularly in science, technology, engineering and maths—STEM—subjects, where they are underrepresented

at the moment, with only about 8% of participants being women. We are focusing additional efforts on working with employers through the apprenticeship diversity network to ensure that they show young people the opportunities available in other areas, particularly in the STEM area.

Chris Elmore (Ogmore) (Lab): In July last year, the Under-Secretary of State for Work and Pensions, the hon. Member for Hexham (Guy Opperman), who is in his place, made insulting comments, following Government pension changes, about how women born in the 1950s should take up apprenticeships to try to address some of the financial burdens that they face. Will the new Minister set out how many women born in the 1950s and affected by the Government pension changes have taken up apprenticeships? It is frankly nothing more than an insult to all the women who worked for all those years and whose pensions have been delayed by six years.

Amber Rudd: I would like to correct the hon. Gentleman. This Government wholly respect women in their 50s—I have an interest to declare in that particular area—and we will always ensure that apprenticeships are available to people of all ages. Between August 2016 and April 2017, the number of apprenticeship starts was over 53,000 for people aged 45 to 59 and over 3,400 for people aged 60 and over. That represents an increase on the previous year, and we hope to continue that increase.

Emma Little Pngelly (Belfast South) (DUP): As in the rest of the United Kingdom, barriers to access are a problem for women in Northern Ireland. Will the Minister outline what engagement she and her officials have undertaken with Departments and agencies in Northern Ireland to identify best practice and to try to find workable solutions to eliminate such barriers?

Amber Rudd: We have regular meetings with Ministers from Northern Ireland, and we will always ensure that we share information and best practice where we can, so that women and other people who want to participate in apprenticeships, such as people with disabilities, can access the additional opportunities that we are determined to provide.

Jim Shannon (Strangford) (DUP): Is the Minister aware of the latest report from the Young Women's Trust? It shows that two in five apprentices spend more money in completing their apprenticeship than they earn and that women face an 8% gender pay gap. Is the Minister prepared to act on the trust's recommendations to increase the number of women accessing high-quality apprenticeships?

Amber Rudd: It is essential that we give women all the opportunities that we can to access the high-quality apprenticeships to which the hon. Gentleman refers. I have not seen that report, but I will certainly take a look and come back to him.

Women's Refuges

2. **Afzal Khan (Manchester, Gorton) (Lab):** What steps the Government are taking to ensure the provision of sufficient women's refuges. [903233]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): The Government are fully committed to protecting victims of domestic abuse and to improving sustainability of funding for refuges. The Ministry of Housing, Communities and Local Government—formerly the Department for Communities and Local Government—has launched a £20 million domestic abuse accommodation fund, which is supporting 76 projects, creating 2,200 new bed spaces over the next two years and supporting more than 19,000 women. Some of that money is coming to Manchester.

Afzal Khan: A constituent described to me a loved one's search for a refuge to protect her from domestic violence as hell on earth. Thankfully, they eventually found a space, but 60% of referrals to refuges were declined in 2016-17. The proposed new funding model risks creating a postcode lottery, so how will the Minister ensure that the refuge provision in her constituency is no different from in mine?

Victoria Atkins: May I, with respect, correct the hon. Gentleman? It is precisely because we want to ensure that areas across the country share the same best practice that the Ministry of Housing is consulting on how to fund refuges sustainably. The point of the new housing model is to try to ensure that victims, who are in vulnerable situations when they go to refuges after fleeing violence, do not have to fill in housing benefit forms while in the middle of a crisis.

Mike Wood (Dudley South) (Con): I declare an interest as my wife volunteers at a refuge. Will my hon. Friend assure the House that Ministers have met organisations such as Women's Aid to ensure that their views on the new funding model are properly listened to and considered?

Victoria Atkins: I thank my hon. Friend for his question and thank his wife and everyone who works in domestic abuse refuges. We are of course meeting Women's Aid and other organisations. Along with other colleagues, I am determined to ensure that the future of refuges is funded sustainably, and I urge anyone with an interest in this area to respond to the consultation.

Carolyn Harris (Swansea East) (Lab): The proposed changes to housing benefit will leave refuges in a vulnerable position, and the already underfunded specialist refuges will be most affected. If the Government are serious about protecting women victims of female genital mutilation, domestic violence, forced marriage and trafficking, they have to put more money into specialist services. What commitment will they make to looking seriously at increasing funding for specialist refuges?

Victoria Atkins: We have the £20 million domestic abuse fund, which the Ministry of Housing, Communities and Local Government is overlooking. As the hon. Lady knows, we are also consulting on the draft domestic abuse Bill this year. I hope that consultation will start soon, and the Government would welcome responses from people who are interested. I make it clear that we are absolutely committed to funding refuges properly, and I am pleased that we have had a 10% rise in bed spaces since 2010.

Women in the Scottish Economy

4. **Mr Alistair Carmichael (Orkney and Shetland) (LD):** What recent discussions she has had with the Secretary of State for Scotland on the Sawers report on Womenomics. [903235]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): The Sawers report highlights many of the issues women face in the workplace. The gender pay gap in Scotland is at a near record low, but it must be eradicated completely. The Minister for Women and Equalities regularly meets Cabinet colleagues to discuss such important issues.

Mr Carmichael: The Sawers report was intended to be the start of a road map for the engagement of women in Scotland's economy and not just an end in itself. I suggest that the Minister would be well advised to meet Professor Sawers to discuss how her report can now be taken forward in government.

Victoria Atkins: That is a very pleasant suggestion, and I look forward to meeting Professor Sawers in due course.

Year of Engineering

5. **Mrs Pauline Latham (Mid Derbyshire) (Con):** What steps the Government are taking to encourage more girls and women to get involved with the 2018 Year of Engineering. [903236]

The Minister for School Standards (Nick Gibb): The Year of Engineering is an opportunity to tackle historical gender stereotypes. Throughout 2018, the Year of Engineering campaign will highlight the variety and creativity of engineering to improve the understanding of what engineers do and of the enormous opportunities that a career in engineering offers both to young men and young women.

Mrs Latham: Engineering is a vital employment sector for residents of Mid Derbyshire, both in small and medium-sized enterprises and in larger companies like Rolls-Royce, Bombardier and Toyota. Will my right hon. Friend update the House on which external partners in Derby have signed up to the Year of Engineering campaign?

Nick Gibb: My hon. Friend has almost answered the question for me. She is right that Rolls-Royce, Bombardier Transportation and Toyota have all pledged to support the Year of Engineering campaign through activities in schools, both nationwide and in the Derby area.

Carol Monaghan (Glasgow North West) (SNP): One of the biggest barriers to women and girls entering careers in engineering and physics is the perceptions and expectations of parents. What work is the Minister doing during the Year of Engineering to encourage parents to look at the career options?

Nick Gibb: The hon. Lady is quite right. We have been successful since 2010 because, in England, GCSE entries by girls in physics have risen from 50,600 in 2010 to 66,700 this year, and the number of girls entering

A-level physics has risen from 5,800 in 2010 to 6,947 in 2017. Overall, the number of girls taking STEM A-levels has increased by 20% since 2010.

Robert Halfon (Harlow) (Con): As well as ensuring that careers advice encourages more women into engineering, will my right hon. Friend look at financial incentives and at how the apprenticeship levy is working to incentivise companies to employ more women in engineering?

Nick Gibb: My right hon. Friend is quite right. We introduced the apprenticeship levy to boost the importance of apprenticeships. We delivered more than 2 million apprenticeship starts in the last Parliament and are committed to 3 million apprenticeship starts in this Parliament, because this is a Government who are committed to high-quality skills in our economy. The apprenticeship programme is part and parcel of that ambition.

Budget Gender Impact Analysis

6. **Mike Amesbury** (Weaver Vale) (Lab): If the Government will commission an independent gender impact analysis of the autumn Budget 2017. [903237]

The Financial Secretary to the Treasury (Mel Stride): For all Budgets, Treasury Ministers very carefully assess the gender impact of the various measures under consideration. We do that as a statutory duty, but we also do it because it is our firm policy to do so. Of course, one of our centrepieces in the Budget was the 4.4% increase in the national living wage from this April, which will disproportionately benefit women.

Mike Amesbury: Women still bear the brunt of the Government's failed austerity agenda. What was the Minister's assessment of the autumn Budget's financial impact on women and those with protected characteristics?

Mel Stride: As the hon. Gentleman will know, the Government constantly carry out assessments. There are various assessments of the impacts of all fiscal events, but I point him not only to the national living wage increase, which disproportionately benefits women, but to the personal allowance increase that takes many hundreds of thousands of women out of tax altogether. Of course, by 2019-20 we will spend some £6 billion a year on childcare, a record level of expenditure.

Dawn Butler (Brent Central) (Lab): I finally received a letter from the Government Equalities Office in regards to an equality impact assessment. If, as the Minister has just stated, the impact assessment was carried out, it would have shown that 86% of the Government cuts would have fallen on women. Why then did the Government continue with these damaging policies?

Mel Stride: As I have pointed out, the Government have taken many, many measures—I have just listed some of them in the recent Budget—that specifically assist women on issues such as childcare, the personal tax allowance increases and the national living wage increase that will come in from this April. We will continue to rigorously assess all measures, as we do

around all fiscal events, to ensure that women are treated fairly and are an absolute priority for this Government.

Pregnancy and Maternity Discrimination Tribunals

7. **Mohammad Yasin** (Bedford) (Lab): If she will discuss with Cabinet colleagues the adequacy of the time limit for a woman to bring an employment tribunal claim for pregnancy and maternity discrimination. [903238]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): Discrimination against pregnant women and new mothers is wholly unacceptable, but research the Government commissioned with the Equality and Human Rights Commission did not suggest the three-month time limit for bringing a claim to an employment tribunal was a particular barrier to pregnant women and new mothers. However, the rules permit an extension to that time limit if needed, and of course we will consider further guidance on this if that would be helpful.

Mohammad Yasin: What steps are this Government taking to prevent further job losses after reports exposed the fact that on average 54,000 new mothers lose their jobs each year because of maternity discrimination?

Victoria Atkins: We have to make sure the message is clear to employers that this sort of discrimination is wholly unacceptable, and give new mothers and pregnant women the courage to put forward a claim if it is appropriate. But the message from the Government is clear: this is not acceptable.

Mrs Maria Miller (Basingstoke) (Con): In response to the Women and Equalities Committee report, the Government have already agreed to act on this issue. Will my hon. Friend update the House on whether the president of the employment tribunal will be issuing guidance in this area on the extension powers she has already mentioned? My hon. Friend the Member for Esher and Walton (Dominic Raab) has also agreed to start collecting data on applications for time extensions on maternity-related cases. Will the Minister undertake to update the House in future on the progress on that?

Victoria Atkins: In late 2016, the Select Committee, which my right hon. Friend chairs, published a report on this. The recommendations were considered and the research we commissioned with the EHRC did not suggest that the three-month time limit for bringing a claim to the employment tribunal is a barrier. I will of course look into it and write to her.

Angela Crawley (Lanark and Hamilton East) (SNP): I welcome the new Women and Equalities Minister to her place and pay tribute to the right hon. Member for Putney (Justine Greening) for her dedication to the role. In January last year, the Women and Equalities Committee joined the Justice Committee in calling for an extension of the deadline from three to six months. In response, the Government said that they would keep the time limit for claims to be submitted under review, and we have heard a continuation of that narrative today. Since the statement, the Supreme Court ruled that the UK

must abolish tribunal fees and repay those who had made their claim. Is now therefore not the time to make a full review of that system of delivery, remove the further barriers and make a serious commitment today to increasing that time limit to six months?

Victoria Atkins: As I say, the Government continue to keep this under review. Following the Supreme Court judgment on employment tribunal fees, we stopped charging fees immediately and arrangements are being put in place by the Ministry of Justice to refund the fees to those who have paid in the past. As I say, this point on discrimination against new mothers and pregnant women is very much being kept under review.

Suffrage Centenary Fund

8. **Kirstene Hair** (Angus) (Con): What recent discussions she has had with her counterpart in the Scottish Government on plans for the suffrage centenary fund. [903239]

The Minister for Women and Equalities (Amber Rudd): This year marks a milestone in our democracy; we will celebrate the achievements of outstanding women who have fought for gender equality. The Scottish Government are receiving centenary funding through the application of the Barnett formula. The Government Equalities Office has monthly meetings with the devolved Administrations, who are responsible for how they choose to mark the centenary in their respective nations.

Kirstene Hair: I commend the Government on the establishment of the suffrage centenary fund to ensure that this important milestone is marked. Last year, I wrote to the Scottish Government Minister responsible, but I have received no response. Does the Minister share my belief that the devolved Administrations should spend the funds allocated to them to ensure that the centenary is properly celebrated in all parts of the United Kingdom?

Amber Rudd: Women throughout the UK went to the ballot boxes for the first time in 1918, and all four nations contributed to that landmark change. The Scottish Government are like the Welsh Government and the Northern Ireland Executive—they are all responsible for how they choose to mark the centenary in their respective nations. I understand that the Scottish Government will announce their plans shortly, but I cannot see why they would not want to mark such a great celebration in an important way.

Hannah Bardell (Livingston) (SNP): Does the right hon. Lady agree that, as part of the celebrations, a fitting tribute to the great Winnie Ewing, who was elected 50 years ago last year, would be a portrait in the House of Commons?

Amber Rudd: Well, Mr Speaker, I am sure that you listened carefully to that question, as I understand that that is a matter for the Speaker's Advisory Committee on Works of Art.

Mr Speaker: The Works of Art Committee is a very important Committee. I have a feeling that the hon. Member for Livingston (Hannah Bardell) is going to

beetle her way towards it and pitch in person. I am sure that the Committee looks forward to that prospect with eager anticipation.

Parental Leave

9. **Christine Jardine** (Edinburgh West) (LD): What steps her Department is taking to promote the right to a balanced share of statutory pay for mothers and fathers taking parental leave. [903242]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths): Perhaps I should begin by declaring an interest: Mrs Griffiths and I are expecting our first child in April. As the Minister responsible, I will be taking my full paternity leave.

Shared parental leave and pay was developed by the coalition Government. It enables working couples to share childcare responsibility in the first year. It is a radical step forward in the challenging of cultural expectations about the roles of men and women and the idea that the mother is always the primary carer. The Government understand the pressures on working families. We are taking steps to improve the take-up of the scheme, about which I shall say more in due course.

Christine Jardine: I welcome the Minister's comments and agree that the introduction of shared parental leave and pay was a radical step that is making a difference, but is he aware that fathers get only the mother's basic maternity pay, which is not enhanced in any way, so uptake of the scheme has been less than 1%? Will he look into this matter, particularly in the light of the court ruling in *Snell v. Network Rail*, and ensure that dads get a better deal?

Andrew Griffiths: There would be significant costs to the taxpayer and business were we to increase the rates of parental pay. We are not ruling that out, but it is important that we understand the facts before we change any policy. I am sure that the hon. Lady will be pleased that the Government have done a huge amount to support fathers and mothers in relation to parental leave. We have cut income tax for more than 13 million women, introduced tax-free childcare and extended free childcare for three and four-year-olds to 30 hours a week, and we are funding people to return to work after a time out. We are a Government who understand the pressures on working families and we are working to help them in their time of need.

Domestic Abuse

10. **Alan Brown** (Kilmarnock and Loudoun) (SNP): What steps her Department is taking to support other Government Departments better to assist victims of domestic abuse. [903243]

The Minister for Women and Equalities (Amber Rudd): The Home Office co-ordinates the cross-Government approach to tackling domestic abuse through our violence against women and girls strategy, which has committed increased funding of £100 million to support victims.

Alan Brown: The Scottish Government are providing essential training to around 14,000 police officers to help them to spot coercive control. What discussions

has the Minister had with herself, in her role as Home Secretary, about the Home Office providing similar training for the police in England and Wales?

Mr Speaker: I do not know whether the Minister is going to admit to talking to herself, but I think we are about to discover.

Amber Rudd: I shall draw a veil over that particular suggestion, but as the hon. Gentleman is aware we have introduced a new offence of coercive or controlling behaviour, which is an important part of our efforts to make sure that we support women and that we address additional forms of abuse that take place in that way. We have also rolled out domestic violence protection orders. Most importantly, this year we will introduce a domestic abuse Bill to do everything we can to protect victims and bring perpetrators to justice.

Topical Questions

T1. [903248] **Eddie Hughes** (Walsall North) (Con): If she will make a statement on her departmental responsibilities.

The Minister for Women and Equalities (Amber Rudd): This year marks the centenary of the first British women getting the vote. We should not forget what it took to achieve that. Hunger-striking suffragettes were brutally force-fed with tubes—a process so painful that it could cause lifelong injuries and even make the prison wardens cry in horror. Those who marched in favour of women's rights were pelted with rotting vegetables, rocks, and even dead rats. Suffragette Emily Davison was trampled to death by the King's horse when she walked on to the track to protest. It is only right that we honour the extraordinary efforts and sacrifices of those remarkable women, as well as the landmark change that they brought about. The Government will be making sure that we provide the necessary funds and support to do exactly that.

Eddie Hughes: In the 21st century, surely women deserve total equality. Will the Minister tell us what steps the Government are taking to ensure that there is not a pay gap in the civil service in light of the fact that Carrie Gracie recently resigned as China editor at the BBC, citing pay issues there?

Amber Rudd: I thank my hon. Friend for raising such an important element. It is absolutely essential that we all ensure that the Equal Pay Act 1970 is enforced. As much as I admire the BBC and enjoy listening to and watching its programmes, it clearly has a very serious question to answer here, which I certainly hope that it will address. On the gender pay gap, we are committed to ensuring that we address that as well, and, of course, we have new disclosure arrangements.

Dawn Butler (Brent Central) (Lab): I, too, welcome the additional burden put on the Minister in her new role, and thank the former Minister for her work. On 26 August 2016, the Prime Minister began her PR exercise on the race disparity audit. On 10 October 2017, the Government released the data. This week, as chair of the all-party parliamentary group for governance and inclusive leadership, I launched the Investing in Ethnicity and Race in the Workplace maturity matrix, a free resource for businesses. Will the Minister explain

what steps the Government have taken to act on the findings of the race disparity audit?

Amber Rudd: I thank the hon. Lady for her welcome and I very much look forward to working with her in this House. I have not yet seen her report, but no doubt, after these questions, she will be kind enough to give me a copy of it. The publication of the race disparity audit shows how committed this Government are to ensuring that, where we find race disparity, we will address it. Each Department is looking at the specific recommendations and will come forward with how they will address them.

T4. [903252] **Edward Argar** (Charnwood) (Con): As the Government rightly push forward legislation to deliver greater use of electric vehicles, Guide Dogs UK has expressed concerns from an equality perspective about possible safety implications for blind and partially sighted pedestrians of greater use of these very quiet vehicles. Will the Minister please raise that concern with the Secretary of State for Transport?

Amber Rudd: I thank my hon. Friend for raising that matter. I am aware that it is a concern among people who are disabled, particularly among blind people. I just point out that autonomous vehicles will not necessarily be so quiet: the autonomous nature of them means that they will not be driven by an individual, and the noise level will depend on whether they are petrol, diesel or electric, but certainly I have been having conversations with officials at the Department of Transport, and we will make sure that they are aware of that very serious concern.

T2. [903249] **Mike Amesbury** (Weaver Vale) (Lab): Harriet Shaw Weaver from Frodsham in my constituency was among the many suffragettes who helped women secure the right to vote a century ago. What steps are the Government taking to ensure that, in this centenary year, they address the lack of women's representation in Parliament?

Amber Rudd: I thank the hon. Gentleman for raising this important issue. It is absolutely critical that we celebrate it in this centenary year. I hope that he will speak to the activists in his constituency and consider applying for some support to raise the profile of the historical suffragette in his area. We are absolutely committed as a Government to ensuring that we have high representation not only in Parliament, but in Government. I am delighted to say that women make up 30% of the people attending Cabinet.

Justine Greening (Putney) (Con): First, let me congratulate the Home Secretary on her expanded role. I know that she will do a brilliant job. She will know that young people, parents and teachers think that it is vital in a modern internet world to see sex and relationships education updated. Can she confirm that the Government will push ahead with updating the guidance, which is now so out of date, and that she will meet me, my right hon. Friend the Member for Basingstoke (Mrs Miller) and the hon. Member for Rotherham (Sarah Champion) to make sure that we can have cross-party support for the work that is being undertaken?

Amber Rudd: I thank my right hon. Friend for the enormous good work that she did in this role. I will try my best to keep up the momentum that she provided. One of the fantastic things that she did was lead on making sure that sex and relationships education will be provided in all schools. I will be delighted to work with her to ensure that that is the case, and also across the House to ensure that the outcome that we get is one that the whole House can support, as I know that everybody believes in its importance.

T3. [903250] **Dr Philippa Whitford** (Central Ayrshire) (SNP): The requirement for all bus drivers to undertake disability equality training has been standard across the EU since 2013, and the UK's five-year opt-out ends on 1 March. The Scottish Government have produced their accessible travel framework. Will the Minister tell us whether standardised training will be in place within the next six weeks across England so that the UK meets its obligation and disabled passengers can really access public transport?

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): I am delighted to answer the hon. Lady's question. I will certainly ensure that the Minister for Disabled People and the Transport Secretary have an address for that particular point and will write to the hon. Lady.

Mrs Maria Miller (Basingstoke) (Con): There is a growing concern about the use of non-disclosure agreements in connection with employment. Will my right hon. Friend join me in condemning the use of non-disclosure agreements to conceal wrongdoing of any kind, and to encourage legal regulators to consider whether they are, in fact, ethical?

Amber Rudd: I look forward to working with my right hon. Friend and her important Committee. She has raised an important matter; transparency is such an important part of achieving equality, so I look forward to working with her on this to establish the right way forward.

T5. [903253] **Ms Karen Lee** (Lincoln) (Lab): I welcome the Minister to her new role. The BBC claims that 14.5% of its staff are from black, Asian and minority ethnic backgrounds. But others, including Lenny Henry, have claimed that if we look at the staff who actually make the BBC's programmes, that figure falls to just 1.5%. Is the Minister concerned that there is a major problem with BAME representation at the BBC, and what discussions has she had with the BBC about what it is doing about it?

Amber Rudd: I thank the hon. Lady for raising that point, as I had not seen those particular figures. They draw attention to the fact that the overall number suggesting that there is equality sometimes hides the fact that there is nowhere near equality in the specialist areas—often the higher paid areas. I take very seriously the point she has raised, about which there are additional questions for the BBC to answer.

Philip Davies (Shipley) (Con): Last year, the Government advertised for a disability rights commissioner. Lord Shinkwin applied for the post, was appointed to the

post and was promptly told that the post had been abolished at the Equality and Human Rights Commission. Will the Secretary of State for Work and Pensions reverse the disgraceful decision to abolish the post of disability rights commissioner and restore Lord Shinkwin to his rightful position in that post?

The Minister for School Standards (Nick Gibb): The disability commissioner role was an operational matter for the EHRC itself. The Secretary of State has no powers to appoint or reinstate a disability commissioner.

T6. [903254] **Jo Platt** (Leigh) (Lab/Co-op): Over the weekend, I was sent a screenshot from a Facebook page directed at the female chief executive officer of Wigan Council that read,

“horrible bitch should hang wish i held the rope”.

Unfortunately, this was not deemed to violate Facebook's standards. This is not an isolated case. There is a stream of incessant posts aimed at bullying and intimidating female representatives of the borough. What further action will the Government take to ensure that women in public office feel safe?

Amber Rudd: I thank the hon. Lady for raising this, as it is such an important issue and one that I think all of us in this House are having to deal with. The sheer nastiness of comments online is something that we all disparage. We are actively engaging with the communications service providers on what they can do to take such comments down. I respectfully point out that the recent publication by Lord Bew about conduct in public life showed that it is particularly Conservatives MPs who are on the receiving end. I urge Opposition Members to work with their party to ensure a reduction of nasty Momentum activists.

Rachel Maclean (Redditch) (Con): It is evident that some of the largest graduate employers in the country are paying men and women different rates when they start in the workplace, and we know that the gender pay gap only widens as women progress through the workplace and reach the exalted ages of myself and some others. What more can the Government do to tackle this insidious issue?

Amber Rudd: We are very serious about tackling the gender pay gap. From April this year, any employer with more than 250 employees will need to publish that pay gap. It is through transparency that we will get real change.

Thangam Debbonaire (Bristol West) (Lab): Will the Government carry out an economic impact assessment on the value of investing in a comprehensive childcare provision across the country, in particular looking at the impact on women and gender equality?

The Financial Secretary to the Treasury (Mel Stride): As I said earlier, we already carry out a wide variety of different impact assessments, including in the kind of area to which the hon. Lady alludes. If she would like to write to me with further details of the exact aspects she is interested in, I would be very happy to consider them.

Hamed bin Haydara

10.39 am

Bob Blackman (Harrow East) (Con) (*Urgent Question*): To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the death sentence verdict made against Hamed bin Haydara, a Yemeni Bahá'í, in Sana'a on 2 January this year.

The Minister for Europe and the Americas (Sir Alan Duncan): We are very concerned that the Bahá'ís are being persecuted for their religious beliefs in Yemen, particularly in areas controlled by the Houthis and forces aligned to the late former President Saleh. We strongly condemn this mistreatment and continue to work closely with our partners, including the European Union, to raise the issue directly with the de facto authorities.

We are aware of Mr bin Haydara's death sentence and have sought to raise the profile of his situation through public diplomacy. The immediate release of all Bahá'ís in Yemen imprisoned for their religious beliefs was a key demand in the September United Nations Human Rights Council resolution, which we supported. We will work closely with all partners to ensure its full implementation.

Bob Blackman: I thank my right hon. Friend for his answer and you, Mr Speaker, for granting this urgent question. Members right across the House have concerns about the denial of freedom of religion and belief for people of all faiths and none. The threat to execute Hamed bin Haydara constitutes a grave risk to the life of an innocent man—a father of three—and would accelerate the climate of persecution against the wider Bahá'í community in Yemen as a whole.

Mr bin Haydara was arrested in December 2013 and has been subjected to torture, beating and electrocution. He has been forced to sign confessions under duress. More than half of the nearly 40 court hearings on his case have been cancelled, raising serious questions about whether there has been any due process. He has been denied treatment for medical conditions that came about as a direct result of the torture inflicted on him. He was not even permitted to be present at the court hearing when he was sentenced to death.

I have a series of questions for my right hon. Friend to answer, if he can. Have the UK Government any further lines of communication for making representations to the Houthi authorities, who hold the power in Sana'a? I am advised that the Minister for the Middle East, my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), is taking up the case and is in Geneva today. What pressure will he be able to apply at the UN on the Houthis and their backers to persuade them to release this innocent man? How much is known about the situation of other Bahá'ís imprisoned in Sana'a? They are reported to be Keyvan Ghaderi, Walid Ayyash, Mahmood Humaid, Wael al-Arieghie, Badiullah Sana'i and Akram Ayyash. They have all been detained recently and are under threat.

Will the Minister also say what measures can be taken in respect of reports that senior figures in the national security office and the prosecutor's office are

receiving instructions from Iran to persecute the Bahá'í community? The UN special rapporteur on freedom of religion and belief has observed

“the persistent pattern of persecution of the Bahá'í community”.

If the Minister can answer those questions, the whole House will be deeply grateful.

Sir Alan Duncan: First, I express my gratitude to my hon. Friend for raising this subject. It is always proper for matters of individual justice of this sort to be raised in the House. Opposing the persecution of religious minorities is a very high priority for the Foreign Office and our diplomatic efforts as we enter this year.

The Bahá'í faith has been persecuted for the best part of one and a half centuries; the situation described by my hon. Friend is, sadly, a further example of that phenomenon. Although Mr bin Haydara is neither a British national nor an employee of any organisation related to Her Majesty's Government, that does not in any way diminish our indignation at what is happening and our wish to try to defend his interests and see him released. To that end, we are, of course, also in close contact with the Bahá'í community in London about this case and the wider situation of Bahá'ís in Yemen.

My hon. Friend asked a number of questions that are very difficult to answer in the context of Yemen, which is essentially a failing state. Mr bin Haydara is held not by the official Government but by the Houthis, who are deemed to be the insurgent force in Yemen and are essential to any successful political outcome the likes of which we are trying to pursue. Getting further lines in to the Houthis on a particular case such as this is therefore extremely difficult—it is difficult, of course, to engage them even in the main thrust of the political solution we would like to see in Yemen. To that end, as my hon. Friend says, my right hon. Friend the Minister for the Middle East is in Geneva today helping to corral the collective effort that we hope can increase and optimise our influence in this case and on the future of Yemen itself.

We estimate that there are about 2,000 Bahá'ís in Yemen, and to identify the fate of any individual within that large number is very difficult. We do not have direct diplomatic representation in Sana'a or the sort of detailed engagement with the Houthis that would be necessary to address such issues. It is undeniable that Iranian influence has been drawn into Yemen more than was the case five years ago, when the Gulf Co-operation Council initiative sought a replacement for then President Ali Abdullah Saleh. The current President, President Hadi, has, I am afraid, very little influence over such cases. I very much hope, therefore, that the Iranians will use their efforts to go for justice rather than the persecution of people such as Mr bin Haydara.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): Thank you, Mr Speaker, for granting this urgent question. I congratulate the hon. Member for Harrow East (Bob Blackman) on securing it. As he explained, the facts in this case are clear: Mr Haydara was arrested in southern Yemen in December 2013 and has suffered torture since; his family and lawyers have not been allowed to see him during that time; and he has been forced to sign a 19-page confession while wearing a blindfold, on the basis of which he was charged with spreading the Bahá'í faith in Yemen. All of these events took place

[Mr Khalid Mahmood]

under the Government of President Hadi, not the Houthis rebels who took power in early 2015, but it is the Houthis who have held Mr Haydara since then and it is their courts that have now sentenced him to death, so responsibility for this case clearly lies with the Houthis and their supporters in the Iranian regime—we all know the terrible history of Bahá'í persecution in Iran.

As well as Mr Haydara, five other Bahá'ís are in detention, awaiting trial for no crime other than their religion. We in this House all agree that they must be freed and that Mr Haydara's death sentence must be quashed. Will the Minister use his influence with the Iranians, who are the ones with influence at the moment, in dealing with the Houthis? He needs to apply as much pressure as he can, because this sentence could be carried out very quickly, so a life is at stake. The Iranians are the key players here. Will he guarantee that he will raise these cases when it becomes possible to renew talks on a political settlement in Yemen? Finally, will he request assurances from the Saudi Government that if President Hadi is restored to power in Yemen, he will cease persecution of the Bahá'í faith?

Sir Alan Duncan: The hon. Gentleman's perfectly fair questions illustrate the deep complexities of Yemen at the moment. Unfortunately, we cannot just deal with the legitimate Government in the way we might expect to do with other countries. This is a failing state, with the legitimate President, President Hadi, wielding far less power than one would wish and the Houthis wielding far more power than one would wish. Relations on this sort of consular case—if I can describe it as such—are very difficult and our ability to have the influence we would like is far less than we would like.

The Houthis are Zaidis, not classic Iranian Shi'ites, so they have an affinity with Iran, but it is wrong to say that they take all their orders from it and are its straightforward puppets. The history of Yemen suggests that the position of the Houthis is rather more complex than that. There is an undoubted affinity, however, and one that has grown over the past two or three years. Because of that, we will of course use all our diplomatic efforts to put pressure on the Iranians to understand that there is deep concern in this House and more widely across the world about the way in which Mr Haydara and others are being treated.

I absolutely assure the House that my right hon. Friend the Foreign Secretary, in his dealings with the Iranians, which have increased over the past couple of months, will not fail to raise this issue and the broader issue of religious freedom on any occasion.

Tom Tugendhat (Tonbridge and Malling) (Con): I thank the Minister for his comments and for speaking very gently and wisely about a matter that is actually very complex. I pay tribute to Her Majesty's ambassador to Sana'a, Simon Shercliff, who of course is not in Sana'a. He has done an awful lot of work on the Yemen problem, yet through no fault of his own appears to be getting not very much further. I also pay tribute to the Minister for the Middle East, who likewise is doing a lot.

I associate myself with the words of the hon. Member for Birmingham, Perry Barr (Mr Mahmood) on the influence of Iran in the region. Does the Minister agree

that the rise of religiosity among the Houthis is an extremely worrying sign and something that has arisen only in the last few years? Although there have been many tribal issues in Yemen, the rise of factionalism on religious grounds is a new thing in Yemeni history.

Sir Alan Duncan: I totally agree with my hon. Friend. I know that as Chair of the Foreign Affairs Committee, he will investigate the matter deeply with his Committee. He is right that one of the distressing elements of what has unfolded in Yemen over the past five years is that what was really a tribal conflict has converted into more of a sectarian conflict. That contains the danger of further escalation into a deeper proxy conflict. That is exactly the kind of rising tension and complex structure that, through our diplomatic efforts, we want to reduce and de-escalate so that we get to the point where there can be proper and realistic political discussions in that complex, tribal country to bring stability and, crucially, to overcome the massive famine, disease and rising infant mortality that are probably the worst aspect—although a deeply hidden aspect—of what is going on in Yemen.

Alison Thewliss (Glasgow Central) (SNP): I pay tribute to the hon. Member for Harrow East (Bob Blackman) for bringing this issue to the House and to the Bahá'í community in the UK for raising it with me this week. As has been mentioned, the Bahá'í community in Yemen is small, but has faced disproportionate persecution by the Houthis, backed by Iran, which has included mass arrests, arbitrary detention, harassment and apparently now shutting down all the Bahá'í centres across the portion of Yemen controlled by the Houthis.

The sentencing to death of 52-year-old Hamed bin Haydara is an extremely worrying development, as he has been in detention since 2013. I imagine that others who are in detention at the moment will be extremely distressed at their prospects, given this development.

Noting the context of the wider discussion of the dire situation in Yemen, will the Minister tell the House what discussions he has been able to have with his counterparts in Iran, who are alleged to be driving this religious persecution? The Bahá'í community allege that it follows a similar pattern to the persecution of Bahá'ís that has gone on in Iran.

In the wider context of countries that choose to continue using the death penalty, what is the Foreign and Commonwealth Office doing to update its strategy on the abolition of the death penalty? What communications could the Minister have with President Hadi, who is in exile but still has a position of influence?

Sir Alan Duncan: I assure the hon. Lady that the abolition of the death penalty is embedded in all our diplomatic and Department for International Development policies. Wherever we go, in any country, that is our policy and we do our best to argue for it wherever possible.

I have been going to Yemen for over 30 years. I have met President Hadi on about 10 occasions and I met Saleh on about 20. This is a complex country with a vicious history full of conflict and tribal division. My right hon. Friend the Minister for the Middle East, who, as I said, is in Geneva, has been brilliant in trying to gather the maximum possible public international and diplomatic pressure not only on this specific case,

but for a broader settlement in Yemen. I can tell from my conversations with my right hon. Friend the Foreign Secretary on this matter that he is personally very ambitious to do his utmost to use British influence. British influence in Yemen is perhaps greater than many of us in this House realise. The voice of the UK still does matter. We want, as a priority in the Foreign Office, and indeed in No. 10, to do everything we can to use that historical influence to try to bring an end to this disastrous period of Yemeni conflict, famine, and history.

Edward Argar (Charnwood) (Con): I associate myself with the remarks of my hon. Friend, and indeed friend, the Member for Harrow East (Bob Blackman) in unreservedly condemning both this death sentence and the persecution of the Bahá'í. Will my right hon. Friend set out the role that he believes the Government of the Sultanate of Oman can play not only in successfully helping with this case but, more broadly, in successfully resolving the situation in Yemen?

Sir Alan Duncan: I am very grateful to my hon. Friend for his question. I think he is fast establishing himself as one of the great experts in this House, particularly on Oman and Yemen, and indeed the middle east more widely. The Sultanate of Oman, a great ally of the UK, is of enormous importance in the dynamics of any negotiations that might come forward to resolve the Yemen problem. The country's history with Yemen matters to it, of course, but it is also next door to Iran. Its enlightenment in trying to be an honest and constructive broker with the Houthis is much appreciated in this country. The Sultanate of Oman is a country to which we attribute enormous value and affection. We look forward to working with it further as an important element in trying to find a solution to this conflict.

Mr Speaker: The hon. Member for Charnwood (Edward Argar) is clearly a very wise man indeed. In fact, he would perhaps be called a greybeard if he had one.

Jim Shannon (Strangford) (DUP): I thank the Minister for his statement. The judgment on Hamed Bin Haydara has called for the confiscation of his goods and also direct action against the Bahá'í, motivated very clearly by a desire to repress a peaceful religious minority. I think that some of the information coming through from the oral reports from Yemeni officials would show that Iran has an influence there. Will the Minister share with the House what representations he has had on this case, apart from those this morning? What representations are the Government going to be able to make to urge the Houthi authorities to overturn this judgment? What help can he give to the prisoners in jail who need medical attention?

Sir Alan Duncan: We have very little direct contact with the Houthis because of the complicated nature of the Yemeni conflict. However, through all available channels—public and UN pressure, the UN Human Rights Council, collective comments within the middle east through ambassadors, and other forums—we have made every conceivable representation. I can assure the hon. Gentleman that we will continue to do so—perhaps, after this urgent question, even more noisily and robustly than before.

Chris Davies (Brecon and Radnorshire) (Con): Will my right hon. Friend remind the House of what the UK is doing to support the UN political process?

Sir Alan Duncan: We have been a full part of the UN process ever since the Arab Spring of 2011 and the GCC initiative that saw the replacement of President Saleh with President Hadi. In 2015 there was the important UN Security Council resolution 2216. As I said earlier, the Human Rights Council resolution of September last year is an important further part of the same UN process, in which we play our full part.

Tom Brake (Carshalton and Wallington) (LD): Will the Minister use this opportunity to restate the Government's opposition to the use of torture in any circumstances? Are there any new, concrete initiatives that he expects to come from the international community to try to stop the conflict in Yemen, because that is what has enabled this atrocious decision to be taken?

Sir Alan Duncan: It is very nice to have an opportunity to fully agree with the right hon. Gentleman. Certainly we are absolutely resolute in our opposition to torture and degrading treatment in all its forms.

As I said earlier, we really want to start this year doing everything we possibly can to get people talking. We have done so through gathering together the Saudis, the Emiratis, the Omanis and the UN. We will continue to work with them, crucially in trying to find direct contact with people in Yemen who can make a difference—something that the international community is trying to work out following the death of Ali Abdullah Saleh in December last year.

Craig Tracey (North Warwickshire) (Con): I thank the Minister for his response to the urgent question. What are the Government doing to address the humanitarian crisis in Yemen?

Sir Alan Duncan: I am familiar with this from the days when I was an International Development Minister, and even then—without such a conflict—Yemen had dire needs. We are deeply concerned by what may be nearly 500,000 cases of cholera, by rising infant mortality and by the fact that almost all the food—certainly all the rice—is imported. To that end, therefore, it has been essential to open the port of Hodeidah, which I am pleased to say has happened since last month. DFID is spending over £200 million in this financial year, but the access to those in need and the delivery of humanitarian aid remains a very complex and difficult problem in such a lawless and disintegrating society.

Jeremy Lefroy (Stafford) (Con): May I thank you, Mr Speaker—as, indeed, I thank my right hon. Friend—for your dedication to religious freedom and human rights? Does my right hon. Friend agree that human rights and religious freedom are absolutely integral parts of our humanitarian and development aid work across the world?

Sir Alan Duncan: Yes. If human rights and the rule of law are not upheld, the efficacy of development is severely reduced, so I totally agree with my hon. Friend. That is written in as a principle to all the ways in which DFID goes about its business.

Stephen Kerr (Stirling) (Con): In my experience, one could not find a more gentle and more engaging people than those of the Bahá'í faith, who bear their persecution with great forbearance. What communications has the Minister had with representatives of the Bahá'í faith in this country?

Sir Alan Duncan: We are in contact with the Bahá'í community in the UK. As I said earlier, the Bahá'ís are a gentle sect, as it were, of Islam, who fully deserve to be defended whenever this inexplicable persecution takes place. It has been going on since they were founded in the mid-19th century, and I think that their being persecuted from the start and having it persistently thrust on them for more than a century and a half is a miserable aspect of our relatively recent history.

Mike Wood (Dudley South) (Con): I welcome my right hon. Friend's assurances of opposition to this terrible death penalty. What assessment have the Government made of the effects of the death of Ali Abdullah Saleh on the horrific crisis in Yemen and on the chances of a positive resolution?

Sir Alan Duncan: I hope the House will accept that what I am going to say are just my own thoughts, as someone who has taken an interest in Yemen for so long, rather than the official assessment of Her Majesty's Government, because this is a fairly recent phenomenon. Whereas Ali Abdullah Saleh was working with the Houthis, he turned against them and there was a rather serious battle between the two sides, in which he died. What will now happen to the influence he wielded through the General People's Congress and his own forces is difficult to assess at this early stage, but I suppose one can say that, at its simplest, it has probably reinforced the power of the Houthis. I hope that, from that position of strength, the Houthis might now be prepared to negotiate directly with Saudi Arabia and other interested parties, so that we can reach a political solution and put an end to this conflict.

Ross Thomson (Aberdeen South) (Con): What role did my right hon. Friend and the Foreign Office play in the reopening of the port of Hodeidah? Its reopening is crucial for access for humanitarian aid and relief for some 7 million Yemenis who are on the brink of famine.

Sir Alan Duncan: My hon. Friend is absolutely right. While the ports remained closed, the entire country was essentially under siege and at risk of starvation. The UK Government played a very significant part in working with the Kingdom of Saudi Arabia to try to open the port of Hodeidah. An agreement was reached last month, and I hope that supplies are now flowing in, as they must, and that increasing supplies will flow in to bring much needed sustenance, medicine and help to a country that is in deep peril.

Business of the House

11.4 am

Valerie Vaz (Walsall South) (Lab): Will the Leader of the House please update us on the forthcoming business?

The Lord Commissioner of Her Majesty's Treasury (Paul Maynard): As eagle-eyed Members will have noticed, I am not the Leader of the House. My right hon. Friend is attending Sandringham for a meeting of the Privy Council. She sends her apologies, and I am standing in for her. I will do my best to aspire to meet her high standards.

The business for the week commencing 15 January 2018 will include:

MONDAY 15 JANUARY—Second Reading of the Space Industry Bill [*Lords*].

TUESDAY 16 JANUARY—Remaining stages of the European Union (Withdrawal) Bill (day 1).

WEDNESDAY 17 JANUARY—Conclusion of remaining stages of the European Union (Withdrawal) Bill.

THURSDAY 18 JANUARY—Debate on a motion on treatment of SMEs by RBS Global Restructuring Group, followed by a general debate on Holocaust Memorial Day 2018. The subjects for these debates were determined by the Backbench Business Committee.

FRIDAY 19 JANUARY—Private Members' Bills.

The provisional business for the week commencing 22 January 2018 will include:

MONDAY 22 JANUARY—Second Reading of the Financial Guidance and Claims Bill [*Lords*].

TUESDAY 23 JANUARY—Remaining stages of the Nuclear Safeguards Bill, followed by consideration of Lords amendments to the Telecommunications Infrastructure (Relief from Non-Domestic Rates) Bill.

WEDNESDAY 24 JANUARY—Opposition day (8th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 25 JANUARY—Debate on a motion on joint enterprise followed by a general debate on the proscription of Hezbollah. The subjects for these debates were determined by the Backbench Business Committee.

FRIDAY 26 JANUARY—The House will not be sitting.

On behalf of the Leader of House I am sure I join all hon. Members in congratulating my hon. Friend the Member for Northampton North (Michael Ellis) on his promotion from Deputy Leader of the House to his new role at the Department for Digital, Culture, Media and Sport. I am sure that his urbane approach will be well received and suit him well. I also welcome all Members back from what I hope was a restful and peaceful Christmas and new year break. I hope that they appreciated the efforts of the Leader of the House in restarting the bells of Big Ben for new year, which I am sure added to our collective enjoyment of that important feast. I hope that we all have an interesting and exciting 2018—but not too exciting, because we do not like too much excitement in politics, do we?

Valerie Vaz: I am excited already, Mr Speaker.

I thank the Minister for turning up and taking Business questions, and for setting out Government business. I know that the Leader of the House has an important engagement. As the Minister said, the hon. Member for Northampton North (Michael Ellis) has done an

admirable job. He has now been promoted—perhaps he is irreplaceable—and we thank him for all his work. Will the Minister please confirm whether there will be a new Deputy Leader of the House? Following your suggestion to those on the Treasury Bench yesterday, Mr Speaker, will the Minister ensure that the list of those with ministerial responsibilities is updated as soon as possible?

I am not sure whether Bananarama was on the Prime Minister's playlist, but I wonder whether Members recall the song that goes:

"It ain't what you do, it's the way that you do it,
and that's what gets results."

The reshuffle was the same old, same old people—new titles, but all the responsibilities were already in their departmental portfolios. Will the Minister ensure that the change of titles does not lead to any further cost to the public purse? It seems that men can say no, and the PM goes, "all right then", but when a woman says no, she is sacked. To paraphrase the Prime Minister, there really are boys' jobs and girls' jobs, and we wait to see what the fall out will be.

It seems that the Government are following what the Opposition are doing. The Opposition already have a Minister responsible for housing and a Minister responsible for social care at shadow Cabinet level, and that is now policy. The Government have announced no vote on fox hunting, and measures on wild animal in circuses. The Wild Animals in Circuses Bill was introduced by former DEFRA Minister, my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick). He put that through in September 2014 and the Government have done nothing. The Government now say they will introduce legislation, so could the Minister please confirm that it will not be another four years before we get legislation to ban wild animals in circuses? It seems that the Government have really gone from hunting animals to hugging animals.

The Secretary of State for Transport is missing—missing on the day that the rail fares were increased by 3.4%, the highest increase in five years, and missing the opportunity to explain to the House why, when the Passenger Focus survey found that 91% of people are satisfied with the east coast main line that returned £1 billion to the Treasury, the Government sell it off, with no explanation of why the franchise is terminated and the taxpayer has to bail out the companies. May we have a statement from the Secretary of State for Transport—he was present for our Opposition day yesterday—not only on the projected profits if the service had remained in public hands, but on the full costs of the bailout? Yet again, the Government did not vote in favour of our Opposition day motion, or oppose it or even amend it.

There seems to be a fatal flaw in the Government's arguments. They say they planned for the winter, so my hon. Friend the shadow Secretary of State for Health was right when he said that the crisis was preventable and predictable. The evidence in the NHS is clear: cancelled operations and people waiting on trolleys. My friend and constituent Tassidiq Khan was discharged from New Cross Hospital on 15 December and I spoke to him. By 2 January, he had had a huge heart attack and was dead. The Secretary of State has to take responsibility and be accountable. If there are no concerns on behalf of the Government, why has the Care Quality

Commission decided to suspend routine inspections because, it says, of winter pressures? Did the Government plan for that? Could we have a statement on today's announcement by NHS providers that they cannot deliver, as set out under the NHS constitution, safe, decent standards of patient care?

This is about accountability and responsibility. My hon. Friend the shadow deputy Leader of the House—as we have a deputy shadow Leader of the House—has written an excellent article in the *Health Service Journal* about accountability. Mr Speaker, you will recall that Nye Bevan said that if a bedpan dropped in Tredegar, it would be heard in Whitehall. We say it is the other way round: what happens in Whitehall should be heard at a local level. It is accountability that is the most important, yet it seems that if companies do not get contracts, they sue and are paid out of public money; and if they cannot fulfil the contracts, they are bailed out by public money. Either way, the public are paying.

Could the Minister please tell the House the Government's position on the inquiry announced today by the Commissioner for Public Appointments into the Government's failure to follow due diligence in appointments to the Office for Students? Why had the Minister concerned not done the appropriate checks?

Finally, as we celebrate 100 years of women being able to vote, I hope we can also celebrate that, wherever people work, they are paid equally, whether called Carrie or John. Like the Minister, I welcome everyone back to the House and wish them a very happy new year.

Paul Maynard: I hope that the hon. Lady retains her sense of excitement throughout the forthcoming exchanges. I am disappointed, though, that she wanted me to be replaced so quickly in the new role that I am required to perform today. None the less, I will do my best in the short time that I have available.

The hon. Lady rightly raises the importance of winter planning in the NHS, and I am sure she will have carefully read yesterday's debate and listened carefully to the words of the Prime Minister, who has made it clear that she has apologised to all those whose operations have been cancelled. We spent £437 million on winter planning for A&E this year, and NHS providers have been clear that the NHS has never been better prepared for winter. Part of appropriate planning for winter is making sure that patients do not find out on the day that their operation has been cancelled.

I welcome the hon. Lady's comments on many of the environmental policies that the Government are adopting. It is welcome and right that we are soon to have a 25-year plan for the environment, and many Members across the House will be interested to see what that will involve. I hope she will welcome the Prime Minister's announcement today of the extension that we shall be making to the plastic bag charge. The charge has contributed some £95 million to good causes across the country so far. It is right that we now extend that to smaller enterprises, because I am sure they too have been very keen to participate.

The hon. Lady referred to one of my previous areas of expertise: rail fares. I am surprised that she wants a statement so soon, given that we had a lengthy Opposition day debate on rail franchising only yesterday, during which

[Paul Maynard]

many of these issues were discussed. The challenge for the Opposition is clear. As they will be aware, the Secretary of State for Transport has made it clear that he aspires to move to the consumer prices index, but one of the biggest obstacles to that comes from the hon. Lady's own side. I would love to be a fly on the wall when the Labour party tries to persuade the National Union of Rail, Maritime and Transport Workers to drop its excessive retail prices index wage demands.

As a child of the '80s, I have fond memories of Bananarama. They had many hits, but perhaps the hon. Lady will recall their Comic Relief guise of La-na-nee-nee-noo-noo, which I think was much more the tone of her comments on the reshuffle. I find it bizarre that anyone on the Opposition Benches has the temerity to criticise a Government reshuffle. I remember when, in the not-so-distant past, Opposition reshuffles came along as often as London buses. It was almost like a random number generator; the composition of the Opposition Front-Bench team was as random and unpredictable as the balls on the national lottery—she might regard herself as the bonus ball in any reshuffle. What we see today on the Government Front Bench, with a range of new Ministers—at least five when I stood up at the Dispatch Box—shows how our Government increasingly resemble the nation we seek to serve. We are seeing a range of new talent coming through. When we have a reshuffle, we have a positive sense of progress. I thank the hon. Lady for her comments today.

Several hon. Members *rose*—

Mr Speaker: Order. I exhort Members to ask brief questions about the business of the House for next week and provisionally for the week after, and I know that the hon. Gentleman on the Government Front Bench will respond in similar vein.

Sir David Amess (Southend West) (Con): Will my hon. Friend find time for a debate on the enforcement of legislation concerning employment agencies and temporary workers? I worked in recruitment for many years before becoming an MP, and I am horrified by the way the law is being flouted, with adverse consequences for Her Majesty's Revenue and Customs and for the workers themselves.

Paul Maynard: I know that I cannot go far without my hon. Friend pursuing me to the Dispatch Box. He is obviously a doughty defender of the people of Southend, and his expertise on this issue is noted across the House. As he will know, we have commissioned Matthew Taylor to review employment practices across the country. The Department for Business, Energy and Industrial Strategy is currently reviewing the responses to the consultation, and I am sure that my hon. Friend will join me in looking forward to hearing the views at the end of the process.

Pete Wishart (Perth and North Perthshire) (SNP): Mr Speaker, I wish you and all the staff of the House a happy new year.

I thank the hon. Gentleman for announcing the business for next week. Dazzled as I was by the overwhelming success of the Cabinet reshuffle, I thought that I had missed the announcement on the deputy

Leader of the House, but one had not been made. We are all grateful to the hon. Gentleman for filling in. Who knows, he might just dazzle us enough today to be given the job permanently—and who would not jump at the chance to respond to the pre-recess Adjournment debates? I am relieved to hear that the Leader of the House is still firmly in her place. It has not been a "Cruel Summer", in the words of Bananarama, but a cruel winter, given some of these reshuffles. The reshuffle was supposed to restore the Government's diminished authority, but it has left them between a Hunt and a hard place. Never before has a Cabinet reshuffle actually diminished the authority of a Prime Minister in quite such a way. It is an outstanding feat, even for this chaotic Government.

The repeal Bill returns next week, and there is profound disappointment in Scotland that no amendments have been made, as promised, for the devolution-threatening clause 11. It was the Secretary of State for Scotland who set himself this timetable, and the failure to deliver has even disappointed and frustrated his own Scottish Conservative colleagues. What will be totally and utterly unacceptable is for these issues to be considered in the unelected House of Lords. The nation's aristocrats, Church of England bishops and party donors and cronies will now have more say on these critical issues than directly elected Members of Parliament from Scotland. In what sort of tin-pot democracy could that possibly be acceptable? It is a big test for my friends in the Scottish Conservative party, because they cannot possibly vote for this, knowing the flaws, in the hope that the be-ermined ones might fix it for them. [Interruption.] Is all this blind loyalty really worth it? For all their commitment to the Lobby-fodder cause, not one of them was thought to be of sufficiently quality to be promoted—[Interruption.]

Mr Speaker: Order. We are immensely grateful to the hon. Gentleman, who I know has completed his contribution. We are deeply obliged to him.

Paul Maynard: I am grateful for the hon. Gentleman's ingenious word play, and I sometimes think I should play a game of bingo with his appearances in the Chamber, because I measure the success of my colleagues from Scotland not just by what they do, but by how often the hon. Gentleman refers to them, as I know that the more he refers to them, the better the job they are doing.

The hon. Gentleman expresses concern over the EU Bill. He will have heard from the Chancellor of the Duchy of Lancaster just yesterday that negotiations are intensifying over getting the clause in question right, and when they have agreed, it will appear on the Order Paper. Perhaps the hon. Gentleman can use his immense influence in Edinburgh to help ensure those negotiations go as speedily as possible. We are keen to get that amendment on the Order Paper; I hope he is just as keen. Let us help him to help us.

Sir Edward Leigh (Gainsborough) (Con): As we know, the best way to get a good deal out of the EU is to make it clear to the EU that we are prepared for no deal, so when we debate the withdrawal Bill next week, will we have the Minister for hard Brexit in the Chamber, as we were promised before the reshuffle, so we can question him or her—and if not, why not?

Paul Maynard: I am sure we will have a range of dedicated Ministers across a number of Departments focused on making a success of our leaving the EU. I am sure it will be a lively debate next week, and I look forward to all Members making a full contribution to it.

Ian Mearns (Gateshead) (Lab): I wish you, Mr Speaker, and all members of staff and all Members around the House a very happy and healthy 2018—happy new year to everyone.

The Backbench Business Committee has received a very heavily subscribed application for a debate about the restoration and renewal of the Palace of Westminster. Do the Government have any plans to hold such a debate in Government time in the near future, as we had thought they would? That would be preferable to using Backbench Business Committee time which is already under heavy pressure.

Now that the festivities are over, you might remember, Mr Speaker, that just before Christmas I invited you and the Leader of the House to visit Gateshead and Newcastle for the great exhibition of the north, beginning in June this year and running through to September, culminating in the great north run in September. May I renew that invitation? Please do come and visit us for the great exhibition of the north; it will be the north at its best.

Paul Maynard: I am grateful to the Chairman of the Backbench Business Committee, and this is my first chance to thank him for all the work he does; the Committee is an important part of the House's business.

The hon. Gentleman mentions the R and R debate. He is right that the Government are keen to ensure that we hear the views of those on all sides on this issue. We are working hard to secure the right date in the parliamentary calendar to make sure as many hon. Members as possible can take part. I know there is a Backbench Business Committee debate, but that should not obviate the need to have a wider debate, and I hope we will secure a date for it as soon as possible.

I hear the hon. Gentleman's kind invitation. I spent many days in Durham between Christmas and new year, and I enjoyed my tour of Gateshead. I went to see the angel of the north, for example. So I have already been to see it and was much impressed.

Antoinette Sandbach (Eddisbury) (Con): Can a debate on rural bus transport be organised? The residents of the village of Tiverton have a once-a-week bus service and it has been cancelled, meaning they cannot access the pharmacy or collect their pensions from the local village, and my constituents also have problems with increasing journey times from Winsford to Chester.

Paul Maynard: As a native son of the fine county of Cheshire, I well know what a beautiful range of villages my hon. Friend represents. It is vital that they have good bus connections, and I urge her to make use of the opportunity afforded by Transport questions on Thursday to put those questions to the new ministerial team.

Paul Flynn (Newport West) (Lab): Yesterday, Rose Gentle, the mother of Gordon Gentle, one of the first soldiers to die in the Iraq war, expressed her regret at the Government statement that seems to absolve Parliament

from the conclusions of the Chilcot report. We need, as she called for, an act of apology from this House and this Parliament. It was not one man; it was the Opposition and three Select Committees, who were cheerleaders for that worst mistake we have made this century. Would not a suitable act of apology be followed by the reading of the names of the 179 soldiers whom we sent to their deaths?

Paul Maynard: The hon. Gentleman has been a consistent campaigner on this issue over many years and has earned the House's respect for his consistency. I will ensure that I pass his comments on to the Leader of the House, who I am sure will do her best to get him a suitable response to his point.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): Could we please have a debate in Government time on the failure of consultation on major infrastructure projects? Junction 25 on the M5 is an arterial route, and the Government have quite rightly pulled in certain proposals because of the behaviour of certain estate agents, councillors and, unfortunately, businessmen. They cannot hold these things up, but the Government have to check the priorities in local government. Could we please have a debate on that?

Paul Maynard: I recognise the fact that my hon. Friend has a long-running concern over these issues, and I urge him to apply for either an Adjournment debate or a Westminster Hall debate so that he can give them a proper airing and get the ministerial response to which I believe he is genuinely entitled.

Mrs Madeleine Moon (Bridgend) (Lab): The NatWest bank is 73% publicly owned, yet it is closing its branch in Porthcawl where millions roll in from the businesses across the town and the large number of retirees who live there. Is it not time for the largely publicly owned banks that were bailed out by the public to sign a social responsibility clause before being allowed to continue, so that they cannot close without the permission of the community they serve?

Paul Maynard: I recognise the fact that the hon. Lady's concerns over banking in the community are widely shared on both sides of the House. At a time when banking practices, and the ways in which consumers engage with their banks, are changing, this remains a concern. She will know that she will have a chance to take part in a debate on the role of banking in the community at 3 pm today in Westminster Hall, and I am sure that she will make her voice heard there.

Martin Vickers (Cleethorpes) (Con): My hon. Friend was an excellent rail Minister before taking up his new role earlier this week. I do not know whether he is in the habit of buying *The Daily Mail* when he travels on Virgin Trains, but he will know that the company has in effect taken action to ban its customers from buying that newspaper. May we have a debate on this rather unacceptable act by Virgin?

Paul Maynard: My hon. Friend is certainly more than welcome to apply for an Adjournment debate on such an issue. I would merely observe that that might be a matter for the particular company. As a commuter on

[Paul Maynard]

that line, I hope that as a Government Minister I would not be seen to be in contravention of its corporate values and no longer be allowed to travel, because getting home might become quite difficult as a consequence.

Anna McMorrin (Cardiff North) (Lab): The UK Government have finally got round to launching their 25-year plan on the plastic bag levy, thereby, just six years later, catching up with the Welsh Labour Government. However, the plan lacks substance. It is full of missed opportunities and weak proposals, and it contains no laws. It is neither innovative nor radical; it is a cheap attempt by the Prime Minister to rebrand the Tories with greenwash. Will the Government commit to making a statement on the plan in the House, to allow for proper scrutiny?

Paul Maynard: I am disappointed that the hon. Lady seems a little churlish about what we are seeking to do. I hope that there are some issues on which we can unite across the House to do what is right for future generations. I caution her to wait and to get more information about what is being decided. I am sure this matter will be discussed at length across the House in the forthcoming business. She will learn more today and, I hope, more in the future.

Jack Lopresti (Filton and Bradley Stoke) (Con): Earlier this week, a cable theft brought rail services at my local station, Bristol Parkway, to a complete halt, causing major disruption for commuter services across the south-west. May we have a debate on the effects of crime on rail services and on the contingency planning for the disruption that it causes?

Paul Maynard: My hon. Friend is tempting me back to my former pastures, but I must assiduously try to avoid returning to them whenever possible. I would simply urge him to apply for an Adjournment debate on that subject. Getting the balance right when rail services break down at short notice is always a difficult thing to perfect, but as he will know, the Office of Rail and Road has specific consumer powers relating to disruption, and I am sure he could take that matter up with the ORR to see what redress could be achieved.

Judith Cummins (Bradford South) (Lab): Many of the NHS trusts in Yorkshire are currently considering proposals to transfer NHS staff over to wholly owned companies, amounting to a race to the bottom in employment practices. May we please have a debate on that in Government time?

Paul Maynard: I recognise that many hon. Members are interested in the move towards accountable care organisations, but I urge people to keep sight of the fact that we are seeking to bring care providers together in local areas to make things more effective. We want to ensure better continuity of provision, so that fewer people need to attend hospital, ensuring that all our NHS resources are best deployed in the interests of our local communities.

Mr Nigel Evans (Ribble Valley) (Con): Back to railways, Mr Speaker. My hon. Friend knows that the Secretary of State for Transport is keen to open some of the closed railway lines around the country, as my hon.

Friend was when he was a Transport Minister. Will it be possible to get an early statement on what those lines may be? Many people in the Ribble Valley are keen to have the Clitheroe to Hellifield line reopened, which would allow them to visit places such as Skipton, Leeds, Bradford and other great places. The people of Yorkshire may also be able to come and visit the people of Lancashire to see what great hospitality we have in store for them.

Paul Maynard: Lancashire is blessed with a range of potential lines to reopen, but it is important to stress to all hon. Members that the best vehicle to seek to promote a line reopening is through their local enterprise partnership or local council. The Government will look favourably on schemes where there are opportunities for economic growth and housing. More information will be released in due course on the best methods for going about promoting such opportunities.

Derek Twigg (Halton) (Lab): A number of my constituents have contacted me over the leasehold scandal, whereby people have found that their leasehold has been sold on to unscrupulous financiers. The Government have said that they are going to do something about it, but what about the people already caught in the trap? May we have a debate in Government time to hear what the Government intend to do about the people who have already been affected?

Paul Maynard: I recognise that those concerns are shared across the House, and we have already committed to making progress on the matter. The hon. Gentleman will have heard what the Prime Minister had to say about addressing the concerns, and I am sure that he will have the opportunity to secure an Adjournment or Westminster Hall debate to raise this important issue.

John Howell (Henley) (Con): May we have a statement on the Churchill Hospital in Oxford, because that would seem to be the only way of showing that no changes have been made to chemotherapy treatment at that hospital?

Paul Maynard: There has certainly been a degree of confusion over what is happening at the Churchill Hospital. My hon. Friend the Member for Banbury (Victoria Prentis) was clear in the Chamber yesterday, and no one currently undergoing cancer treatment at the Churchill Hospital should in any way doubt that their treatment will continue. I would welcome any opportunity to make the situation at the Churchill Hospital clear.

Ben Lake (Ceredigion) (PC): May we have a statement on the records that the Government hold of former Ministry of Defence civil servants who served overseas, particularly on how such individuals should proceed if they want to access their service records? A constituent of mine served in the former British forces education service and taught in British military schools in Germany, but following a subject access request to the MOD he was told that no record of his service exists. When I wrote to the MOD on his behalf, I was advised that he should submit yet another subject access request, even though he has already done so twice. My constituent

requires proof of service so that his grandchildren may claim their British passports, so a written statement with some clear guidance is urgently needed.

Paul Maynard: That is clearly an important matter for the hon. Gentleman's constituent. The Leader of the House is always assiduous in following up on issues raised in the Chamber during business questions, and I am sure that she will pick this one up and deal with it through the MOD to seek further clarification.

Robert Halfon (Harlow) (Con): May we have an urgent statement on the fact that, despite Government guidelines, hospital car parking charges for most people have increased by 47% and that 50% of hospitals charge disabled people to park? I do not know whether my hon. Friend saw the *Daily Mirror* campaign over Christmas that showed how patients and visitors are suffering due to high hospital car parking charges, but will he write to the Health Secretary to secure an urgent statement?

Paul Maynard: My right hon. Friend has been a doughty and long-term campaigner on the issue of hospital car parking, and I pay tribute to him. He raises an important matter that I am sure will be discussed in more detail at the next Health questions, but he is of course always welcome to seek a Westminster Hall debate to raise what is an important issue for many Members on both sides of the Chamber.

Stephanie Peacock (Barnsley East) (Lab): While conducting a survey on bus services in my constituency of Barnsley East, I heard time and again that the needs of residents are being ignored by bus companies that prioritise profit over passengers. Can we have a debate in Government time on allowing local authorities to operate bus companies to ensure they are run in the interests of local people so that bus services remain just that—a service?

Paul Maynard: The hon. Lady will be aware that we recently passed the Bus Services Act 2017, which gives much greater opportunities to local councils to choose how best to deploy their bus services. She will also know that next Thursday's Transport questions is a perfect opportunity for her to raise that question in the Chamber with a Minister who knows a better answer than I do.

Douglas Ross (Moray) (Con): Can we have a debate on how this Government are supporting growth deals? Moray has some very ambitious plans, but it needs both our Governments to work together to deliver the best possible results. Does my hon. Friend agree that the Scottish National party's comments this week that it might go it alone on some growth deals, such as for Moray, would be counterproductive and deliver far less for our area than a joint growth deal involving both the UK Government and the Scottish Government? *[Interruption.]*

Paul Maynard: That is further proof, should I need it, that the more noise I hear from Opposition Members, the more I know my hon. Friend is doing the right thing. He is right to raise this issue, and we heard about Stirling at Prime Minister's Question Time yesterday. It is important that, as a Westminster Government, we do all we can to support local growth in areas of Scotland.

Chris Bryant (Rhondda) (Lab): Will the Minister make sure that the Foreign Secretary comes to the House to explain his policy on Bermuda? Bermuda was required to introduce same-sex marriage last summer, which it has now done. But six months later, the Bermudan Parliament is begging the Foreign Secretary to allow it to cancel same-sex marriage, which is an entirely retrograde step. Six couples have already been married, and they are to be unmarried, which surely even this Government must think is wrong. Will the Minister make sure that the Government tell the Bermudan Parliament very firmly, "No way, we are sticking with same-sex marriage"?

Paul Maynard: I start by wishing the hon. Gentleman many happy returns. When I saw his age, I could put it down only to the clean air of Rhondda that he looks so youthful. I have long waited to face him from the Dispatch Box. Maybe he could sign my *Hansard* at the end, as that would be a fitting souvenir.

The hon. Gentleman raises an important point, and I will make sure the Leader of the House communicates it to the Foreign and Commonwealth Office to try to get him the answer he seeks.

Bob Blackman (Harrow East) (Con): In his previous role, my hon. Friend conducted a detailed consultation on disabled access at stations, and many of my constituents took the opportunity to ask for lifts to be installed at Stanmore and Canons Park stations. Will he therefore arrange for his successor to come to the House to make a statement on what is going to happen now on providing proper disabled access to our stations across the country?

Paul Maynard: My hon. Friend is right to stress the importance of improving disabled access to all our stations. He will be more than aware that we have an ongoing accessibility consultation, and I spent a very happy Christmas reading all the replies. I am more than aware of the interest. Access for All is an important programme, and the Government are carefully considering how best to target it. I am sure we will hear an announcement in due course on the response to the consultation.

Vicky Foxcroft (Lewisham, Deptford) (Lab): Not everybody had a good new year. Another four young men were stabbed and killed on new year's eve in London. Clearly our thoughts go out to the family and friends who are dealing with such tragic grief and loss. We need to know when the Government's serious violence strategy will be published, and I urge them to look at the root causes of youth violence as part of that strategy.

Paul Maynard: I am sure we all share the hon. Lady's shock at what occurred on new year's eve and in the early hours of new year's morning. I was certainly horrified when I saw the news the next day. She will be aware that a lot of work is being done by the Mayor of London, the Metropolitan Police Commissioner and the Home Office to make sure we look carefully at how we best use stop and search powers. The hon. Lady makes an important and powerful point, and I will make sure we seek to get a suitable answer on the date of publication as soon as we can.

Mike Wood (Dudley South) (Con): The Leader of the House is attending to Privy Council business in Sandringham, but the residents of Sandringham Place in Wordsley have had to put up with derelict shops falling into rack and ruin over many years. Can we have a debate in Government time on the power of local authorities to deal with derelict buildings and to bring them back into use, whether as shops, commercial or housing?

Paul Maynard: I can only applaud my hon. Friend's dexterity in making his point. I know from experience that it often takes a long time for local councils to get details of the ownership of vacant houses, so he is right to raise the issue. I urge him to apply for a Westminster Hall debate to fully air the issue with Ministers.

Kevin Brennan (Cardiff West) (Lab): Has the temporary Deputy Leader of the House seen early-day motion 775?

[This House notes with concern that airlines are increasingly requiring musicians to purchase a seat for guitars, and other musical instruments of similar size, or requiring that they be placed in the aircraft hold where temperatures are very low and damage may occur during transit; further notes the campaign led by the Musicians Union to show more consideration to musicians travelling with their instruments; and calls on the airline industry to adopt a code of practice to give musicians travelling with their instruments greater consideration, fair and consistent treatment, and peace of mind.]

I declare my interest as a member of the Musicians Union. Airlines are increasingly making life difficult for musicians who have guitar-sized and smaller musical instruments. Is it not time for the Government to have a debate about this, or at least to call in the airlines to talk to them about setting up some kind of code of conduct to ensure that our very talented musicians are not impaired in this way?

Paul Maynard: I know the hon. Gentleman has raised this issue before on a number of occasions. I have not yet got to the stage of taking my EDM book home with me for bedtime reading, but perhaps I should go down that path. As he knows, we have Transport questions on Thursday, which is a perfect opportunity to speak to the new aviation Minister to see what they have to say about this important issue. I recognise that this can be a real challenge, particularly for those with larger instruments.

Jeremy Lefroy (Stafford) (Con): I know the importance my hon. Friend places on apprenticeships. May we have a debate on the importance of further education colleges, such as Stafford College and Newcastle-under-Lyme College in Staffordshire, in providing those high-quality apprenticeships locally?

Paul Maynard: My hon. Friend is right to make sure that we have parity of esteem between all possible educational avenues at the post-18 point. Further education is really important. I have a superb provider in my constituency and I know he does, too. Perhaps he would like to apply to the Backbench Business Committee to make sure that we can all have a say in that important matter.

Chris Stephens (Glasgow South West) (SNP): Tea in the Pot, a women's support service in my constituency, is recognised in early-day motion 731.

[That this House congratulates the Tea in the Pot Drop-in and support service based in Govan for its ongoing work to support women to become actively engaged in the community and to enable women to identify and value their skills, experiences and talents, and to feel empowered and confident to share these with others; notes this work despite their lack of core funding and supports their ongoing campaign for resources; further notes the service provides a safe and relaxing atmosphere where women can meet up with old friends and make new friends and assists women who may be coping with difficulties, or who feel under stress, have health issues or simply feel isolated; and applauds the work of the support service in supporting and empowering the WASPI women in the community which is valuable and necessary and continues to support their work in defeating isolation.]

May we have a debate or statement on funding for volunteer women's support services, to ensure that they have the resources to empower women and defeat isolation?

Paul Maynard: I know that the Leader of the House attaches great importance to this issue, as does the Home Secretary. I am sure they would join me in praising the work of the local organisation to which the hon. Gentleman referred. I urge him to keep pressing for suitable debate opportunities in the House to draw attention to this important issue for all hon. Members.

Chris Davies (Brecon and Radnorshire) (Con): With the threat of a national supermarket chain looking to take over a highly influential high-street location, the people of Crickhowell in my constituency came together to buy the building known as the "corn exchange". Some 220 people invested in the project, which completed at Christmas time and now offers three outstanding shops and flats for rent. This is a prime example of an ambitious community-led project, so may we have a debate on what more the Government can do to encourage such outstanding community projects?

Paul Maynard: I praise the corn exchange project for what it has achieved in Crickhowell, and I direct all hon. Members to look more closely at the community ownership schemes, the community asset schemes, the bright ideas fund and the community shares programmes, because this is such a fertile ground for all community projects and there is plenty of opportunity out there to make sure that we do all we can in our local towns.

Diana Johnson (Kingston upon Hull North) (Lab): For some years, I have been in correspondence with the chief executive of Persimmon about houses that were built in my constituency whose gardens are slipping into the drain. I got no response until I threatened to raise this issue in Parliament. However, when I heard that that same chief executive, Jeff Fairburn, was to receive £110 million as a bonus, on the back of the Government's policy of Help to Buy, which equates to about £3,100 per house built, I wondered whether the Government thought it was now time to have a debate in this House about corporate greed and corporate responsibility?

Paul Maynard: The hon. Lady has raised an important issue in her constituency already in this Chamber, but I urge her to go further and secure an Adjournment debate to raise it more fully, because it sounds as though it deserves it.

Craig Tracey (North Warwickshire) (Con): Given the challenges NHS services regularly face during the winter, and the excellent cost-effective contribution that local GP surgeries can make in easing pressure at accident and emergency departments in particular, may we have an urgent debate on the support the Government can give to ensure that GPs surgeries are fully equipped to give the required primary care?

Paul Maynard: My hon. Friend makes an important point about how we need to ensure that we manage rising demand, with 2.9 million more attendances at A&E since 2010. Clearly, we have a dynamically changing healthcare demand pattern, so it is important that we do all we can in our local communities to manage that demand better. GPs have a key role to play in that, and he makes an important point that I hope can be added to further in this Chamber.

Patrick Grady (Glasgow North) (SNP): Maryhill jobcentre in my constituency will close tomorrow, in the face of massive public opposition. When will the new Minister for Employment, the hon. Member for Reading West (Alok Sharma), come to the House and reassure us that no further jobcentres in Glasgow are under threat?

Paul Maynard: I hear what the hon. Gentleman has to say and understand his concern. We are increasing the number of Jobcentre Plus staff in Scotland and throughout the country to provide more support to those who need it most. We are merging a number of smaller offices into bigger sites as leases come to an end. We have consulted the public in areas where people will have to travel more than 3 miles or for more than 20 minutes. If the hon. Gentleman still has concerns about his example in Glasgow, I urge him to secure an Adjournment debate so that he can hear more detailed answers as to the circumstances in Maryhill.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the hon. Gentleman agree that the past seven years have seen excessive increases in air and marine pollution, and in the pollution of the countryside? Is it not about time that we had a debate so that we can really scrutinise the Government's record on environmental protection?

Paul Maynard: It is a pleasure to encounter the hon. Gentleman again; I can only assume from how often I see him in the Chamber that he is doughty attendee at all Question Times, and he raises some important issues. He will be aware that our 25-year environment plan is forthcoming, and that is the obvious vehicle by which to ensure that we address many of the concerns he rightly raises.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): Tonight, Clydebank Asbestos Group is celebrating the opening of its new headquarters in West Dunbartonshire, where it will continue its work of 25 years to offer support to those suffering from and seeking compensation for

asbestos-related conditions such as pleural plaques. Does the hon. Gentleman not only join me in congratulating the group, but agree that it is time the Government made time to debate whether those living with pleural plaques in England and Wales receive the same compensation as that given by the Holyrood Parliament in Scotland to those suffering from pleural plaques more than 10 years ago?

Paul Maynard: I very much support what the hon. Gentleman has to say and congratulate the local organisation that provides that support in his part of Scotland. I hear his case for a debate and urge him to consider an Adjournment debate on the issue to allow the Minister responsible to explain what we are doing here in England.

Maria Eagle (Garston and Halewood) (Lab): The most recent figures show that a staggering 69% of new houses built in the north-west are unnecessarily sold as leaseholds, leaving homeowners at the mercy of cowboy financiers who block-buy their freeholds in job lots in order to exploit them financially. The hon. Gentleman gave a poor answer to my hon. Friend the Member for Halton (Derek Twigg) when he asked about this earlier. May we have an urgent debate in Government time about what the Government are going to do now to help the thousands of people, including many of my constituents, who are subjected to this appalling financial exploitation?

Paul Maynard: I am always disappointed if Opposition Members are disappointed by my replies. I am keen to make sure that we address the concerns the hon. Lady has expressed. The Prime Minister was clear yesterday that we are bringing forward changes to legislation. I suggest that the hon. Lady urges a degree of patience while we make sure that we get it right. We can then discuss our proposals.

Nick Smith (Blaenau Gwent) (Lab): May I press the Minister to tell us when exactly there is going to be a Government statement on today's public relations launch by the Prime Minister of the 25-year plan for the environment? When are we going to see it?

Paul Maynard: I am sure there will be—

Anna McMorrin: Just answer the question.

Paul Maynard: If the hon. Lady would give me a chance to get my mouth in gear to actually say something, she might hear what I have to say. Unfortunately, my voice box does not operate at the same speed as everybody else's, so please be patient.

I am sure that the hon. Member for Blaenau Gwent (Nick Smith) will agree that the Secretary of State for Environment, Food and Rural Affairs will be keen to make sure that the House is fully aware of all that we seek to do with our environmental plans. I am sure that the hon. Gentleman will not have to wait long to hear in this place what we are seeking to do. The Prime Minister is today making several important announcements, and I am sure we will have further opportunities to discuss them in the days and weeks to come.

Toby Perkins (Chesterfield) (Lab): The Government's welcome review of fixed-odds betting terminals will enable them to change the stakes and many other aspects of FOBT policy without the need for primary legislation. That is welcome, as we do not want the changes to be delayed any further, but it will leave a democratic deficit. Will the Government allow a debate in Government time on the issues relating to FOBTs so that we can ensure that this crucial issue is properly debated?

Paul Maynard: We have already had several debates in the House on FOBTs, which I know from my casework are an important issue in my constituency. I urge the hon. Gentleman to apply for all sorts of debates so that we can keep exploring the issue further. An announcement is coming in due course; perhaps his work will hasten its arrival.

Neil Coyle (Bermondsey and Old Southwark) (Lab): In the past few years, my constituents have seen a rise in moped-related crime and knife crime. The police do their best to investigate these problems, but prosecution rates have flatlined. Will the Government provide time to debate this inability to deliver justice to victims and their families, and when will they improve their shabby track record?

Paul Maynard: I am sure that the hon. Gentleman will recognise the volume of work that is going on right now between all those involved—the Mayor of London, the Metropolitan police and the Home Office—to try to understand the underlying causes that have led to the increases that we have seen and the changes in modus operandi at the moment. He is quite right to keep pressing the Government, and I urge him to do so through the usual channels and by calling for debates.

Alan Brown (Kilmarnock and Loudoun) (SNP): This week, the Cabinet Office confirmed to me that the target turnaround time for a response to letters from hon. Members is 20 days, yet in response to letters that I have sent, it took two months to get a letter from the Chancellor. I am now approaching 100 days and counting for a response from the Environment Secretary and two months and counting for a response from the Energy Minister. Can the Minister make a statement, outlining what is going to be done to hold this new dynamic Cabinet to account when it comes to responding to hon. Members?

Paul Maynard: I know that the Leader of the House takes this matter immensely seriously, and I certainly did when I was a responding Minister. We have strict guidelines to which we expect Departments to adhere, and they are monitored carefully. I urge the hon. Gentleman to ensure that he chases up the replies that he has not received. We will make sure—as I am sure that the Leader of the House will do—that we always strive for continuous improvement.

Clive Lewis (Norwich South) (Lab): Can the Minister make time to debate the planned closure of the Unilever and Britvic plants in Norwich South? Local people want the Government and Ministers to take action. So far, we have a Business Secretary refusing to come to the city to meet the workers, a trade Minister who says that

he does not want to be involved and another business Minister who says that he actively wants to see the plant close. Will the Government please pull their finger out?

Paul Maynard: I certainly heard the hon. Member's point of order yesterday and I share and understand the concern that many Unilever employees feel about the current and growing uncertainty. The Government are certainly disappointed that Unilever has decided to close the Norwich plant. We welcome its commitment to maintaining most of the mint production in Norwich, and stand by ready to help the workforce wherever we can. This is a worrying time, and we need to work with Unilever to get further clarity over what is intended.

Justin Madders (Ellesmere Port and Neston) (Lab): The automotive sector in this country is facing challenging times, and no more so than the Vauxhall car plant in my constituency where another 250 redundancies were announced this week on top of 400 last October. May we have a debate please, as a matter of urgency, about what practical steps the Government can take to protect manufacturing jobs in this country and secure the future of the car plant?

Paul Maynard: As I said earlier, the hon. Gentleman will not be surprised to know that, as someone from Cheshire, I understand the importance of Vauxhall Motors to the Ellesmere Port community. I was as disappointed as I am sure he was to hear about the further job losses. The rapid response service of Jobcentre Plus has already been put into action, and the Government are trying to engage with Vauxhall further throughout the process to do all we can both to protect UK jobs and to help those who are affected. There will be much more help available to those who are affected, but I recognise his concerns and will make sure that the Leader of the House passes them on to the Department for Business, Energy and Industrial Strategy.

Daniel Zeichner (Cambridge) (Lab): You may be aware, Mr Speaker, of the concern that many parents have about skin gambling and loot boxes and worries in the video gaming sector about unauthorised third party website selling those items from those loot boxes, thus potentially turning young people into gamblers. There have been reports of young people losing a great deal of money very quickly. May we have a debate in Government time on how best to protect our young people and also safeguard our very successful and vibrant video game industry?

Paul Maynard: The hon. Gentleman has raised an important example of how internet development and technologies can change rapidly and create new threats and dangers for which we need to ensure that we are fully prepared. He raises an important point. It sounds like a perfect vehicle for an Adjournment debate or a Westminster Hall debate, which will then make sure that the Minister's attention is drawn to the matter more fully.

Martin Whitfield (East Lothian) (Lab): The Minister has already commented on the European Union (Withdrawal) Bill, clause 11, and the debates and discussions that are taking place elsewhere in regard to it. However, may we have an urgent statement rectifying the record where assurances were made to Members across this House that the amendments would be tabled next week?

Paul Maynard: I listened carefully to the hon. Gentleman's many assiduous points of order that have been made hitherto. Clearly, he has been following this closely and will have heard my earlier reply that the Government are committed to ensuring that the amendment is tabled, but they can do so only when those negotiations are successfully concluded. We are intensifying our efforts, and hope that that will be as soon as possible.

Stewart Malcolm McDonald (Glasgow South) (SNP): Despite not one single Minister setting foot in any of the jobcentres that the Government will close in Glasgow starting from tomorrow, they plan to go ahead anyway. Can we have a statement, because this news comes in the same week that privately-owned First Bus UK is increasing fares by up to 40% for some travellers in the city? When this programme of closures finishes, there will be nine centres; there are currently 16. We need an urgent debate. Will the Minister facilitate that?

Paul Maynard: I know that this matter has been discussed on a number occasions in many venues in the House. I ask the hon. Gentleman to focus not just on the input—the number of jobcentres—but the output. There will be more work coaches available across Glasgow, which will lead to better outcomes for his constituents who need support from the jobcentre.

Chris Elmore (Ogmore) (Lab): I have been working with two teenage constituents whose mother sadly passed away after a terminal illness. Due to not having a witnessed will, the daughters will not inherit any of the pension, which will go to the mother's estranged second husband. Can we please have a statement from the Treasury about the issue of wrongful inheritance?

Paul Maynard: The hon. Gentleman raises a point that is important to his constituents, although it is, of course, not one to which I can give him an answer today. He may wish to pursue a written question, which results in a statement of fact from the relevant Department that will help him to progress that particular piece of casework.

Christian Matheson (City of Chester) (Lab): Has the Minister seen the BBC reports this week on the results of a survey about bullying in this place—results that will come as no surprise to members of the Unite parliamentary staff branch? In view of this survey, will he tell the House whether there has been any progress on the publication of the report into bullying and sexual harassment?

Paul Maynard: I am sure that the hon. Gentleman is aware that the Leader of the House is taking this issue extremely seriously. She has played a key role, working with the shadow Leader of the House on the working group that is trying to come up with a cross-party consensus on the steps that should be taken. I am sure that the hon. Gentleman will agree that any workplace bullying—whatever the venue—is wrong, more so than ever in this place. We all rely on the people who work so hard in our private offices to manage both the constituency end of the business and what we do here in Westminster, and they deserve to be treated with respect at all times.

Jim Shannon (Strangford) (DUP): Let me first say that I am grateful to the Prime Minister for lengthily raising the importance of the freedom of religion or

belief in her Christmas message. In December last year, I mentioned the alarming scale of deaths caused by persistent violence between the Muslim Fulani herdsmen and Christian farmers in Nigeria's middle belt. The new year parade saw several attacks on Christians in five communities in Benue State, where more than 50 people were killed. Will the Minister request a statement to review the training that the UK provides to the Nigerian armed forces to ensure that Nigeria's citizens are protected?

Paul Maynard: The hon. Gentleman is, quite rightly, an assiduous campaigner on this issue, and there are numerous debates on it. I am struck by how many of my constituents also contact me with these concerns. I congratulate him on his persistence and urge him to continue with those debates on this very important issue.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The Minister will have been made aware today of the impending closure of the jobcentre in Maryhill and Possilpark that serves half of my constituency, but he may not be aware of a freedom of information request that was made for an impact assessment of that closure. That has determined that the nearest jobcentre will be three miles away in Springburn, and that there will be a disproportionate impact on women, ethnic minorities, and people with disabilities and caring responsibilities. Will the Minister insist that the new Minister for Employment attends this House and makes a statement on the impact that this closure will have, and on how he will mitigate it?

Paul Maynard: The hon. Gentleman is right to raise this matter. He will have heard me say earlier that where longer journeys times were involved, we had a full public consultation on the decision. I ask him to bear in mind what I also said to the hon. Member for Glasgow South (Stewart Malcolm McDonald), which is that I would like him to focus as much as possible on the outputs of the process, which will lead to more work coaches assisting his constituents.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The Scottish Government have now twice written to the outgoing Secretary of State at the Department for Digital, Culture, Media and Sport, asking her to intervene in order to save jobs in the culture and sports sectors following the severe decline in lottery revenues seeing huge cuts to the money going to devolved sports and culture bodies. May we have a debate on the importance of sport and culture, and on how we plug the huge gap in resources causing these sectors to suffer?

Paul Maynard: I will certainly mention that point to the Leader of the House, who will want to ensure that the hon. Gentleman gets the response he expects. At the same time, I urge him to consider the various avenues for debates in this place to find an appropriate forum to air his concerns.

Mr Speaker: I am most grateful to the Government Whip on duty, and thank him for his sterling service. He has had to respond to a vast litany of different inquiries and, if I may say so, has performed with great dexterity.

Fostering

EDUCATION COMMITTEE

Select Committee statement

Mr Speaker: We now come to the Select Committee statement. The Chair of the Education Committee, the right hon. Member for Harlow (Robert Halfon), will speak on his subject for up to 10 minutes, during which time no interventions may be taken. At the conclusion of his statement, the occupant of the Chair will call Members to put questions on the subject of the statement and will call the right hon. Gentleman to respond to those questions in turn. Members can expect to be called only once. Interventions should be questions, and should be brief. Those on the Front Bench may take part in questioning.

12 noon

Robert Halfon (Harlow) (Con): I am delighted to make this short statement about our Committee's report. Social justice is one of the primary objectives of the Education Committee. It is vital that young people in foster care are able to climb the educational ladder of opportunity like anybody else. I begin by paying tribute to the previous Committee of the 2015 Parliament and particularly to its Chair, the former Member for Stroud. I also thank the officers of the Education Committee, who have done a huge amount of work on this report.

In our final evidence session, we heard moving testimony from young people with experience of foster care. Members present had dry throats and some had tears in their eyes. We also heard from my hon. Friend the Member for Scarborough and Whitby (Mr Goodwill), the former Minister for Children and Families, for whom I have huge respect; he was willing to share his evidence session with the young people, which created an important and unique session.

In our report, we wrote of the importance of valuing the three pillars of fostering: valuing young people, valuing foster carers and valuing the care system itself. The fact is that the foster care system in England is under significant pressure. That must be of national concern, given that it is often the most vulnerable young people in our society who are being failed by a care system that does not meet their needs.

The number of looked-after children has risen by 7% since 2013. I welcome the fact that the Government have recognised that pressure and commissioned their own review of fostering by Sir Martin Narey and Mark Owers. I understand that that review is with Ministers at the moment and will be considered alongside the recommendations made by our Committee.

Let us begin with valuing young people. Foster children face a lottery of care, frequent placements, and the possibility of being separated from their siblings. We heard moving evidence from young people who spoke about the number of placements they experienced. One young person in foster care had been through eight placements in four years. Another spoke about having "moved six times in less than no time",

while another had lived in thirteen different foster placements and two children's homes in five years. Such frequency of placement change can only be damaging to the children's wellbeing, development and future

prospects. The Government must redouble every effort to ensure that young people and children do not face the prospect of such a dizzying number of placements.

What truly shocked every member of the Committee was that some foster children move placements with very short notice, little to no information, and often without any advocacy rights at all. It is clear that the guidelines intended to tackle these issues are being applied inconsistently at best and inhumanely at worst.

To give another example, we heard about young people in foster care being separated from their siblings. Figures suggest that 70% of siblings are not placed together when one is already in care. A 17-year-old, who had been moved away from her siblings, told us that

"to lose a bond with your own siblings is sad, because you're by yourself in the world and your siblings are practically your best friends and now you're losing them—you've lost your parents and then your siblings, and it's like your whole world has crashed down really quite quickly."

Young people must be placed with siblings wherever it is possible and appropriate. If it is not, social workers and others have to make a greater effort to facilitate regular and meaningful contact. I urge the new Minister with responsibility for children to ensure consistency and guarantees of advocacy for all foster children. Ofsted says that one in three children do not even receive any information on their placement, which is unacceptable.

The second chapter of our report focuses on valuing foster carers. They play an important role in our society—they provide remarkable care in difficult circumstances—but are often under-appreciated, undermined and undervalued. The Fostering Network estimates that there is a deficit of 7,600 foster carers. The foster carer population is disproportionately female and ever ageing. Too often they have to wade through a treacle of bureaucracy, and they are not adequately supported financially or professionally in the vital work they do. Their status is unclear in terms of employment—but not, sadly, with the Inland Revenue, which treats them as if they were employed.

In our report, we press the Government to ensure that all foster carers are paid the national minimum allowance. The Fostering Network found that 12% of local authority fostering services were paying below the national minimum allowance for at least one age bracket, that 47% had frozen allowances and that five had reduced rates compared with 2016-17. Ministers need to make sure that the allowance matches rises in living costs and allows carers to meet the needs of those they are caring for. Carers must also benefit from legal protection against the increasing number of malicious and unfounded allegations.

The final section of the report concerns valuing care. We recommend that the Department for Education establish a national college to work towards improving working conditions for carers, provide a resource for their training and support and give them a national voice and representation. Initially, we envisage not a building but a virtual college on the internet. We believe there is value in a mechanism for greater sharing of best practice and increasing professionalism and for creating a proper identity for all foster carers across our country. We believe that a national recruitment and awareness campaign, initiated by the Department, could help to improve capacity in the system.

For too many children and young people, the experience of care is of something done to them, not with them. There has to be greater involvement of foster children and better information for them on their placements, and a consistency of practice to ensure that all young people can benefit from an appropriate and positive experience of foster care. The Government listened to the strong representations from Committee members on extending the extra 15 hours a week childcare entitlement to children in foster care, and I welcome the moves that have been made on that. In this new year, the Committee hopes that Ministers will consider the recommendations in our report and show that we truly value foster children and foster care.

Lucy Allan (Telford) (Con): I thank my right hon. Friend for his statement and for ensuring that the fostering report was finished in this Parliament. I was a member of the Select Committee in the previous Parliament, and am a member in this one, and I am glad he shares my views on the importance of making sure that children in care have a voice. Does he agree that one of the most powerful points made to the Committee during the inquiry was on the importance of stability and permanence in a child's life, especially for children who have experienced so much instability and disruption? Will he work with me to ensure that both their voices and that issue continue to be heard in the House?

Robert Halfon: May I put on the record my huge thanks to my hon. Friend for her support and hard work on the Committee in getting the report to the House and for her remarkable knowledge about and passion for children in care? She is absolutely right that stability is one of the most important things. It is incredible to me that children are moved from pillar to post, often without any knowledge of what is going to happen, any choice or any access to advocacy. That has to change.

Chris Bryant (Rhondda) (Lab): I warmly commend the right hon. Gentleman and the whole Committee for the report. I know from my next-door neighbours, who have been foster carers and have now adopted, of the phenomenal love, tenderness, care, dedication and commitment of foster carers, often in the face of phenomenal bureaucratic obstacles.

The right hon. Gentleman will probably know of the statistics that show that the proportion of girls in care who go on to become teenage mums or to be raped is

much higher than the proportion among other girls. What can we do to ensure that these people—the most vulnerable people in our society—are properly protected?

Robert Halfon: I thank the hon. Gentleman for his thoughtful question and for raising that wider point. My hon. Friend the Member for Telford (Lucy Allan) talks about this issue quite a bit. The crucial thing is early intervention and prevention to avoid the problems the hon. Gentleman raises. My view is that we need a wider review of the whole issue of vulnerable children and children in care. He touches on points that will no doubt be further discussed in the House and in the Committee.

Tim Loughton (East Worthing and Shoreham) (Con): May I draw attention to my entry in the Register of Members' Financial Interests?

I welcome the report and very much hope that it will be taken seriously by the Department for Education, in tandem with the Narey report, which has been submitted. I entirely recognise the problems that my right hon. Friend's Committee has flagged up in respect of the shortage of supply of foster carers, too many foster children being moved around too often, too many of them being moved well out of the area of their placing authority, and too many sibling groups—that vital anchor—bring broken up.

On foster carers, what examples of good practice by local authorities in recruitment and retention did the Committee see? What lessons does my right hon. Friend think can be learned from the work that some of us did in the Department for Education on adoption through centralised recruitment to encourage adopters to come forward and, crucially, on offering adoption support services to make the job of the wonderful adopters so much easier and placements much more sustainable? That is still not happening to the same extent for foster children.

Robert Halfon: I thank my hon. Friend for his question and welcome his new-look Gandalf-type beard. He raises some important issues. The previous Committee and the current Committee received evidence from different local authorities and fostering providers. There is good practice, and we need to learn from it. That is why the report suggests that we have a national college for foster carers that shares best practice, whether it comes from adoption or from good local authorities. I do think we need a national recruitment campaign for foster carers. They need much more of an identity and should be seen much more as the professionals that they are. We have to learn from best practice.

Backbench Business

Defence

12.13 pm

Vernon Coaker (Gedling) (Lab): I beg to move,

That this House pays tribute to the men and women who serve in the Armed Forces; believes that the Armed Forces must be fully-equipped and resourced to carry out their duties; and calls on the Government to ensure that defence expenditure is maintained at least at current levels, that no significant capabilities are withdrawn from service, that the number of regular serving personnel across the Armed Forces is maintained, and that current levels of training are maintained.

I am not sure whether I have to declare an interest, but I want to put it on the record that my son-in-law is an active member of Her Majesty's reserves. As a family, we are all very proud of him, as no doubt many other hon. Members will be proud of individual members of their families.

I thank the Backbench Business Committee for supporting the application and all Members of the House who supported my securing this debate, including the Chair of the Select Committee on Defence, my hon. Friends the Members for Stoke-on-Trent North (Ruth Smeeth) and for Barnsley Central (Dan Jarvis), and the hon. Member for Strangford (Jim Shannon).

No one questions the desire of any Member of this Parliament to defend our country against any threat. I say loudly and clearly that neither does anyone question Parliament's pride or belief in the professionalism and immense dedication to duty of our armed forces. It is really important to say to those watching this debate that Parliament will rightly challenge the Government and hold them to account, but all of us, whether on the Government or Opposition Benches, are united in wanting to defend our country and in our immense pride for the dedication and professionalism of all our armed forces.

No one questions that, but Parliament does sometimes have to ask whether starting these debates is enough. At a time when our country faces real challenges, we have to match our rhetoric with the reality of the threats that we face. The Government, like all of us in this House, will know—indeed, this is what prompted so many of us to ask for this debate—of the constant media speculation and headline splashes about cuts to the various capabilities of our armed forces. It is vital that our defence budget, whatever that is, ensures that our armed forces are properly equipped for the challenges we will face in the future. It is abundantly clear that our armed forces—this will be one theme of what I say and, I am sure, of what is said by many other Members—need resources over and above what is currently planned for them, particularly in the light of the increasing threats we face as a country.

Derek Twigg (Halton) (Lab): I congratulate my hon. Friend on securing the debate and on his commitment to defence. Is it not true that the Government have not set out a strategic vision of how we, as a country, will meet the threats we face?

Vernon Coaker: That question goes to the heart of everything we read from the all the various Select Committees and debates. It is the desire of all those

Committees, of this Parliament and of all of us who take an interest in defence that we identify the strategic threats we face as a country, and then mould and adapt our armed forces and our security and intelligence services to meet those threats. I will say a little more about my hon. Friend's point in a minute.

Only yesterday, General Sir Nick Carter, the head of the British Army, said on the "Today" programme that the threats had never been greater in his 40-year career. In evidence to the Joint Committee on the National Security Strategy, Mark Sedwill, the National Security Adviser, confirmed that in the last two years we have seen an intensification of the threats we face. Indeed, the former Defence Secretary spoke at another evidence session of an intensification of the risks that our country faces.

We can all name those risks: we have seen the various adventures that Russia has been involved in; we have seen what has happened with China and North Korea; we have seen terrible terrorist incidents in our country; we have seen the identification of risks in respect of new technologies, cyber and artificial intelligence and where that may take us; and we have seen the undermining of the rules-based international order. Those are not made-up threats; they are very real assessments of what our country faces, alongside its allies and those who stand with us. Parliament has a responsibility and a duty to debate how we will meet those threats. That is, I believe, something that the public would expect us to do.

This has been added to, whatever the rights and wrongs of it, by Brexit, which has caused us, as a nation, to reflect on our place in the world. I say strongly to hon. Members—looking around, I think many will agree—that this Parliament should once again send a clear message to our allies and the rest of the world that as a senior member of NATO, a permanent member of the United Nations Security Council and a leader of the Commonwealth, we will not turn inwards and we will not flinch from our historical role as a promoter of democracy and defender of human rights, while also ensuring that our own interests are fully protected.

John Spellar (Warley) (Lab): My hon. Friend mentioned North Korea. Is it not the case that the actions of the North Korean regime are a massive threat to the international rules-based order, and does not that need to have higher priority in the thinking not only of our own Government but of our allies?

Vernon Coaker: My right hon. Friend makes a very good point. North Korea and China are threatening some of the rules-based international order—particularly, as he says, North Korea. We have to meet that threat, and this debate is partly about how we do that. We have to win the argument again with the British public on this. The British public have to be persuaded—or not, because they can say, "We don't agree." We as a Parliament have to make the case again for why it is sometimes important for us to be concerned about actions that are taking place thousands and thousands of miles away, and understand why they have an impact on our own interests and our own security here at home. It can no longer be enough just to assert a problem—we have to once again make the case as to why matters such as North Korea are important.

Just two years after the strategic defence and security review of 2015, here we are in the midst of another review, led by Mark Sedwill. I know—other Members have mentioned this to me—that the Defence Secretary is trying to pull away the defence part of the security capability to provide a longer time to reflect, and I hope he is successful in doing that. However, as it stands, we have a review that is shrouded in uncertainty and that we are now told is to be delayed. One particular thing that was said in the Committee is completely wrong and has to be changed by the Government. Mr Sedwill said that

“this exercise was commissioned by the Council as fiscally neutral.”

Fiscally neutral? How can we come to such a conclusion before all the strands of the review are finished? Surely this is about matching resources to threats, not the other way round. Let this be the line in the sand that ensures that this principle is at the heart of the decisions we take as we now move forward.

We see story after story appearing in the media, speculating on which capability may or may not be cut. Why does this speculation abound? Why are there not statements to Parliament? Why is there no explanation of what is actually going on? To be fair to the Minister, I know that he will be concerned about some of this, but it is not good enough for the Government to dismiss these potential capability cuts as mere speculation by saying, “We don’t comment on these” or “No decisions have been made”. I do not want—nor, I am sure, does any Member of this House—a statement to be made to this House in three months’ time telling us what is going to be done rather than this House having debated and discussed it and come to a view as to where we should go. I do not want, and I do not believe Parliament wants, to wait for a set of decisions to be presented to us as a *fait accompli*. That is not good enough. Our country deserves better. The public and Parliament need to be properly informed. I am certain that colleagues across this House believe that it is for Parliament to debate the issues, to inform the decisions, and to play our full part in the choices we make as to how we defend our country and its freedoms.

According to the permanent secretary at a hearing of the Defence Committee at the end of last year, it appears that the Secretary of State has, as yet, made no explicit request for additional funding from the Chancellor. Will the Minister tell us where the discussions that have been reported in the media have got to? Will he confirm what the Defence Secretary is now saying to the Chancellor? Has he demanded any additional funding? Where has the discussion got to, or not, as to whether there is to be any additional funding? Will the Minister also confirm whether the defence aspect of the capabilities review has been delayed?

Dr Julian Lewis (New Forest East) (Con): The hon. Gentleman will probably be astonished to learn that the National Security Adviser—Sir Mark Sedwill, as he now is—wrote to me on 23 October and said:

“Because the main decisions on Defence were taken during the”
2015

“SDSR, this review is not defence-focused. Defence capability is one of several projects within the review.”

We are therefore finding difficulty in bringing the National Security Adviser to the Defence Committee because he

says that the review is not defence-focused. Yet the first thing we will know about the review is when we are told what major defence capabilities are going to be cut.

Vernon Coaker: I could not agree more with the Chair of the Defence Committee. He is absolutely right. Sir Mark Sedwill says that the review is not defence-focused, but he also said to the Committee, if I remember correctly—he has certainly been reported as saying this in the media—that there is a need for us to increase spending on our cyber and intelligence capabilities. This is fiscally neutral, so where is the money going to come from? That is why we get the speculation about the cuts in defence capabilities to which the right hon. Member for New Forest East (Dr Lewis) refers. Because this is fiscally neutral, we are looking to take money from one thing to pay for another. The whole thrust of my argument is that if one thing is a threat and another thing is a threat, we do not rob from one to pay for the other—we fund them both because our country would demand that we do so.

Toby Perkins (Chesterfield) (Lab): I agree entirely with my hon. Friend. With regard to many of the commitments that were made in SDSR 2015, the money that would be needed to deliver on all those does not match up with what has been allocated to defence in the Budget statements. We are already being promised a lot of commitments that do not bear any relation to the amount of money that is currently allocated to defence in the Budget.

Vernon Coaker: I agree. I will come on to the point that my hon. Friend has made very well when I talk about affordability.

James Gray (North Wiltshire) (Con): I congratulate the hon. Gentleman on this debate and on his speech, with every single word of which the whole House would agree. We also could not possibly disagree with the motion, with one exception. It is exceptionally disappointing that he calls for defence expenditure to be maintained “at current levels”. Actually, defence expenditure should be increased quite substantially, and that is the thrust of his speech, so he has got the wording of the motion slightly wrong.

Vernon Coaker: I thank the hon. Gentleman for his advice. I am sure that he has read the whole motion, which says that expenditure should be maintained “at least at current levels”.

This is the problem that I have in trying to be conciliatory. I tried to put together something that everybody would agree with, but perhaps I should have been a bit stronger. I take the admonishment, but I did say “at least”.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): My hon. Friend refers to maintaining a fiscally neutral position in defence spending. Does he recognise that in the past few years defence inflation has been 3.9%, on average, whereas the background GDP deflator has been only 0.8%? We are seeing a huge erosion of the effective purchasing power of the defence budget every year that is eroding our capability every year.

Vernon Coaker: My hon. Friend knows, from his own background in the defence industry, the importance of the point he has made. It is not just the headline inflation figure but the real inflation rate we face that

[Vernon Coaker]

needs to be addressed when we make any spending decisions, so the point is very well made. If I may, Madam Deputy Speaker, I will speak for just a few more minutes.

We find ourselves in an incredibly serious situation, given that a Defence Minister is reported to have threatened to resign if the Army numbers are reduced any further. Will the Government rule out any further reductions in troop numbers below the 82,000 figure? The Army is already 4,000 below that figure, recruitment and retention in our armed forces as a whole has reached crisis point and the current deficit in the number of service personnel needed is 5.6%. I say to the Minister that central to this—I know the Government have made some noises about it—is lifting the 1% public pay cap for our armed forces. We should ensure that something is done about it as soon as possible.

What about the cuts to training that we have all read about? The Government have confirmed that a number of training exercises have already been cancelled for 2018, largely due to costs. According to a parliamentary written answer I have seen, those include Exercise Black Horse and Exercise Curry Trail, which involves jungle training. Have we now abandoned the foolish idea of cutting the marines by 1,000 people, and of getting rid of HMS Albion and HMS Bulwark, which would mean we did not have the ability to mount beach landings? As I have said, the Government say that this is speculation, but the Minister now has an opportunity to rule out such things; he could say that this is speculation, that these things are not going to happen and that this Government will not let them take place.

Following on from the point made by my hon. Friend the Member for Chesterfield (Toby Perkins), all of this is taking place against the backdrop of continuing financial pressures on the MOD's £178 billion 10-year equipment plan. The National Audit Office has said:

"The risks to the affordability of the Ministry of Defence Equipment Plan are greater than at any point since reporting began in 2012".

That is surely right. The plan relies heavily on efficiency savings being made in order to make ends meet. The MOD's permanent secretary has stated that there is a need to save £30 billion over a 10-year period.

The 10-year equipment plan for the MOD does have amazing new equipment for our armed forces—new frigates, new planes and the Ajax fighting vehicle—and our defence companies provide massive employment opportunities, including apprenticeships. Many areas depend on this military spending, as well as businesses such as BAE, Airbus, Thales, Raytheon, Babcock and many others, including small and medium-sized enterprises. They need certainty in their orders, however, and regular orders to maintain their skill base, and the questions raised by the Defence Committee and the National Audit Office about affordability and efficiency savings cannot just be dismissed. The refreshed defence industrial strategy must be something that makes a tangible difference.

Emma Little Pengelly (Belfast South) (DUP): I strongly agree with everything the hon. Gentleman has said. We must support our brave men and women in our armed forces in every way we can, particularly in equipping them sufficiently. I know he would agree with me that it is critical to support our armed forces personnel after

they leave and to resource such support properly. There is one part of the United Kingdom that does not have full implementation of the armed forces covenant, and that is Northern Ireland, due to Sinn Féin's continued antipathy to the armed forces. Does he not agree that we should all work together to make sure that our armed forces personnel are fully supported not only while they are in the Army, but after they leave, and that there should be full implementation in Northern Ireland as soon as possible?

Vernon Coaker: I thank the hon. Lady for the important point she makes. It is obviously crucial that all our veterans, wherever they are, are supported and that arrangements are made to do so. Exactly how that should be done in Northern Ireland needs to be a matter for discussion, but let me say it is clear that arrangements must and should be put in place to support our veterans.

I was talking about the equipment plan, and I will take a couple more minutes to put before the House some points that highlight the problems. Will the Minister be more specific about the cost of the F-35 fighter plane for our wonderful new aircraft carriers? This is crucial because if we do not know how much the planes will cost, we do not know what the impact will be on the other parts of the equipment budget. If I may say so to the right hon. Member for New Forest East, I thought the Defence Committee's report was brilliant on this, including the questioning from the right hon. Member for Rayleigh and Wickford (Mr Francois) and others.

I find it frustrating that the Committee, and other Members of this House, use the Government's figures, but are then told something else. The total estimated cost to 2026-27 is £9.1 billion, during which time we will purchase 48 aircraft. However, the Government tell us that they cannot say how much each aircraft will cost. They then dispute the £9.1 billion figure, saying it includes this and includes that, and then arrive at a different figure, so what is the right figure? If we are wrong to divide £9.1 billion by 48, which gives £189 million per aircraft, and if the figure of £150 million given in *The Times* is wrong, what figure are the Government using to make sure that their equipment plan adds up? These are crucial questions, because if they will not say what is affordable, we will not know the impact on other capabilities.

Let me conclude by saying that the stark choices before us have recently been quite starkly spoken about by three very distinguished former armed forces commanders when they expressed their concerns and observations about the national security capability review. General Sir Richard Barrons said that

"if you do not put this money back into defence and pay the bill for SDSR 2015, you will be responsible for tipping the armed forces into institutional failure. That will be a failure of Government, not the armed forces."

Air Vice-Marshal Sir Baz North said that the Government needed to

"Fund the corrections of 2015",

and, agreeing, Admiral Sir George Zambellas said:

"I cannot add value to the strategic comments of my colleagues."

This debate gives the House—this Parliament—an opportunity to speak for the country, and to give our armed forces the resources they need to meet the threats

that this country faces. Our armed forces deserve it, our country deserves it and our allies are looking to us to provide it.

12.37 pm

Dr Julian Lewis (New Forest East) (Con): I pay tribute to the hon. Member for Gedling (Vernon Coaker). Not for the first time, he has given great service to the cause of defence. He was an outstandingly good shadow Defence Secretary, and as long as there are people like him in the ranks of the Labour party the prospects for a bipartisan approach to defence remain excellent. I must extend that praise to all 11 Members from the four parties represented on the Defence Committee, every one of whom is strongly committed to the defence of this country.

Until recent years, little attention was paid to a possible threat from post-communist Russia, because for a long time after 9/11 counter-insurgency campaigns in third world countries were thought to be the principal role of the armed forces. However, we are now spending just £0.4 billion on operations of that type out of an annual defence budget of about £36 billion. According to the 2015 SDSR, that budget should by 2020 fund 82,000 soldiers, more than 30,000 sailors and marines, and almost 32,000 RAF personnel, plus another 35,000 reservists. To these must be added some 41,000 civilians, many of whom, like those who serve in the Royal Fleet Auxiliary, are service personnel in all but name. Finally, there are special forces, as well as new units that have been created to deal with cyber-security and counter-propaganda. Then there is all the equipment, which currently comprises over 4,000 Army vehicles, including tanks and artillery; about 75 Royal Navy ships and submarines, including the nuclear deterrent; and over 1,000 RAF fixed-wing and rotary aircraft. As a portent of things to come, the services also operate a mixture of large and small surveillance drones and 10 unmanned hunter-killer aerial attack vehicles.

All in all, we still have a fairly full spectrum of military capability, and in absolute terms—as I am sure we would all accept—£36 billion a year is a considerable sum. Set in historical perspective, however, that level of defence investment falls far below the efforts that we have traditionally made when confronted by danger internationally.

The Defence Committee published a report on defence expenditure in April 2016. Entitled, “Shifting the Goalposts?”, it attracted attention for highlighting the inclusion of costly items such as war pensions and MOD civilian pensions at a time when Prime Minister Cameron and Chancellor Osborne were scrambling to meet the 2% of GDP benchmark which, as we know, was set by NATO as a minimum—not as a target—for all its members. The Government were entitled to include such items in their 2% calculations, but they had never chosen to do so previously. It was therefore clear that by resorting to a form of creative accountancy, we were no longer strictly comparing like with like in overall expenditure terms.

Our report was especially revealing in its tables and graphs, which were well researched by Committee staff. They showed UK defence expenditure as a percentage of GDP, year by year, from the mid-1950s to the present day, and compared those data with the corresponding

figures for spending on welfare, education and health. We found that in 1963 we spent similar sums—about 6% of GDP—on both welfare and defence. Now we spend six times on welfare what we spend on defence. In the mid-1980s, the last time we faced a simultaneous threat from an assertive Soviet Union, as it then was, and a major terrorist threat in Northern Ireland, we spent similar sums—about 5% of GDP—on education, on health, and on defence. Now we spend two and half times on education, and nearly four times on health, what we spend on defence.

At the height of the east-west confrontation, in every year from 1981 until 1987, we spent between 4.3% and 5.1% of GDP on defence. Between the fall of the Berlin wall in 1989 and the failure of the Moscow coup in 1991, the cold war came to an end. Consequently, and predictably, a reduction in defence expenditure followed. That was known as the peace dividend yet—this is the key point—even after it had been taken, and even as late as the financial year 1995-96, we were still spending not 2% of GDP, which is the NATO minimum, but fully 3% of GDP on defence. That was without the accounting adjustments that have been used to scrape over the 2% line in the past few years.

To sum up, from 1988 when the cold war began to evaporate, until 2014 when we pulled back from Afghanistan, defence spending almost halved as a proportion of GDP. Now that we face a newly assertive Russia and a global terrorist threat, the decision to set 3% of GDP as our defence expenditure target can no longer be delayed.

Toby Perkins: I have also looked at the statistics mentioned by the right hon. Gentleman, and he is absolutely right about the creative accounting. Even taking that into account, it seems impossible to reach the conclusion that we have ever spent as little as we currently spend on defence in comparison with our GDP.

Dr Lewis: That is absolutely right. It is a measure of how far downwards our expectations were managed during the reductions in percentage GDP spent on defence under the Blair Government and the Cameron coalition Government, that it was regarded as a cause for triumph and congratulation when it was finally confirmed that we would not be dropping expenditure below 2%. The matter had never been questioned at all prior to that period.

Mr Francois: I thank my right hon. Friend for giving way, and it is a pleasure to serve under his stout chairmanship of the Defence Committee—[*Interruption.*] I mean stout in personality terms.

In some ways, the situation is even more challenging than the one my right hon. Friend lays out. He has rightly given the figures in terms of GDP, but in recent years—as we heard in testimony from the permanent under-secretary—in almost every strategic defence and security review and comprehensive spending review, the MOD has had to sign up to additional sets of efficiency savings, now totalling some £30 billion over time. Not only does the MOD have a constricted budget, it has had to find those efficiency savings as well, which makes the situation even more challenging.

Dr Lewis: My right hon. Friend speaks with great experience as a former Armed Forces Minister, and he made a considerable input to our recent report, “Gambling on ‘Efficiency’: Defence Acquisition and Procurement”, by making that very point.

Quite rightly, the hon. Member for Gedling emphasised the current process involving the national security capability review, and he focused on the question of fiscal neutrality, which the National Security Adviser says he has been told to observe. When I challenged the National Security Adviser with that on 18 December, when he appeared before the Joint Committee on the National Security Strategy, he said, “Well, it’s not as if the defence budget isn’t growing; it is fiscal neutrality within a growing budget.” He then did something else, which is indicative of a worrying trend: he lumped together the £36 billion that we are spending avowedly on defence with all the other money that we spend on everything else related to security, and he started talking about a £56 billion budget. That lumping together of money for security and intelligence services, counter-terrorism and even the relevant aspects of policing with the defence budget, is a form of sleight of hand that causes me concern. That is what I wish to address in the second half of my remarks.

We have a real problem in this country because the tried and tested system for strategic decision making has broken down. In my years as a research student, my area of study was the way that Britain planned towards the end of the second world war, and the early period after it, for what form of strategy we would need to deal with future threats. I was struck by the fact that there was a huge argument between 1944 and 1946 between clever officials in the Foreign Office who wanted to make the Anglo-Soviet alliance of 1942 the cornerstone of our post-war foreign policy, and the Chiefs of Staff who wanted to prepare their assessments of what Britain might have to face militarily on alternative assumptions that that alliance might well continue—in which case all would be well—but that it might break down. There was a tremendous stand-off until 1946, when finally the iron curtain had descended and it became clear that the Chiefs of Staff, who had looked at the Anglo-Soviet alliance in theoretical terms and said, “Well it could work, but it might not”, had been right to be cautious, and the Foreign Office staff, who wanted to put all their eggs in the basket of being able to continue the wartime alliance into peacetime, had been wrong. I was very struck by the systematic way in which the strategic arguments were hammered out, and at the centre of it all was the Chiefs of Staff Committee.

The Chiefs of Staff Committee, as we all know, is made up of the heads of each of the three services. The shocking thing that I have to say to the House today is that one can now become chief of staff of any of the three armed services—one can become head of the Royal Navy, or head of the Army, or head of the Royal Air Force—and yet have no direct input into the strategic planning process. This is all part of the lumping together of military strategic planning with national security strategies that are vague and amorphous and, above all, primarily in the hands of civil servants.

If the civil servants themselves were steeped, as they used to be, in the subject matter of their Departments, that would be less of a problem than it is today. But some years ago, it was decided that those in the senior

levels of the civil service—which are, of course, peopled by very clever and able individuals; that is not in dispute—should be able to hop from one Department to another. One might be at a senior level in one Department and then go for the top job in another, including, for example, the Ministry of Defence. What we have is a combination where formerly specialist civil servants have become generalists and the professional military advisers—the Chiefs of Staff—have become more like business managers serving as chief executives with an allocated budget to administer to their services. All their thoughts about strategy get fed through just one single individual—the Chief of the Defence Staff—who then has to represent all their views on the National Security Council. It is this melding together, this mishmash, of the military, the security and the civilian roles that is undermining what we need, which is a clear-headed and systematic approach to the strategic challenges facing this country.

James Gray: My right hon. Friend is making an extremely important point about the whole structure of decision making within the Cabinet Office and the Ministry of Defence. Does he agree that he has not yet mentioned a very important element in that, namely Ministers? He has not yet discussed Ministers’ role in considering the strategy of the nation. Is it not particularly interesting that when Sir Mark Sedwill appeared before the Joint Committee on the National Security Strategy the other day, he let us know that the review that is currently being undertaken by his Department was commissioned during the general election campaign, when presumably Ministers had their minds on something else? I would be interested to know exactly who it was who commissioned the strategy at that particular time.

Dr Lewis: My hon. Friend is absolutely right, and he made a very useful contribution to the questioning of Mark Sedwill on 18 December. The reason I have not really mentioned Ministers is that, frankly, Ministers do not seem to be having much of a role in this, either. What I did not say, because I did not want to dwell too long on it, is that the stand-off between the Chiefs of Staff and the Foreign Office in 1944 was finally resolved when it went all the way up to Churchill, who finally gave the Chiefs of Staff permission to continue doing the contingency planning for a possibly hostile Soviet Union that they wanted to do, and that the Foreign Office did not want them to do. The reality here is that there has been a loss of focus. There is no proper machinery, other than this rather woolly concept of a National Security Council, served by a secretariat, run effectively by the Cabinet Office.

In conclusion, what I really want to say is this. Constitutionally, we know what is right. That was confirmed when we spoke to the former Secretary of State for Defence in the Defence Committee and he was attended by a senior MOD official. We asked him, “Is it still the case that the Chiefs of Staff—the heads of the armed forces—retain the right to go directly to No. 10 if they think the danger to the country is such that they have to make direct representations?” The answer was yes, it is. But what is the point of their having that right if they are not actually allowed to do the job of planning the strategies and doing what they used to do as a Committee—serving as the military advisers to the Government? As my hon. Friend the Member for North Wiltshire (James Gray) says, ultimately, the Government always

have the right to accept or reject such military advice as they get from the service chiefs, but the service chiefs ought to be in a position to give that advice.

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): My right hon. Friend is coming to his peroration, and I want to go back to his initial point, if I may try your patience, Madam Deputy Speaker. The important point, which was also raised by the hon. Member for Gedling (Vernon Coaker), was the comparison between defence, education and health spending going back a couple of decades. Of course we have had the cold war demise, but I would recommend that hon. Members read the Prime Minister's speech at the Guildhall in November, which talks about the new threats that are coming round. I pose the question: as we try and passionately make the case for the necessary funding for our armed forces, would it be easier for that case to be made if the passion and enthusiasm for our armed forces on the doorstep, as we campaign for general elections and so on, was comparable with that for health and education? I pose that question because I think there is a role for all of us to play in confirming what status our armed forces should have in future.

Dr Lewis: I am grateful to the Minister for making that point in that way, and nobody could be doing more than he is, within the constraints of his office, to make the case. We all know that.

The reality is that defence is always difficult to get funded in peacetime because it is analogous to paying the premiums on an insurance policy, and people are always reluctant to pay the premiums, although they are very glad to have paid them when the time comes to call in the policy because something adverse has occurred.

John Spellar: I thank my right hon. Friend the Chairman of the Committee for giving way, but surely this is the role of Ministers. It is the role of the Prime Minister, the Chancellor and the Secretary of State for Defence to be providing that leadership, setting out that strategic vision, and therefore the reason for that expenditure. That is where the leadership has to come from.

Dr Lewis: I agree, but I think it is something more important than that. They must have a proper strategic planning machine at their service; otherwise, they are just a bunch of individuals giving their personal opinions.

It may suit civil servants to sideline the military professionals—to reduce the uniformed contribution to strategic planning to the input of one individual, the Chief of the Defence Staff. It may suit them, too, to sideline the Ministry of Defence and reduce its contribution to a single strand of a so-called national security strategy, but it does not suit the national interest to have inadequate specialist military pushback against politicians with poor strategic grasp and a political bee in their bonnet. That is how disastrous own goals, like the Libya fiasco, come to be inflicted upon us, despite the warnings of the then Chief of the Defence Staff against overthrowing the Libyan regime.

A single military adviser, no matter how capable, cannot have the same impact as the combined contribution of a Joint Committee of the heads of the armed forces. So it is not enough just to set ourselves a 3% target for defence expenditure, as indeed we must; it is vital also to

recognise that our tried and tested machinery for making military strategy has been vitiated and largely dismantled. The Chiefs of Staff must once again be more than budget managers, stuck on the sidelines while politicians and officials call the shots and, as often as not, call the shots incorrectly.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I have given a lot of leeway to the hon. Gentleman who moved the motion, and to the Chairman of the Select Committee, both of whom took a lot of interventions, and that is good for rounded debate. It will be obvious to the House that a great many people wish to speak this afternoon. We have plenty of time, but that time will run out, and it will not be fair to everyone if individual members speak for much more than 10 minutes. So, as an advisory amount, 10 minutes would be just about right. If people speak for much more than that, I will have to impose a time limit, which stunts the debate. It is much better if everybody behaves in an honourable fashion.

12.59 pm

Dan Jarvis (Barnsley Central) (Lab): It is a privilege to be called to speak in this debate. I congratulate my hon. Friend the Member for Gedling (Vernon Coaker) on securing it. He has been a tireless champion of our armed forces, and he has done us all a great service today by giving us an important opportunity to debate this most important of matters. I will seek to do so in the most constructive way possible, because I believe that we all have a responsibility to hold the Government to account. My remarks, and the concerns that I will express, are not about securing short-term political advantage; they are about ensuring that our nation is properly defended.

Throughout my time in the armed forces and in this place, I have come to believe that every Government's policy on defence should be underpinned by two promises. The first is the Government's promise to maintain the freedom and integrity of the UK, its overseas territories and its people, and it is rooted in their recognition that this is their primary duty. The second is the armed forces covenant: a promise from the Government, on behalf of the nation, that those who serve or who have served, and their families, will be treated fairly. For reasons of time, I will not talk about the military covenant today. Like all hon. Members present, I am constantly inspired by the incredible skill and commitment that our servicemen and women demonstrate, often in the most difficult circumstances; it is just that today my emphasis will be on the risk to our defensive capability.

When thinking about this speech, I looked at the "UK Defence Doctrine" to see what it says about the role of defence. It states:

"Our national security encompasses the safety of our state and protecting it from external and internal threats. It also requires us to endeavour to preserve the security of UK nationals living overseas."

The same document goes on to talk about the many varied potential uses of our armed forces, from enhancing soft power influence to the evacuation of non-combatants, the application of force and responding to natural disasters. However, my concern is that it is not a publication

[Dan Jarvis]

that is read much, at least not by those who seem to be making the decisions on the future of our armed forces. I am thinking, in particular, of some of those in the Cabinet Office and the Treasury. Instead, some of them seem to be labouring under the misapprehension that, in the age of information conflict, the need for our armed forces is decreasing. That could not be further from the truth. Mitigating threats to our security is not a zero-sum game.

In recent years and months, the eyes of Westminster and Whitehall have become increasingly focused on Russia's activity in the UK's information domain, our critical national information infrastructure and the broader concepts of soft power and security. That is commendable, but it is worth remembering that in 2015 the national security strategy and the strategic defence and security review identified four primary threats to UK national security: the increasing threat posed by terrorism, extremism and instability; the resurgence of state-based threats; the impact of technological change, especially cyber threats; and the erosion of the rules-based international order. Our armed forces are critical in mitigating those threats.

Since then, some members of the Government have repeatedly told us that

“the threats identified have intensified”

and that

“there is a need to strengthen our defences”.

Yet the growth in threat has not been matched by a growth in resources. Indeed, the previous Secretary of State told the Defence Committee that the mismatch between intensifying threats and the capabilities available was in fact being exacerbated by

“the challenge of inflation, cost growth in some of our more complex programmes and the ambitious efficiency targets.”

Yet the ongoing capability review appears to have no intention of addressing that underfunding, because it cannot. Unlike the full SDSR in 2015, it is not taking place at the same time as a spending review, and the budget for the Ministry of Defence has been fixed up until 2021. My first question to the Minister, who I know thinks very carefully about these matters, is therefore this: what is the purpose of a review that may conclude that there is a need for more capability if there is no chance of the Government providing it? Surely such a move will only highlight to our adversaries both the paucity of our ambition and the degradation of our capabilities.

The past few years have not been good for defence. Too much influence has been ceded to people who do not understand or value our armed forces. That has resulted in the mismanagement of the defence budget, delayed the delivery of crucial equipment and created holes in our strategic and operational capabilities. Now, as the national security capability review runs the risk of channelling funds away from our armed forces in favour of a focus on cyber-security, the Government run the risk of making matters worse.

I could speak at length about the capability areas damaged and in danger, but today I want just to touch on our amphibious capability, Joint Force 2025 and the importance of training to both of them. First, on our amphibious capability, I have had the privilege of serving

alongside Royal Marines and, although I would not necessarily have told them this at the time, I know how important they and their enabling capabilities really are. That is why I hope the continued rumours regarding their future—specifically, the selling off of HMS Ocean, the cutting of HMS Bulwark and HMS Albion, and the reduction of the Royal Marines by up to 1,000—are not true. A cyber capability cannot do what they do, and what they do remains absolutely crucial, be that the application of force, crisis relief or the evacuation of non-combatants. Our amphibious capability is a critical national asset.

In 2005 General Sir Rupert Smith said that the future of warfare was “war amongst the people”. He was right. Considering that over 40% of the world's population live within 100 km of the coast, it is absurd that we should even be talking about cutting our amphibious capability, or pretending that Bay class and Queen Elizabeth class ships offer similar functionality. Crossing the littoral boundary is not only essential to our ability to deploy troops in many future conflict scenarios, but hugely important to the UK's humanitarian work around the world, and cutting it would signal that we are stepping back from both our global responsibilities and our responsibilities to UK nationals overseas.

The real-world importance of those capabilities was demonstrated recently by Operation Ruman, the UK's military response to Hurricane Irma, and continues to be illustrated by the fact that, at the joint force headquarters in Northwood, two of the highest priorities for NEO—non-combatant evacuation operations—planning are South Korea and Lebanon. As such, we must acknowledge that any decision to reduce this capability would come not as part of a wider strategy for the UK's role in the world, but as a misguided attempt to get the defence budget under control. I would therefore like to ask the Minister whether he can confirm today that neither Albion nor Bulwark will be scrapped as part of the national security capability review. Can he also confirm that there will be no cuts to the regular manpower of our Royal Marines?

I am similarly concerned about the current threats to my old service, the Army. Since 2010 we have seen numerous initiatives affecting the manpower, equipment, training and structure of the Army. The most recent, Joint Force 2025, was initiated by the 2015 SDSR and is rightly focused not on equipment and platforms, but on output and effect. The planned reforms were intended to deliver armed forces that were more agile and reactive, and to prepare the Army to deal with growing threats from state adversaries. That kind of development and evolution is critical to our national defence, but such modernisation is predicated on harnessing emerging technologies and, as such, requires investment in research and development, capital expenditure on new equipment, and the right number of well trained personnel. All of this was to be underpinned by greater cohesion and co-operation between regulars and reserves and paid for by MOD efficiency savings, but I fear neither is happening and Joint Force 2025 is, as a result, under threat.

I therefore ask the Minister three further questions. First, is the MOD still on track to deliver Joint Force 2025 as planned? Secondly, how is the MOD ensuring that the outcomes of the capability review in relation to defence do not similarly rest on false assumptions and

overly optimistic promises? Thirdly—I say this slightly in jest—should regular reserves like my parliamentary assistant and myself, and I suspect the Minister as well, really be included in the “whole force” figures? Although I say that slightly in jest, it highlights the important point that for our armed forces, in the land environment in particular, capability is not just a question of numbers. Personnel have to be correctly equipped, trained and accustomed to operating in deployable structures. Too often, training is seen as an overhead that can be cut back. That ignores the importance of training in ensuring that our armed forces are ready to respond and in demonstrating capability to allies and adversaries alike. As threats diversify and intensify, our training must adapt and deepen.

Alex Sobel (Leeds North West) (Lab/Co-op): My hon. Friend talks eloquently about training, but is it not just as important to consider accommodation for our armed forces? We have seen the pay cap and rising rents, and we now have our forces being written to saying that civilians will be allocated services accommodation. Does my hon. Friend agree that it is essential for maintaining our capability and training programmes that we have good accommodation, in good condition, at the right price?

Dan Jarvis: My hon. Friend makes an important point. Because of the time available today, I have not got into discussing the armed forces covenant, but that is crucial for ensuring that we have people who continue to wish to serve our country in the armed forces now and young people who wish to serve in the future. We as a country, a Government and a House of Commons must be able to demonstrate that we are committed to ensuring good circumstances under which they can serve, which includes ensuring they have rewarding professional opportunities. That is why training is so important. We must also ensure that they and their families are properly looked after, and accommodation is a very important part of that.

This debate has come at a crucial time for our armed forces. The UK is now under greater threat than at any time since the cold war, yet I fear that, as well as there being serious questions about how the targeted 2% of GDP is being spent, our Government run the risk of being seen to have no coherent security and defence strategy. Furthermore, the national security capability review risks channelling more funds away from our armed forces in favour of a focus on cyber-security. There seems to be a belief that the emerging cyber and information threats have somehow resulted in the decline of conventional threats; they have not, and they will not. The opening up of new fronts does not mean the closing down of old ones, and the unprecedented hollowing out of our armed forces must end.

1.14 pm

James Gray (North Wiltshire) (Con): Rarely in debates in this Chamber can the fourth speaker have been faced with such a major challenge as mine in following three such well informed, all-encompassing, brilliant speeches as those of the hon. Member for Gedling (Vernon Coaker), my right hon. Friend the Member for New Forest East (Dr Lewis) and now the hon. Member for Barnsley Central (Dan Jarvis), who knows what he is

talking about. It is quite a challenge to think of something new to say after those three outstanding speeches. I agree with all of them, and I agree very strongly with the motion. However, you and I have known each other for 25 years, Madam Deputy Speaker, so you will be aware that it would none the less be entirely uncharacteristic of me simply to say “I agree,” and then sit down; that would not be in keeping at all.

I welcome the fact that the hon. Member for Gedling has secured the debate, but I regret the fact that it had to be called under the rules of the Backbench Business Committee. When I—and many of us in this Chamber—first arrived here, we had five such debates a year: one each for the RAF, the Army and the Royal Navy and then two further debates on spending matters. That was changed after the 1998 SDSR into five set-piece, major, full-scale debates in Government time on a variety of subjects: defence policy, defence of the UK, defence of the world, and one on personnel and one on procurement. They were serious debates opened by the Secretary of State, with a packed House and vast numbers of people watching; they were an important part of the body politic’s discussions on defence.

That system has now been replaced, however, and in fact for two or three years there were no debates on defence at all under the Backbench Business Committee. There are now one or two debates a year if we are lucky, secured by a Back Bencher choosing to do so. That is wrong; the Government should return to the way we were when the Backbench Business Committee was invented and say to it that we expect to have at least five substantive defence debates during the course of the year. It must find time in its programme for that. Allocating such debates to compete with such important matters as live animals in circuses is wrong and downplays the importance of the defence of the nation.

That situation might none the less be symptomatic of something that concerns me, and to which one or two Members have alluded: we as a nation are downplaying defence and the threat to us. There is a degree of war-weariness after Iraq and Afghanistan and so forth, and people would like our troops to come home and there to be no more wars anywhere in the world. But that will not happen, of course, because the world is an extraordinarily dangerous place.

We in this House are guilty of a degree of complacency over the threats to the nation, and that is then spread around the nation, and our voters do not realise what a dangerous place we live in. If we conducted a survey and asked voters on their doorsteps whether we should spend money on defence or health or education, defence would, sadly, come fairly low down their list of priorities. We in this place need to change that by having serious debates on the subject and highlighting the huge threats facing us today.

I will not repeat what others have said about the threats from an expansionist Russia, North Korea, events in the South China sea, and terrorism throughout the middle east, but those threats have not gone away and are worse now than they were before. I personally am extremely concerned about Russian ambitions in the high north and the Arctic and north Atlantic, and I am grateful that the hon. Member for Bridgend (Mrs Moon) has taken up the cudgels of the Defence Sub-Committee, looking into what the Russians are planning to do in the high north. At the moment, however, NATO is, to some

[James Gray]

degree at least, ignoring that, and it is right that we should remind people that the Russians have just spent billions of pounds on building eight new military stations along the Arctic coast, that they have very substantially increased submarine activity in the north Atlantic, and that they are threatening our lines of supply to the United States of America—and all of this is happening under our noses and we are not doing anything about it. It is right that we in this place should remind our colleagues and the nation that these very real threats are happening on our doorstep.

Part of the reason for that failure to address these real threats comes from what might sound like a rather technical, machinery of government matter, and which my right hon. Friend the Member for New Forest East touched on. The last truly proper defence review was in 1998, and I pay tribute to the then Defence Ministers, one of whom, the right hon. Member for Warley (John Spellar), is sitting on the Opposition back row. It was a first-class defence review: it was foreign policy led; it was the MOD sitting down and saying, “Given that these are the foreign policy threats to our nation, here’s what we in the MOD must now do to protect the country from them.” Since then, as my right hon. Friend the Member for New Forest East said, the whole process has become ever more muddled, obscured and complicated. Nobody now quite understands who decides what the threats to this nation are, nobody quite knows who decides what we must do about them, and nobody quite knows where we are going to get the money to do that.

For example, the SDSR used to happen at the same time as the national spending review, and that was extremely important. As the hon. Member for Barnsley Central said, what is the point of having a defence review if we know that, no matter what it concludes, there will be no money to change things? Let us imagine that such a review concluded that there was a vast cyber-threat or Russian threat against us and decided that we must significantly increase our Army, Navy or Air Force. The Treasury would turn round and say, “Well, we’re very glad you have had that review and we’re very interested to read it. You have made some important points and we will be reviewing the Ministry of Defence budget two years from now. So, no matter what you have said in your review, we can do nothing about it.” It seems extremely odd to be mixing the strategic defence review with the security review.

Sir Mark Sedwill, a very distinguished fellow who does an awful lot of good stuff, has said that we need to spend more money on cyber, and he is right, but every single penny that we spend on cyber comes out of other budgets. If we were to double our cyber budget, which might well be a very good thing to do, it might have to be paid for by cuts in the amphibious capability that the hon. Member for Barnsley Central mentioned. If it is any comfort to the hon. Gentleman, I can tell him that if any such cuts were to take place—if HMS Bulwark were to go, for example, or if 1,000 people were to be cut from the Royal Marines—he can be certain that I and many others on the side of the House would not support any Government who proposed to do that. I want to make it plain that we would not go along with any such proposals from the Government. I think that

many of my friends in the Ministry of Defence would agree with that and are fighting that battle very firmly at the moment.

It would seem perfectly logical and sensible, when carrying out a review, to start with the Foreign Office assessing the risk. The Cabinet Office should follow that by determining how much of that risk is to do with us—with policing or with cyber, for example. Those conclusions should then go to the Ministry of Defence, which would identify the threats to the nation and decide what to do about them. Subsequently, the Treasury should say, “Fine, that is what you want to do about the threat. Here is how we are going to find the money for it.” But to have a national security review mixed in with a strategic defence review, and happening at a time that is not contingent with the national spending review, seems to be absolutely pointless and, indeed, substantially misleading. We are misleading ourselves that somehow we are looking into these things properly. I would like to see the defence part of the review separated out. It ought to be happening in the autumn of this year, at the same time as the Budget, in case we need more money to do what the Foreign Office says we ought to be doing.

That is all I want to add to what others have said. We are facing incredibly dangerous and worrying times, and this nation is under threat. There are very real threats to our people’s security and safety. If we in this place do not address that fact strategically, and if we do not find a way of increasing our defence spending towards the 3% that many of us in the Chamber want, I fear that we will not be doing our duty. We will not be doing what our people send us here to do, and we will not be putting in place the correct way to defend our nation.

1.23 pm

Mrs Madeleine Moon (Bridgend) (Lab): When it comes to defence, we have to accept that without the right personnel with the right expertise and in enough numbers, the military cannot function. All the most sophisticated technology imaginable is useless if we do not have the skilled individuals to operate it. The planes cannot fly, the ships cannot sail and the vehicles cannot move without the people with the expertise. In essence, without people there is no military capability, and yet it is the people that we keep cutting.

Following the strategic defence and security review in 2010, there was a restructuring of the Army through a plan dubbed Army 2020, along with Future Reserves 2020 for the Army Reserve. The plan was refined in 2015. It proposed to reduce the number of Regular Army, or full-time, personnel from 102,000 to 82,000 and to increase the rebranded and re-enrolled reserve forces, or part-time personnel, from around 15,000 to 35,000 to make up the shortfall. On paper, that looks great. In April 2017, the Regular Army numbered 83,560 personnel and the Army Reserve 29,940. However, we need to dig deeper.

Reserve soldiers work hard as reservists, but many also have full-time jobs. They are required to complete a minimum commitment of days and training with the Army Reserve each year to be fully up to date and able to deploy in support of the regular Army. The completion of this training is not mandatory, but those who do not

complete it are not considered qualified to fulfil their function during that given training year. Those soldiers who complete the training are awarded a tax-free bounty or bonus. This bonus shows how many reservists each year are ready and able to deploy quickly to support the Regular Army.

Over the last few years the number of Army Reserve soldiers has increased dramatically, from 21,030 in April 2015 to 29,940 in April 2017. That is an increase of 42% in the space of a few years. Those figures have been obtained from the Ministry of Defence through parliamentary questions. Given such an impressive increase, one would expect to see a proportional increase in those achieving the annual bounty as more and more reserve soldiers achieve their annual training targets. In April 2015, 14,270 achieved their bounty. That was 67.85% of the total Army Reserve. However, in April 2017, 14,930 got their bounty, representing just short of 50% of the total. That represents a 17.98% fall in the proportion of the Army reservists achieving their annual training targets.

The bounty is broken down into five levels. Each year that a soldier achieves a bounty, the next level is paid until they get to year five. Of the bounties awarded in 2017, 1,980 were for year 1; 1,470 were for year 2; years 3 and 4 were grouped at 1,310; and the figure for year 5 was 10,160. That is not a weighting one might expect, given the increased numbers of recruits. The numbers imply that the number of reserve personnel able to complete the training required of them in order to be considered fully up to date and able to support their regular colleagues has been pretty stable but not growing. Despite the 42% growth, the number of reserve soldiers able to fulfil the minimum commitment set out by the Government is still at the same level. The growth in the Army Reserve is a paper growth, not a real growth.

The Government's expectation is that people will be able to marry up having a full-time job with the capability to operate at the same level as a full-time member of our armed forces. That assumption is being made as a result of a cost-saving decision to cut the Regular Army, and it is simply unrealistic. We now have a Regular Army of about 78,000 and an effective reserve strength of roughly 15,000, with both barely able to fulfil their required duties, especially as the Regular Army was previously more than 100,000 strong.

There is a further problem with the Government's approach. We are reliant on experts to operate in a sensible and effective manner equipment that is often at the cutting edge of technology. Those skills cannot be replaced overnight. The Government's solution was to cut those experts from the Regular Army and attempt to re-recruit them as reservists with a £10,000 incentive scheme.

As of 1 October 2017, 4,350 ex-Regular Reserve soldiers had been recruited using the bonus incentive scheme since its inception in 2013. The £10,000 bonus is broken down into four instalments, called key milestones, that are paid out over four years provided that the soldier has completed a number of days of training and tests. Considering that it equates to almost a quarter of those cut from the Regular Army in a similar period, 4,350 is a good number. However, of those who have entered the scheme, 3,320 made it to key milestone 1, 2,370 made it to key milestone 2, only 1,280 made it to

key milestone 3, and just 480 reached key milestone 4—a drop-out rate of 88.97%. Therefore, despite the offer of a £10,000 bonus, these ex-regular soldiers are also unable to meet the requirements of a full-time job while being a fully trained reservist that is capable of deployment. We risk having an undermanned regular force that lacks the skills and knowledge that come from the experienced soldiers that we made redundant, and an overworked reserve force that is doing its best to make up the shortfall while its people also try to get on with a civilian career. Once again, the apparent cost saving is elusive.

Returning once again to the ex-regulars in the reserve forces, each ex-regular at the rank of private is on a basic rate of £50 a day. Many earn much more than that, but let us just go with the basic. The total amount spent since the inception of the scheme on just wages and bonus payments is roughly a minimum of £26.3 million. For that £26.3 million, we get an 88.97% drop-out rate and only 480 reserve soldiers. That is before any consideration of the cost of restructuring both the Regular Army and the Army Reserve. We are cutting full-time capable soldiers and replacing them with people of whom we expect too much.

The Government have created a personnel problem in our armed forces that threatens to spiral out of control. We all acknowledge that the men and women in our armed forces, whether regulars or reserves, are dedicated professionals who are asked to do a difficult and demanding job, but their numbers have been cut to dangerously low levels and we are losing vital expertise. To make up the shortfall, we have put in place increased, unrealistic and unfair burdens on the reserve forces, which are also made up of honest, hard-working people, in the name of a cost saving that appears to be nothing at all.

John Spellar: The immensely frustrating factor in all this is that the Ministry of Defence and the services seem to be replicating exactly the same mistakes that were made in the "Options for Change" White Paper at the end of the cold war. They are pushing regulars out and creating an atmosphere in which people think that the forces are not recruiting, and they are damaging morale. Then, during the Christmas period, they spend however much they did on blitzing the airwaves to try to attract people in an atmosphere in which people are seeing those who have been forced out of our services.

Mrs Moon: My right hon. Friend makes an important point. Some statistics released today show that 71% of businesses in the service sector are finding it difficult to recruit from the skilled workforce, and the figure for manufacturing is 76%. We are operating in a climate where skilled people are at a premium. The armed forces had skilled people, but they sacked them and, rightly enough, the business community has grabbed them. We then tried to bring them back into the armed forces by offering them a bonus, but that has not worked. We have managed to keep only 480 of them. It is shocking, irresponsible and downright dangerous. This is an unpredictable world, and we cannot afford to play games. We are not showing our friends and allies our willingness and ability to support them and to support our own interests around the globe if we are not retaining and training our full-time personnel.

1.34 pm

Mr Mark Francois (Rayleigh and Wickford) (Con): It is a pleasure to follow the hon. Member for Bridgend (Mrs Moon), who always speaks knowledgeably on defence matters, and I congratulate the hon. Member for Gedling (Vernon Coaker) on securing this important debate and, if I may say so, on introducing it so ably this afternoon. I want to focus on the national security capabilities review—the NSCR—and, in particular, its potential effect on the greatest asset we possess in defence: our people. There is already considerable anxiety in the armed forces about where the review may lead, and it is important to understand the serious damage that could be done to defence if those fears are not addressed.

Unfortunately, we are starting from a position in which the armed forces are already being subjected to a hollowing out. In May 2017, the total strength of the regular armed forces was 138,350, which is some 5% below their establishment strength, as the hon. Member for Gedling intimated—although shortages are far worse in highly specialised pinch-point trades, such as qualified engineers. In the year to April 2017, 12,950 people joined the UK regular armed forces, but 14,970 left over the same period—a net deficit of over 2,000 personnel. At present, trained and experienced personnel are leaving the armed forces faster than the recruiting organisations, which are already running to stand still, as it were, are able to make up for those who are departing. In particular, the Regular Army is currently around 30% below its annual recruitment target, managing only around 7,000 new recruits of the 10,000 required last year.

Moreover, as is borne out in the most recent armed forces continuous attitude survey—AFCAS—published in May 2017, there are also issues of morale, which is not as high across the armed forces as we would like it to be. Pressure of service life on families is still given as the greatest reason for leaving. As people leave, that only increases pressure on those who remain. There has also been a particular drop-off of morale reported in the Royal Marines. That is disappointing, but it may well be linked to some of the speculation about the future of our amphibious shipping and potential reductions in the size of the Royal Marines as a whole. I hope that that speculation does not become a reality.

If we are honest, we are dealing with a somewhat fragile situation, even before the outcome of the NSCR is known. There is clearly much staff work being undertaken, both within the Ministry of Defence and the Cabinet Office, in relation to this review, but I was particularly alarmed when one national newspaper, *The Sun*, reported some weeks ago that the Treasury was arguing at one stage for a reduction in the size of the Regular Army from its established strength of 82,500 down to as low as 50,000. If carried to fruition, that ludicrous proposal would involve making redundant well over a third of the serving Regular Army and would constitute perhaps the greatest blow the British Army has ever suffered in peacetime.

At a time when we face a resurgent Russia, which has carried out the annexation of Crimea, still has further territorial ambitions in Ukraine and is placing pressure on the Baltic states, reducing the Army would send entirely the wrong signals to the Russians about our commitments to NATO and our willingness to uphold the territorial integrity of our allies. It would be sheer folly. I only hope that the pin-striped warriors in the

Treasury, who live in daily fear that their air-conditioning might malfunction or that the tea-trolley might be late, have since abandoned such a daft suggestion as there is no way that I and, as my hon. Friend the Member for North Wiltshire (James Gray) intimated, many of my colleagues on the Government Benches could possibly support a reduction of that magnitude in regular manpower. It is simply unthinkable.

Following on from the 2010 strategic defence and security review, I was the Minister responsible for implementing tranches 3 and 4 of the Army redundancy programme. It was an extremely difficult process that had a detrimental effect on morale and retention, as well as on recruitment. I very much hope that we will not have to announce any further rounds of redundancy in the Army, because that would threaten to make the situation I described earlier even worse.

Many service personnel are watching this review very closely, and if it is seen to lead to a further reduction in our conventional capabilities or in the strength of our armed forces, many will react by simply voting with their feet and opting to leave what they might perceive to be a constantly shrinking enterprise. To be clear, I am not suggesting there would be a sudden rush for the exits, but, more likely, there would be a steady increase in the drumbeat of people requesting to leave, above and beyond the ability of the recruiting organisation to replace them. In short, more and more people would go and the hollowing out would become worse and, in some particularly sensitive areas of which the Minister will be well aware, critical.

Senior Ministers who will take the final decisions on the NSCR need to understand the stark reality of our admirable personnel and what may ultimately influence them to stick or twist and change their career. Those personnel do not want sympathy, but they want and deserve our respect. They deserve our empathy, too.

Ultimately, as the hon. Member for Bridgend intimated, we can buy as much shiny new kit as we like, but it is of no use to us, and will not provide the deterrent effect we would wish, unless we have people available and sufficiently trained to operate it in a hostile environment. Too often in defence, we talk about capability in terms of equipment, whether it be new Ajax fighting vehicles for the Army, Type 45 destroyers for the Navy, or F-35s for the Fleet Air Arm and Royal Air Force. However, without the required blend of man and machine, or increasingly woman and machine, we have no capability at all. We forget that at our peril.

The truth is that over the past few decades, under Governments of both colours, our service personnel and, indeed, the country have witnessed a continuing retrenchment in our capabilities and in the numbers serving in uniform. Together with our nuclear deterrent, as the Chair of the Select Committee said, our service personnel are our national insurance policy—they are the defenders of our freedom and of our way of life—and we are now at real risk of skimping on the premium.

As a former Defence Minister, I can only offer the House my earnest and heartfelt advice that we must not take our armed forces personnel and their families for granted. Our history as a nation shows that when we failed to keep up the insurance policy, as we did when we allowed our armed forces to seriously degrade in the early to mid-1930s, the ultimate result, a world war in which some 50 million people died, was utterly catastrophic.

We in this House, we who were sent here by our citizens and whose responsibility it is to protect them, are the guardians of that national insurance policy. On that basis, we have to say to our Government that the time for cuts is over. It is time for our cover to be increased.

1.43 pm

Martin Docherty-Hughes (West Dunbartonshire) (SNP): It is a pleasure to follow the right hon. Member for Rayleigh and Wickford (Mr Francois) and my other Defence Committee colleagues. I commend the hon. Member for Gedling (Vernon Coaker) for tabling the motion. As a member of a defence family whose nephew joined the Royal Engineers on 2 January, we are very much aware of his defence of the members of the armed forces.

Those of us who take an interest in these things know that, of late, this Government's running of the Ministry of Defence has focused more on slick sloganeering than on the huge issues facing the Department, so it is no surprise that recent media coverage has tended to focus on the relative success of the propaganda coming from Main Building. Take, for example, the Year of the Navy campaign, which probably could not have gone worse. I am sure the Air Chief Marshal and the Chief of the General Staff wake up at night in a cold sweat after nightmares that 2018 is to be the Year of the RAF or the Year of the Army.

Following a slightly botched Army recruiting campaign, this week saw the MOD refuse one of the campaign's stars permission to speak to Sky's Alistair Bunkall, which comes just after the Defence Secretary was forced to reconsider a decision to ditch the Army's "Be the Best" slogan.

As the Conservative and Unionist party struggles with its messaging, I thought I would go back to another time when it was divided on Europe and tanking in the polls to find a slogan that best sums up what I will talk about today: "Back to Basics." As the Government bang on about their vision of a global Britain and the Foreign Secretary comes out with absurd assertions about HMS Queen Elizabeth being deployed to the South China sea, they continue to neglect the most basic of defence tasks at home, namely the defence of the homeland and the north Atlantic, on which I will concentrate.

Last year, I was delighted to attend the launch of the Royal United Services Institute Whitehall paper on revitalising our collective defence in the north Atlantic area, edited by John Andreas Olsen, the Norwegian defence attaché here in London. The launch was facilitated by the hon. Member for North Wiltshire (James Gray), the chair of the all-party parliamentary group on the polar regions. Mr Olsen contributed to the booklet by pointing out that, for most of recorded history, the cold, grey waters of the north Atlantic were seen by most, even on these islands, as the very edge of civilisation. That fact changed rapidly, to the extent that the north Atlantic was the crucial link between North America and Europe during the two world wars and in the planning processes during the cold war.

Of course, the north Atlantic gives its name to an alliance that I would hope all of us in this House agree, although some in senior positions do not, is the bedrock

of our defence and security. During the first period of NATO's existence, protecting the sea lines of communication between the United States, Canada and Europe was a core task. It was during that time that the UK developed a world-leading anti-submarine warfare capability, as the skills honed hunting U-boats during the second world war were allied with American technology to ensure that NATO held the operational advantage. At a time when many believe Russian submarine incursions into our waters are again at the level of those during the cold war, if not exceeding them, we must consider whether the balance of power is still the same. I am afraid that, for me and my hon. Friends, it is not.

We know that the Royal Navy's escort fleet is at a historic low of just 17 usable frigates and destroyers. We know that over Christmas, for the first time in living memory, none of them was deployed outside UK waters. We also know that the UK's most northerly surface warship base is on its southern coast, meaning a journey of more than 24 hours to reach the place from which most of the threat is coming due to the reimposed Russian "bastion" policy.

If we listened to the Government, we would think all is well for the defence of the realm. They say there is record investment in the procurement budget and an increasing defence budget, so I was glad that, in our report on procurement last month, my colleagues on the Defence Committee endorsed the National Audit Office's assertion that the affordability of the equipment plan

"is now at greater risk than at any time since reporting was introduced in 2012".

The beginning of our report looked at the Committee's previous reports on procurement and it was remarkable to see how little this Government have learned from previous mistakes—we all know that those who do not learn from history are doomed to repeat it.

The defence cuts made by the Conservative and Unionist Government in 2010, whether it be the decision to reduce the escort fleet to its current woefully low number or the decision literally to chop up the UK's maritime patrol capability, were meant to be the last we would see for the foreseeable future, and the MOD vowed to develop an affordable equipment plan.

Plus ça change, plus c'est la même chose; forgive my French pronunciation. The deficit that led to the 2010 cuts was £38 billion and the upper limits of the estimates of the current deficit are around £30 billion, meaning that hard decisions will have to be taken.

For example, can we be certain that the purchase of F-35s will be balanced sensitively against the rest of the defence budget, especially now that they are more expensive with the depreciation of the value of sterling? One other worry for those, such as myself, who value the defence of the high north is that the vital and much-missed maritime patrol capability will either be delayed or decreased in scope from the current planned purchase of the Boeing Poseidon P-8s.

Douglas Ross (Moray) (Con): Will the hon. Gentleman give way?

Martin Docherty-Hughes: Not at the moment, because I need to make progress, as other Members want to get in.

[*Martin Docherty-Hughes*]

Last month, it was no surprise when I received a reply to a parliamentary question which revealed that on no fewer than 17 occasions last year maritime patrol aircraft from allied nations undertook missions from RAF Lossiemouth in Moray. That is an unacceptable situation, made worse by the fact that by the most generous estimates it will now take until 2024 before this capability is returned. This return to a triangle of north Atlantic patrolling from Scotland, Iceland and Norway will hopefully be accompanied by a reinstatement of NATO's Atlantic Command. I am glad to say that my party has made it clear from the start that Scotland is an obvious choice to host SACLANT—Supreme Allied Commander Atlantic. I can only hope that Scottish Conservative Members will use the renowned leverage they have with the Government, demonstrated so clearly this week, to press the MOD on this.

We must only hope that this return to that posture can also be accompanied by a continuing commitment to one of our oldest allies, the Kingdom of Norway, as represented by the ability to deploy Royal Marines across the North sea provided by HMS Albion and HMS Bulwark. Scrapping these ships was, of course, a sadly much-anticipated consequence of the security and capability review we were waiting for this year, but which has been delayed yet again by a Government who seem quite unable to take hard decisions. Unfortunately, the hopes for an improvement in not only Scotland's security, but that of this entire political state hinge very much upon that review and the extent of the "adjustments"—I believe that to be the favourite euphemism—contained within it. I am not holding my breath for good news.

As I did earlier, I fully endorse the findings of my Committee's report, when it said that the MOD

"faces the risk that in future it may have to return to a situation where affordability of the portfolio is maintained by delaying or reducing the scope of projects."

Anyone who has read the NAO report on the equipment plan knows that, with the procurement budget about to enter a period of unprecedented budget bandwidth challenges, at least until 2023, delays to decision making such as this do no one any favours. It is an incredible situation, one I can explain only by repeating the words of General Sir Richard Barrons, which have already been used in the Chamber. When he gave evidence to the Defence Committee in November, he said:

"The reason we are having a review only two years after the 2015 defence review is that at no time in that review has the amount of resources provided to defence matched the programme."

This situation will only be exacerbated by Brexit and the various economic consequences it has presented us with. The fact that the only part of the defence budget to be protected from the cuts is the one for the deterrent is something that my party has a long-standing disagreement with. I am sure we do not need to go into that again today, especially as, I am glad to say, we are beginning to break the *omertà* around questioning it among Government Members.

Let me bring my remarks to a close by pleading with this Government to back their old-fashioned "back to basics" on defence by lifting the public sector pay cap for armed forces personnel, which is giving them a real-terms wage cut this year, and focusing on the

essential task of defending not only Scotland, but this entire political state and, crucially, the north Atlantic. It will come as no surprise that I would ask them to take Trident out of the defence budget and to focus on the conventional capability within that budget, which we so desperately need. It will also come as no surprise that I hope that the security of Scotland, which has suffered from decades of under-investment in its security, and that of our allies, will be improved by independence. It is this Government's challenge to prove us wrong.

1.54 pm

Mr Bob Seely (Isle of Wight) (Con): By way of disclosure, I should say that I had the privilege to serve, in a modest way, in the Afghan and Iraq campaigns, and I remain a reservist soldier. I thank the hon. Member for Gedling (Vernon Coaker) very much for securing this debate, and it is a pleasure to follow the hon. Member for West Dunbartonshire (Martin Docherty-Hughes).

In this brief speech, I would like to talk about defence in the broader sense of the word, because the security of our nation rests on many things, not just on how many tanks or ships we have. At times, we can be fixated by so-called heavy metal warfare: ships, planes, tanks and so on. Physical defence is important, but it should not be seen in isolation, and today I would like to talk about security and defence in the round. Having said that, it is clear that we are significantly under-resourced and underfunded. What concerns me most in terms of Government Departments is that the Treasury seems to fail to understand that the point of having an armed force is not to use it. The Treasury seems to think that if an armed force is not being used, it can be cut—that is an incredibly foolish thing to think. It encourages our generals to look for wars to justify the existence of the armed forces, and starting wars and being politically or economically unwilling to finish them—there is some truth there as regards Iraq—is at best bad strategy and potentially disastrous for this nation.

I wish to talk about strategy and whether we have one, and about how we can improve coherence in policy making. I also want to make a few suggestions for parliamentary committees, building on some of the excellent things said by my colleagues on both sides of the House. First, on strategy, it is ironic that we have so many think-tanks in this country but we seem to lack one sometimes in our national strategy. I fear we are losing the capacity and confidence to act without clinging on to the coat-tails of the European Union or United States. Indeed, the US, despite its many great benefits as an ally, has in some ways exacerbated that problem. The great Oxford historian Sir Hew Strachan argues:

"a power which possesses overwhelming force has less need of strategy"

because it has so much power. That has resulted in thoughtlessness, definitely in Iraq and perhaps to a lesser extent in Afghanistan. We have been somewhat corrupted by that thought as well, because our strategy in the past 20 years seems to have been to cobble together just enough kit to take part at a meaningful level in a US-led coalition, so that we can have a political voice at the top table.

That strategy is now under pressure. First, the US has been disengaging—regardless of what one thinks of President Trump—slowly from Europe for the past

three presidencies and the Russians are now a threat, with what they call “contemporary military conflict”, using both military and non-military tools.

Mrs Moon: One thing has been worrying me a great deal. A number of people have cited Russia as a growing threat, but it would be dangerous to ignore the threat from the south, which still exists. Is it therefore not time we stopped focusing simply on the threat from the east and recognised the threat from the south, which has not gone away?

Mr Seely: The hon. Lady makes a good point. I talk about the threat from the east because I would like to bring this in a bit later and I am trying to finish a thesis on contemporary Russian warfare. But she is right that in many ways the non-conventional warfare threat—migration and chaos—is represented in our southern flank. She makes a valid point and I thank her for it.

Post-Brexit, it is critical for our nation that we have a powerful security and defence policy, one that not only projects our identity—our values and our brand, if you like—but provides balanced and comprehensive security. Part of that is about remaining a powerful player on the world stage across the spectrum of effects. We are trying to be more holistic, and the Development, Concepts and Doctrine Centre in Shrivenham, with which I have done a little work over the years, has done some important work looking at national strategy in many of the joint doctrine publication documents it has written. According to the DCDC, our national strategy rests on political, military and economic power, but I wonder whether that is not quite subtle enough for today’s world. In defence, we need to be thinking about humanitarian power, governmental power, cyber capability, cultural, linguistic and informational capability and public outreach. All those tools are critical because the wars and conflicts of the past 30 years, including those we have been engaged in, show that populations have become the critical information and psychological targets. If we look at the three Russian military doctrines since 1999, their two foreign policy concepts, their national security concept and their information security concept, we see that they all put the integration of military and non-military effects aimed at civilian populations as a critical characteristic of modern warfare. Indeed, we see that in Ukraine, eastern Europe and elsewhere.

Historically, the tools of grand strategy have been held at national level. Military force is one element of that defensive strategy. Nowadays, especially with Brexit happening, we have an opportunity to rethink our national strategic culture so that we can understand how we can use our past experience of strategic culture to understand the future. Basil Liddell Hart, who was perhaps our greatest military theorist ever—I am sure that some of my right hon. and hon. Friends will know him well—said that we were champions of the indirect strategy. We had a powerful Navy and a small standing Army, and we used money to encourage others to fight. We used our alliances and set examples by our behaviour. We probably need to return more to that behaviour.

Let us consider the example of the Russian threat in Ukraine. We have parked some soldiers, some kit and around four planes—which is probably half the RAF these days—in the Baltic republics. Russia has used force in Ukraine and is bellicose towards the Baltic

republics, so it is right that we put that kit there, but the most powerful threat to Ukraine is not necessarily the military threat, but the political and informational war, the co-option and corruption of its political leadership, and the trashing of its ability, confidence and statehood.

Our key weapon is not the planes or the troops—important though they are—but our ability to work with the Canadians, Americans, Germans and EU to provide a Marshall package and significant sums of money to Ukraine. We spend £13 billion on aid every year, and I apologise for saying this but much of it is badly spent. Here, though, is a major prize that we are not trying to attain. We spend probably £40 million in Ukraine, all in, including Department for International Development spending. We irritate the Russians by parking military kit in the Baltics, yet we do not seem to be thinking enough about the most powerful weapon we could have against Russian expansion, which is a stable Ukraine that looks like Poland, not like Russia. That is an example of haphazard strategic thinking.

We have an unbalanced foreign policy. DFID burns though money like it is going out of fashion. I had lots of pretty miserable experiences of DFID in Afghanistan and Iraq. I remember asking at the UK consulate in Basra how many DFID projects there were in southern Iraq and how much money was being spent. I was staggered that DFID could not provide an answer. For me, that summed up how DFID is sometimes profligate and lacks competence. I know that it does great work in some parts of the world, but sadly I have not seen the best of it.

At the same time, the Foreign and Commonwealth Office is chronically underfunded and, as my right hon. Friend the Member for New Forest East (Dr Lewis) said, the Ministry of Defence is scraping together savings in areas in which it should not be looking to make savings. Cyber-attacks are regular in Europe—in France, Germany and the United Kingdom—and the BBC, which is a critical part of our soft-power infrastructure, even at arm’s length from the Government, is funded such that it has to exist hand-to-mouth. BBC World Service TV and radio broadcasts should be funded entirely by DFID, by looking into and rejigging the definition of official development assistance.

I shall try to make progress; I do not have too much more to say. We must look closely at defence procurement. Can we please have a level playing field? Let us buy kit from other countries to save money, but some countries, such as France, have closed markets, so why are French companies allowed to bid here when we do not have the same rights to secure contracts there?

I will seek a meeting with the Minister in the near future to discuss the need for a complex radar technology demonstrator at the BAE site in Cowes in my constituency. As the Minister knows, the BAE radar factory in Cowes produces all the radars for the carriers and the Type 45 destroyers. If we want our own indigenous radar capability, we need that technology demonstrator soon.

We should use reservists more. I am delighted that the hon. Member for Bridgend (Mrs Moon) made a series of eloquent points about reservists—I am one myself. We need reservists, but let us also support them. The reserve unit on the Isle of Wight was saved not through the MOD’s wisdom but thanks to the remarkable work of Captain Richard Clarke and the continuing leadership of Acting Sergeant Matt Symmans, for whom I feel a

[Mr Seely]

certain affinity as I was an acting sergeant for much of my Army career. It is individuals punching above their weight who are saving units from closure.

As my right hon. Friend the Member for New Forest East and my hon. Friend the Member for North Wiltshire (James Gray) said, there is no redundancy in our defence system. There are so few surface ships—I think there are 17. Talk to any admiral—give them a drink or two—and they will admit that the Royal Navy at its current size cannot protect the carriers. In any conflict or at the threat of conflict with peer or near-peer nations, those carriers would go home and sit in a base because they are not protectable, unless they are to be surrounded by a US fleet. They have no protection against ship-busting ballistic missiles. If we keep reducing the armed forces in terms of personnel and kit, we will encourage violence against this nation rather than deter it.

I have some brief suggestions. Can the Foreign Affairs Committee champion the need to think about strategy and hold hearings to give platforms to leading academics so that they can discuss our national strategy and defence culture? With Brexit coming up, this is a perfect point in our history to look into our national strategy. If we leave the security review to the Government, they are going to come up with the answers that they want, not the answers that we all need and want to hear. We need to rethink DFID funding and encourage DFID to take greater responsibility in a more holistic and joined-up strategy. We need to think about defence in the round.

We need all forms of power for our security and the protection and projection of our values. We need soft power, hard power and cyber power, but most of all we need an attitude of smart and integrated power. We need to study and understand how to project that smart power at a strategic, operational and tactical level. From what I have seen on operations and here at home, we still lack that, but it is not unachievable, if the Government have the ambition.

2.6 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I rise as my party's defence spokesman. It is important that I remind the House that my daughter is a serving officer in the armed forces. I share the trepidation of the hon. Member for North Wiltshire (James Gray) at having to speak after so many highly informed contributions.

I wish to use my constituency as the basis of my first point. It is no stranger to the armed forces: very near to where I live we have the RAF Tain weapons range; Cape Wrath is used every year for the Joint Warrior exercise; and the area has a long and close association with the armed forces, going back to the Lovat Scouts and the Seaforth Highlanders, through to the Royal Regiment of Scotland today. Traditionally, the Territorial Army has recruited extremely well in Wick, in the north of my constituency. The support for Army and RAF cadets is also very strong throughout my constituency. I applaud them and put on record my recognition of what they do and their contribution to the social cohesion of the area.

I am a great believer in the British public's common sense. I know from having knocked on many doors that if we talk to people about the armed forces and say, "We have to defend ourselves," they say, "That is exactly right." I hope that the Government will decide to spend more on our armed forces, and I think they can take the British public with them, because ultimately the public recognise the need and the responsibility to do it.

For the enlightenment of the House, I should say in passing that I served in the Territorial Army myself. However, I cannot compete with the august rank and record of the hon. Members for Isle of Wight (Mr Seely), for North Wiltshire (James Gray) and for Barnsley Central (Dan Jarvis), or, indeed, the Minister. Nevertheless, if I had to present arms and my ancient frame would allow it, I could still do so.

My second point is based on my knowledge, through my own family, of what the situation was in Northern Ireland—I am sure that the hon. Member for Strangford (Jim Shannon) will touch on this. In their time, both my brothers-in-law served in the Ulster Defence Regiment. Over a long and happy marriage, I saw the situation in Northern Ireland change from the troubles and murder—my wife comes from County Armagh, and I know about all this—to what we see today, and may God be thanked for that. The UDR, the armed forces, our intelligence services and the Special Air Service played the supreme role in defeating the terrorists on both sides of the divide. We should not forget that, but the point is this: God forbid we should ever again have a situation, either in the UK or close to our borders, in which we have to mobilise that sort of force, because I doubt we could do it. Other Members have hinted at that already. If we had to, some ask, could we refight the Falklands campaign? No, we could not. Enough said on that.

The point has been made, particularly by the hon. Member for West Dunbartonshire (Martin Docherty-Hughes), that our Navy is critically small right now. That was why, on Monday, I questioned the Minister about why so many of our ships were apparently tied up over Christmas and not available for service overseas. I share absolutely in what the hon. Member for North Wiltshire says about what he calls the high north. The hon. Member for West Dunbartonshire said that it was on our doorstep—as a matter of fact, representing Caithness and Sutherland, I can say that it is on my doorstep, if he does not mind me saying so. It is absolutely correct, as the hon. Member for North Wiltshire says, that the Russians are establishing their bases there. I am not advocating our going back to Scapa Flow, but we will have to think very carefully about the strategic positioning of our forces.

Cyber-security has already been touched on today. All I have to say is that there was a story in *The Times* today—perhaps it is a scare story—which said that our cyber-security could be breached to the extent that we could almost be fooled into launching a nuclear strike. Whether fact or fiction, that shows just how incredibly important cyber-security is.

Mr Ellwood: I feel obliged to intervene as a matter of national security to assure the House and the hon. Gentleman that robust measures are in place to ensure that the event that he has just talked about does not happen.

Jamie Stone: I thank the Minister for that very good reassurance. However, that does show an example of some of the more irresponsible reporting.

Mr Seely: Specifically, the Chatham House report, to which the hon. Gentleman rightly refers, spoke about not our own missiles—I am quite concerned about the Russian stuff—but the US Minuteman being susceptible to cyber-attacks.

Jamie Stone: That is absolutely correct.

My final point is that the importance of the armed forces' confidence in our politicians cannot be overestimated. When that is eroded and they feel that we are not acting in their best interests, or indeed that we do not understand what they do, it is incredibly corrosive. That, in turn, will affect their capability to defend this country if, God forbid, that time ever comes.

The point has been made about the pay gap. I have to be careful when I speak about that given the interest that I declared at the start of my remarks. There are also issues related to housing and recognition of what the armed forces do.

On behalf of my party, I applaud the tone of this debate. It is my great honour to associate my party with that tone and with the thrust of what has been said today.

2.12 pm

Douglas Ross (Moray) (Con): It is a real pleasure to follow the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone). I hope the tone does not drop too quickly after his consensual remarks, with which I am sure we all agree. I congratulate the hon. Member for Gedling (Vernon Coaker) on securing this extremely important debate. I listened closely to what right hon. and hon. Members said about the number of defence debates that were previously held in this Chamber. I certainly think that we should aspire to what was done in the past, rather than just having the odd debate or two.

The motion is wide-ranging, and I will use that as an opportunity to speak about my local bases in the Moray constituency and a number of other issues connected to the military aspect of what we are discussing today. I was taken with the point made by the hon. Member for North Wiltshire (James Gray) that it was difficult to speak after the speeches of so many credible speakers—whether it be the Chair of the Defence Committee, the hon. Member for Gedling or others who have served in the armed forces. Unfortunately, I cannot speak with the intimate knowledge that comes from having served in the military. My only connection is a very important one to me—any Member of Parliament for Moray, which has both an RAF base and an Army barracks, is intrinsically involved with the armed forces, which is why it is such a great pleasure to speak in this debate today. I wish to mention both of those bases today.

First, Kinloss, which has already been mentioned in the debate, was previously home to the Nimrod fleet, but after the decision taken in the 2010 strategic defence and security review it became home to 39 Engineer Regiment, which has been extremely busy in the past year. It has been in South Sudan with the UN, in the Falkland Islands, in Romania to support NATO air

policing, and in Cyprus in the anti-Daesh coalition operations. There was much fear and concern when RAF Kinloss closed as an air base—clearly the community was concerned, as were the serving personnel. There was a genuine fear at the time that nothing would be put in its place. Now, in 2018, all of us in Moray are happy and proud to be celebrating the work done by our excellent service personnel at an Army barracks, in place of the air base. It is good to see that strong military tradition at Kinloss continue—and it will continue for many years to come.

Jamie Stone: Does the hon. Gentleman agree that the local populations near these installations are very proud of them and pleased to have them there? We should always remember that.

Douglas Ross: That was something that came out very clearly when the RAF base closed. There were also concerns at the time that RAF Lossiemouth might close, which would have made it a double blow. I took part in a march in Lossiemouth back in 2010 to ensure that the base stayed open. Thousands of people from across Moray, who would not normally gather at a single event, all joined together to show their support for the Ministry of Defence in Moray. That was a very significant event that is still remembered very clearly a number of years later. RAF Lossiemouth is now going from strength to strength, and the numbers there are increasing significantly. It is a northern quick reaction alert facility, protecting our United Kingdom airspace from unidentified aircraft. The Typhoons have overseas deployments with Operation Shader, and are also based in Cyprus for operations over Iraq and Syria. Later this year we will see deployments in Romania and Oman.

We are waiting with bated breath for the arrival of the P-8 Poseidon aircraft. Everyone is celebrating this huge investment, which includes £400 million of investment at RAF Lossiemouth and 400 additional personnel coming to our area. I have informed the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) that I will mention him in my speech. Unfortunately, he took no interventions, despite our having a bit of flexibility. I would not be so churlish should he choose to stand up and intervene on me. He has unfortunately taken the approach that he will not celebrate or welcome this huge investment, which is welcomed by everyone in Moray. He would rather raise scare stories. When I was successful in defeating the Scottish National party incumbent in Moray, I thought that we had ended the time when SNP politicians would raise scare stories about the MOD presence in Moray.

Kirstene Hair (Angus) (Con): Will my hon. Friend give way?

Douglas Ross: I will come back to my hon. Friend in a minute.

I thought that we had got rid of that situation, but no. Just this week, we saw this in the media:

“An SNP MP is demanding reassurance from the UK Government that they will proceed with the... maritime patrol aircraft”.

Let me quote what the hon. Gentleman said in that article:

“I would like to hear them restate their commitment to purchasing all nine of the promised Poseidon P-8 aircraft.”

[Douglas Ross]

That was agreed when the contract was signed with the UK Government and the US Government to provide those nine Poseidon P-8 aircraft. Why did the hon. Gentleman feel that it was necessary to put out a press release to say that that might be in doubt, when all along the UK Government have had that contract signed with the US Government? We should be focusing on the benefit coming to Moray, rather than launching scare stories. I note that the hon. Gentleman has remained in his seat. He has not tried to intervene to say that I have said something wrong.

Carol Monaghan (Glasgow North West) (SNP) *rose*—

Douglas Ross: Well, if the hon. Lady needs to support the hon. Gentleman, I will quite happily give way.

Carol Monaghan: I thank the hon. Gentleman for allowing this intervention. I have no need to support my colleague, but I certainly want to take issue with one comment that he has just made, which was about the nine maritime patrol aircraft. I am sorry, but in Scotstoun and Govan in my constituency, and in the constituencies of some of my hon. Friends, we were promised 13 Type 26 frigates. Forgive us if we do not believe this Government's promises.

Douglas Ross: What I will never forgive is an SNP politician who sits in this House and has the opportunity to question Ministers at any time, but who instead decides to put out a press release launching another scare story about the future of a Moray base. It is very clear: we are preparing for this record investment in Poseidon P-8 aircraft at Lossiemouth, and I am sorry that the hon. Member for West Dunbartonshire chose to do that.

Mr Ellwood: I fear that we have moved away slightly from the measured tone of this debate. In the spirit of reconciliation, may I invite Scottish National party Members to write to me if they have legitimate questions on procurement issues such as this? I would be delighted to give them an answer, and perhaps they would then not feel the need to go through their local press.

Douglas Ross: I am very grateful to the Minister for that. In fact, I would have loved it if SNP Members had gone through their own local press, rather than mine in Moray.

I hope that we do not get too far away from consensus again, but I do want to mention the nat tax. Approximately 10,000 military personnel and 4,000 civilian employees working for the Ministry of Defence are based in Scotland, and the SNP plans to make Scotland the highest-taxed part of the United Kingdom, with everyone earning more than £24,000 paying more tax. I have been contacted by a number of constituents about that.

Stewart Malcolm McDonald (Glasgow South) (SNP): I am glad this is the consensual part of the hon. Gentleman's speech, because he will of course acknowledge that the frontline squaddies—the lowest-paid in the Ministry of Defence—are getting a tax cut in Scotland under the new tax powers, whereas his Government are freezing their pay, which is actually a pay cut because of inflation. He might want to look at his figures a wee bit before he expands on his point.

Douglas Ross: There we go—no denial from the SNP that it is making Scotland the highest-taxed part of the United Kingdom. A number of my constituents based at both Kinloss and Lossiemouth are contacting me, aghast at the plans by the SNP that will see them paying more tax than their counterparts based in other parts of the United Kingdom. [Interruption.] If it is the Conservatives who are so wrong, maybe SNP Members also disagree with the Scottish chamber of commerce, which said that their move is a “disincentive to investment” that will be difficult to reverse. The SNP should reconsider the policy before implementing it later this year. I hope the Minister will urge SNP politicians in this place to encourage the SNP Administration in Edinburgh not to go ahead with the nat tax. If they do, will the Minister look at options for supporting our personnel based in Scotland who will be faced with these higher taxes?

Stewart Malcolm McDonald: Will the hon. Gentleman give way?

Douglas Ross: I have already given way to the hon. Gentleman.

I also want to look at aspects other than just the two bases in Moray. First, the families connected with our serving personnel are an integral part of our communities, as the hon. Member for Caithness, Sutherland and Easter Ross said, and they are involved in all aspects of our communities. A lot of spouses of military personnel work in local schools and hospitals, and are vital to ensuring that those local services remain open. In Moray, it is estimated that 13% of all school pupils have a military connection, ensuring that some of the smaller schools remain open.

Today is 11 January, which means that it is the new year in the Julian calendar. Along with local people in Burghead, military personnel from Kinloss and Lossiemouth will be taking part in the clavier ceremony today, when clavier king Dan Ralph puts a barrel of burning tar on his back and troops it through Burghead up on to Doorie hill. I always try to get the clavier mentioned on 11 January; I have managed to fit it into this debate somehow. I will find out in a few moments if it is the first time the clavier and Doorie hill have ever been mentioned in this Chamber when *Hansard* ask me for the correct spelling. The clavier ceremony is another example of how military families get involved with local traditions, and that is to be welcomed.

Our military families play a crucial role in Moray, across Scotland and throughout the United Kingdom. There has rightly been much talk today about the Government ensuring that investment continues now and going forward, and I would like to see that. We are seeing investment in Scotland, including in Moray. We are gratefully appreciative of all the money and investment going into Moray, and we will be serving our local area and the country very well from Moray. I look forward to the rest of this debate so we can continue celebrating the contribution of Moray and service personnel across the United Kingdom.

2.23 pm

Ruth Smeeth (Stoke-on-Trent North) (Lab): I congratulate my good and hon. Friend the Member for Gedling (Vernon Coaker) on securing a debate on such a vital topic. After his tour de force, and those of other

colleagues across the House, I am sure that there is little more to say—but since when has that ever stopped any of us?

No one in the House would challenge the fact that our armed forces are truly the best in the world. Their skills and professionalism are second to none, and we owe our security to their service on a daily basis. Yet who could look at the decisions that this Government have taken and conclude that our armed forces are being well supported, that our defence family is getting the investment and consistency of message it needs, or that our current sovereign capabilities are being protected?

Colleagues from across the House have articulated, and will continue to do so, the point about the holes in the defence budget—the fact that 2% of GDP needs to be a minimum, not a target, for defence expenditure, and that when we are considering expenditure on conventional forces versus tackling the ever emerging threats of cyber-warfare and international terrorism, it should not be an either/or. I, of course, wholeheartedly agree.

I do not intend to use my time today to speak up for the status quo. I am concerned that there is limited strategic consideration from the Government about what we need and why, which is what I plan to discuss today. Our world is changing beyond all recognition, and we must be prepared to change with it. We face new oppressors, renewed threats and unprecedented challenges. Whether it is a resurgent Russia, an unstable middle east, a volatile North Korea or the ever-present and ever adapting threat of international terror networks, the global order is entering a period of rapid and unpredictable change. That requires a more flexible but genuinely strategic approach from central Government—something that can only happen if we are asking the right questions in the right order.

In my humble opinion—not so humble, as many hon. Members know—it is vital that we agree what we are trying to achieve before we start talking about cuts and capabilities. There are questions that we need to discuss. What is our place in the world? What threats does that mean we face? Based on those threats, what capabilities do we need? And then—and only then—how much money do we need to deliver them? Let us start with our place in the world.

Much has been made of the Prime Minister's past statement that "Brexit means Brexit". I raise this today because I am increasingly convinced that, far from being a soundbite concocted to keep the Government's cards close to their chest, this statement in fact represents the sum total and sole focus of this Government's vision for our place in the world. And that question of Britain's place in the world is exactly the one that we need to answer if we are going to develop a coherent defence strategy for the 21st century. The EU referendum should have been, and now must be, the start of a meaningful conversation about what our country's future will look like outside the European Union. Brexit must not mean that we abandon our allies, neglect our commitments or turn away from the wider world, but it does require us to think again about the role we are going to play in the future.

Britain has always punched above her weight on the world stage, and today our soft power is extended through our unique international position. We are a nation that has never shirked our responsibilities on the

world stage, or stepped back from our duty to defend our friends and allies. We have made mistakes, and have sometimes been faced with the consequences of our actions—or, most recently, the consequences of our inaction. Yet for all this, I contend that it is in not just our own interests but the interests of global stability that Britain continues to exercise its power on the world stage, and that we continue to play our part in tackling the security challenges that we and our allies face.

I am proudly a member of an internationalist party, so walking away from the world is simply not an option for us. But retaining our place in the world not only costs money but determines what capabilities we need to tackle emergent threats. This is, of course, a defence debate, rather than one focused on foreign affairs, but I think we can all agree that an emboldened Putin, an erratic President in the White House, the increased use of cyber-terrorism from too many actors to count, the ongoing instability in the middle east, the increasingly volatile positioning of North Korea and the challenging environment in the South China sea pose genuine threats for the UK. This is in addition to the continued threat of international terrorism that touched too many families last year. We must remember, though, that not all challenges we face come from the aggression of nation states or ideological opponents. Climate change and natural disasters also have huge destructive capacity, and it is frequently our armed forces who have been the first to be deployed to offer aid and assistance, as we saw so recently with Hurricane Irma.

What do we need to be able to respond to this level of threat? Our capabilities are currently incredibly flexible, but I am concerned about what we could be about to lose in terms of our military and our domestic skills base, both of which ensure our security in the future. Keeping us and our allies safe in this uncertain environment requires a military that is flexible, highly trained and capable of deploying quickly in a diverse range of scenarios and climates. It also requires the right number of people.

Thankfully, we start from a position of strength; we used to be stronger, however. We have some of the most effective and well trained armed forces personnel in the world and the ability currently to deploy them quickly by land, sea or air. Yet these advantages are at risk of being undermined by the Government's current approach to our national security, under the current national security and capability review—or cuts programme, as we should call it.

Stephen Morgan (Portsmouth South) (Lab): I congratulate my hon. Friend on her eloquent speech. Does she agree that the national security and capability review has nothing to do with strategy or the role of our armed forces in the world? It is just a last-ditch attempt to get to grips with years of spending mistakes and indecision.

Ruth Smeeth: I could not agree more with my hon. Friend. At this point, the national security and capability review seems to equate to little more than a campaign of cuts and reductions so severe that it is causing concern not just within our armed forces but even among our closest allies, which regularly raise discussion about it. Perhaps the most egregious example is the Government's reported plan, already mentioned, to decimate our amphibious capability and cut up to 1,000 Royal Marines.

[*Ruth Smeeth*]

I have seen at first hand the Royal Marines' extraordinary courage, ability, focus and fortitude, and I am a fan. Following his photo op this week, I hope that the Secretary of State for Defence has also come away from his time at Lympstone with a fresh appreciation of what our Royal Marines bring to the table; perhaps he will use them more effectively, going forward.

James Gray: As chair of the all-party parliamentary group on the armed forces, I want to put on the record how much I appreciate the hon. Lady's chairmanship of its Royal Navy and Royal Marines section, as well as the chairmanship of the hon. Member for Bridgend (Mrs Moon) of its RAF section. I want to thank them for it.

Ruth Smeeth: You'll make me blush.

Mr Francois: And that's not easy!

Ruth Smeeth: Not too easy. I thank the hon. Member for North Wiltshire (James Gray) very much. One important thing, demonstrated here today, is that the armed forces parliamentary scheme and the all-party parliamentary group on the armed forces inform all of us and ensure that the standard of debate in the House is as high as it can be.

I return to our amphibious capability. The proposals to cut our amphibious capability in the shape of HMS Albion and HMS Bulwark could cause tremendous harm to the adaptability and deployment options of our armed forces. Simply put, they would cut our options at a time when we need as many as possible, not fewer.

We will not adapt to this new world by running down our existing capabilities or by undermining the very people who are putting themselves in harm's way in our defence; let us remember why they are there. But I fear that that is exactly what we are doing. It is no secret that the MOD currently faces a £20 billion black hole and the risk of further cuts. I sincerely hope that the new Secretary of State has made representations to the Treasury demanding more money from the pen pushers who worry about their air conditioning—my favourite quote of the day.

It is my very real fear that if we continue down the path that the Government have set, we may find ourselves ill-equipped to deal with what the future holds. We also need to recognise that Britain's security does not just depend on our service personnel, vital though they are; we also need new and advanced technology platforms for them to use. A vital aspect of that is buying British, so that we can retain domestic skills to design, develop and produce cutting-edge defence technology.

In a post-Brexit world, that is more important than ever. That is why I began this year with a visit to the BAE Systems site in Brough to meet the team behind the Hawk. That was not just a chance to see some of the incredible engineering technology that goes into these aircraft; it was an opportunity to speak with the wider defence family—that is who they are: the engineers, technicians and manufacturers—who make kit knowing that their neighbours and children may well end up using it to keep them safe. They support both our own

military and those of our allies, and we need to recognise that. Unfortunately, many of them are currently under threat of redundancy, owing to a lack of orders. The reality is that the MOD needs to step up and ensure that that industry has a steady drumbeat of orders, so that it can invest in their workforce and emergent technologies.

Fundamentally, however, my real concern today is that the Government are focused only on the cost envelope—trying to fill the black hole in the budget rather than investing properly in our future and what we need to keep us safe.

Mrs Moon: I am listening in particular to what my hon. Friend is saying about defence procurement and the need for a regular drumbeat of orders. I sometimes wonder whether the public understand the importance of keeping the sovereign capability embedded in those skills. At some point, we might not be able to call on neighbours and allies to provide us with kit and equipment. We need always to be able to provide that critical equipment ourselves.

Ruth Smeeth: I could not agree more, but the issue is twofold: it is also about our economic prosperity. Some 88% of defence exports come from aviation, yet we have no dedicated defence aviation strategy. We need a plan—we needed it last year, but we will take it this year, please, Minister.

By attempting to limit our capabilities according to budgetary constraints, the Government are putting the cart before the horse. The reality is that we cannot secure the defence of the realm on the cheap. If we are serious about having armed forces fit for the 21st century, we need to assess what threats we face, establish what capabilities we will need to counter them and then spend accordingly—whatever it costs. We need to stop tirelessly regurgitating the line that we are meeting our NATO target. Let us be clear that 2% is not a target, but a minimum threshold: if it proves insufficient to provide the capabilities that we need, we must be prepared to invest further.

No one can predict the future. Unfortunately, there will always be new threats on the horizon and not all of them can be foreseen. But it is the duty of Government—this Government—to ensure that we are as prepared as we can be, with the capabilities that we need.

2.36 pm

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): It is a privilege to rise to speak in such a consensual debate; I congratulate the hon. Member for Gedling (Vernon Coaker) on securing it. It is an honour to speak after the hon. Member for Stoke-on-Trent North (Ruth Smeeth), who is such a vociferous supporter of the Royal Navy and Royal Marines.

In a Westminster Hall debate a couple of months ago, I cited the age-old list of enemies of the fleet; Members will forgive me for repeating it today. They are, in reverse order: the French, because with the Navy it is always the French; the enemy of the day; and, of course, Whitehall. That is, of course, typical Jack humour, but as ever with Jack there is an uncomfortable grain of truth. As a Conservative proud to think of my party as the part of the armed forces, it is rather difficult to swallow.

On the one hand, the Government have proved themselves to be committed to the defence of our nation and the resourcing of strong, capable, adaptable and modern armed services. The UK still has the second largest defence budget in NATO, the largest in the EU and the fifth largest in the world. It is one of only five countries that meets the NATO baseline of spending 2% of GDP on defence—a depressing statistic in itself. It is the Conservative party and this Government who have committed to increase defence spending by 0.5% above inflation every year until 2021, meaning that the defence spend is £35.1 billion in this financial year, will be £36 billion next year and will go up to £39.7 billion in 2021.

The last year did see unprecedented investment in equipment across the forces. I apologise in advance for this rather long list, but it is important to underline how much equipment is being purchased and built by the Government for the forces of the Crown. The Royal Navy saw HMS Queen Elizabeth being commissioned, the Prince of Wales being named, five offshore patrol vessels start their build, and steel being cut for the first Type 26 frigate, HMS Glasgow, and for the first of the new Dreadnought class ballistic missile submarines. The Astute class programme continues, and the competition for the Type 31E has been unveiled. The Army has seen the warrior infantry fighting vehicles upgraded; 50 upgraded Apache attack helicopters; new Chinook helicopters enter service; and brand new Ajax multi-role armoured vehicles. Meanwhile, the RAF saw the purchase of nine Boeing P-8 maritime patrol aircraft, 48 F-35s, new Voyager transport aircraft, new high altitude surveillance aircraft, more than 20 Protector drones, and Airseeker surveillance aircraft.

I have not even mentioned that the Government side of the House is the only one that unreservedly, without fear or favour, supports the maintenance of Britain's independent nuclear deterrent. With that record, as well as our unparalleled investment over the past year—

John Woodcock (Barrow and Furness) (Lab/Co-op) *rose*—

Andrew Bowie: I will give way to the hon. Gentleman.

John Woodcock: I thank the hon. Gentleman, but that is demonstrably not true. Had he been with me during the many circular arguments within the Labour party over the last seven years, rather than having just popped up as a Conservative MP this time, he might know better. Will he correct the record please?

Andrew Bowie: If there is a circular argument within the Labour, it shows that it is not united behind an independent nuclear deterrent. Perhaps we should ask some of those who were backstage at Glastonbury last year whether the leader of the Labour party supports an independent nuclear deterrent.

With our record, as well as our unparalleled investment in the defence estate to bring accommodation up to a level suitable for 21st-century life, which is needed, the commitment of the Conservative party and the Government to the forces of the Crown should be unquestioned. In the past seven months, however, it has depressed me to read stories and debates in this place and hear at first hand from those still serving that all is not as rosy on

the ground as we would like, and that perhaps we are not doing or spending enough to maintain our dedicated armed forces at the necessary level for them to do the jobs we ask them to do. We cannot underestimate the effect that continual media speculation has on morale in the ranks, especially in my neighbouring constituency at RM Condor, for example, which seems perpetually to have the sword of Damocles hanging over its future.

Kirstene Hair: Does my hon. Friend agree that it is the reckless scaremongering of opponents, such as the Scottish Government Minister who wrongly suggested that RM Condor was up for closure only a few months ago, that is putting our brave personnel and their families under undue threat, and that we should not play political games with our defence capabilities?

Andrew Bowie: Yes, I could not agree more with my hon. Friend. As I have said, we cannot underestimate the effect on the morale of people serving on bases such as Condor when every so often—every other month, it seems—we read in newspapers of ill-judged speculation about the future of bases by, in this case, Scottish Government Ministers. We cannot underestimate the effect that has on them, their families and the communities those bases serve.

Mr Francois: My hon. Friend mentioned accommodation a couple of minutes ago. Will he accept from me that the repairs and maintenance service provided by CarillionAmey is woeful and that many service personnel from across all three services are very upset about it? We need to honour our people and do better. Does he agree that the Minister, who I believe has sympathy with this point, should be encouraged to hold CarillionAmey more firmly to account?

Andrew Bowie: I could not agree more with my right hon. Friend. In fact, one thing that gets brought up time and again when I speak to friends still serving in the armed forces is the state of accommodation and the support they have received from that company. It would be very nice to see it held more firmly to account by the Ministry of Defence.

Since I came to the House, we have too often heard questions raised about whether the UK can afford to maintain its independent amphibious capability, seen key elements of Royal Marine training cut and even questioned the overall number of our Royal Marines. Over Christmas, we read about the selling of HMS Ocean for £85 million, barely two years after a £65 million refit, which would leave this country without a functioning helicopter carrier capability until the Queen Elizabeth comes into service in 2020.

Even more worrying, however, and something that has not been touched on in this debate yet, is the current level of troops medically fit to deploy today. The British Army today has an official full-time trained strength of 78,407, which is already below the target of 82,000. In answer to a written question of mine in November, however, it transpired that the number of medically unavailable troops stands at 18,000, meaning that the fit and trained strength of the Army is 60,500—just over 60,000 soldiers fit and able to deploy today. In the Navy, that figure is 24,893 out of 29,000. In the RAF, it is 25,000 out of 30,000. That means that as we debate this

[Andrew Bowie]

today the immediately deployable strength of our full-time armed forces sits at 111,026. To put that into context, it is three times less than the number of people employed in Britain by Tesco.

On Tuesday, in Foreign Office questions, I asked the Foreign Secretary about our pausing reluctance to intervene in Syria in 2013, which I believe prolonged the conflict and led to thousands more deaths. Whether someone was for or against intervention in 2013—I know that there are strongly held views on that, and I respect that—the fact is that we had that choice. We had, and still have, the ability to choose whether to intervene because of the size and capabilities of our armed forces. There is a genuine concern today, however, at the heart of the defence and diplomatic community and among our closest allies that in the not-too-distant future our ability to intervene for good, as we did in Kosovo and Sierra Leone, or to support our partners across eastern Europe, could disappear, and with it our standing on the world stage would be diminished, especially if we lose our amphibious capability or cut the number of troops even further.

I know that the Government support the armed forces. Ministers in the MOD are fighting daily battles to secure the budget and numbers, and the record on increased spending and procurement and the improvements in accommodation are a testament to this. Difficult questions must be asked, however, about recruitment and retention, about the size of our defence budget—is 2% of GDP enough? I do not think it is—and about whether the cost of funding our continuous at-sea deterrence should be met from an already-squeezed defence budget, or whether, as some believe, given that it is a continuing operation, it should come directly from the Treasury, as it did until 2010.

These are big and difficult questions, but they must be asked and answered, for we must maintain the trust of our armed forces and our allies. If we are serious—and I know we are—about being a truly global Britain, we must maintain our position on the world stage, leading the world in investment in and commitment to our responsibilities at home and abroad, and we must never lose the ability to intervene with moral purpose in defending the values that we cherish around the world when we choose to do so. Only when these questions are answered—and I know they will be by this Government—can we truly move forward with confidence that in this country we will continue to have the finest, most adaptable and best equipped armed forces in the world—armed forces that, as the hon. Member for Gedling said, we can all be truly proud of.

2.45 pm

Carol Monaghan (Glasgow North West) (SNP): As many Members will know, my husband served as a Royal Navy officer for 17 years. As a result, I want to speak almost exclusively about the impact that serious budget cuts have on personnel.

It is often said in the military that the most important part of a weapon system is the human being. If the human being is not maintained with due care and attention, as other parts of the weapon system are, the Government are undermining the fundamental principles of our armed forces: defending our nations, promoting

democracy and protecting human rights. The men and women who serve in our armed forces are used to the warm words of this Government. Unfortunately, pledges of support ring hollow, however, when the everyday reality of forces life is being made far more difficult by chronic under-investment and cost-cutting.

If the human being is to continue to be the most important part of our weapons systems, personnel must be central to any defence strategy. Unfortunately, they appear to be an afterthought. Considering the journey of a typical soldier throughout their career, we see that a number of areas must be improved. Recruitment should play an important role in our defence strategy, but this has been outsourced to a private company, Capita. Leaving aside the £44 million annually that Capita is creaming off to perform the service, I must ask why we are relying on a third party—possibly one with no knowledge of service life—to recruit those who will defend our nations. Instead of wasting millions on a failing contract with Capita, the Government should invest in a fair pay rise for personnel. It was revealed in response to a written question in October 2017 that the Government had increased spend on recruitment advertising by nearly 50%, yet Army numbers have continued to fall.

When recruits join up, they are faced with housing conditions that in some instances have been described as squalid, as a number of Members have mentioned. Military personnel may accept that as being just part of the job, but what about when families and children are involved? Relationships are already put under huge strain by service life, but the additional pressure that poor housing puts on relationships is immense. How can children study when there is no internet or when the central heating boiler does not work? Meanwhile, we continue to refer to our service personnel as “brave” and their families continue to be lauded. I am sure they do not feel the same way.

Then comes the time to take some well-deserved leave—leave to which service personnel are fully entitled. In the submarine service, where my husband served, five days’ leave used to mean heading off on a Friday afternoon or early evening and not returning until a week on Monday, so there was a full week and two weekends at home. Now, it is far more common for five days’ leave to start on a Monday morning, with submariners expected to be back in post on Friday night. How is that sustainable? How can relationships survive such neglect? Those submariners are not central to any defence thinking.

Worse still, the reality for some is that they are unable to take their leave at all because of personnel shortages, or part of their leave has to be spent doing mandatory training such as health and safety, conduct after capture or equality and diversity. No one would argue that that training does not have to take place and in isolation no one would object to it, but when they are back from operations, personnel need to fit in such mandatory training, operational training and leave. That has come about slowly over a period of time and is now simply accepted as the reality. However, when the operational stretch is such that the only time training can take place is during leave, I question once again whether personnel are really central to defence thinking.

I want to talk again about the children, who can have a variety of educational experiences. In Army regiments, the families often move with the unit. The solution

presented is to send the children to boarding school. When I was faced with that possibility for my son, we took the decision to remain in Glasgow—me in my job and my son in the local comprehensive school. However, the educational experience of many children is disjointed, resulting in poor outcomes and children's attainment not always matching their potential. If personnel are central to defence thinking, we must think more creatively. We must think about things like the distance between family homes and bases, and how we can ensure educational continuity.

Equipment has been mentioned by a number of Members so, in the interests of time, I will move on to veterans. We celebrate our veterans' service and thank them for their sacrifice, but in many cases, unfortunately, we then leave them to get on with it. There are fabulous veterans' organisations, but they are scrabbling about for funding—funding that should come from the Government. Organisations such as Combat Stress deal with the most psychologically damaged veterans and centres such as the Coming Home centre in Govan in the constituency of my hon. Friend the Member for Glasgow South West (Chris Stephens) provide a vital lifeline for veterans, but they are struggling to keep in the black because of cuts and a lack of funding. Are those veterans central to our defence thinking?

All the personnel issues are compounded by chronic disinvestment. What makes this infuriating is the voicelessness of the personnel. The Netherlands has four trade unions that represent the armed forces. They act as a go-between that can liaise between the Government and the armed forces. Morale is so high and conditions so good in the Netherlands that special measures have been introduced to encourage personnel to retire at the age of 55 to make way for younger recruits. We need to establish a representative body on a statutory footing to give a voice to our armed forces—a representative body that is able to liaise directly with Government and ensure that personnel are central to defence thinking. Ultimately, the chronic disinvestment must be addressed. Our most important weapons system must be maintained, not neglected.

I will finish by quoting, like my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes), from General Sir Richard Barrons, who gave evidence to the Defence Committee in November:

“The people who are in defence have to keep going every day. They are never going to say publicly, or to themselves, their enemies, or their allies that we are broken, but when they fly, sail, or deploy on the land and they look at their equipment, their sustainability, the shortfalls in their training, and at their allies, they know that they are not fit for purpose.”

2.55 pm

Susan Elan Jones (Clwyd South) (Lab): It is a great pleasure to follow the hon. Member for Glasgow North West (Carol Monaghan) and to take part in this debate. I pay tribute to my hon. Friend the Member for Gedling (Vernon Coaker) for his outstanding, wide-ranging introductory speech, which set the tone for the debate—or at least most of it—that we have had so far. The comment that struck me most was by my hon. Friend the Member for Bridgend (Mrs Moon), who spoke of the armed forces as being fundamentally about skilled individuals. I think the phrase she used was, “the people with the expertise”.

In seven years in this place, I am not surprised, given the history of north-east Wales, by the number of current members of the armed forces whom I have met, but I am surprised by the number of former members of the armed forces whom I have met. Their reasons for no longer being in the armed forces are quite diverse. I hope that, as we have this debate, we listen to their voices.

My constituent, Alex, is a former member of the armed forces with years of experience serving in the Royal Navy. As I prepared for this debate, Alex did rather a lot of work with me, having spoken to a number of his colleagues who still serve in the Royal Navy. I would like to share the points that Alex raised with me directly with this House and with the Minister. He says this:

“HMS Northumberland is currently in the final stages of a multimillion pound service. As is typical of our refits, headline upgrades to weapons systems use the bulk of the available budget. The budgets are so constrained that a lot of engineering defects are largely ignored purely due to a lack of funding. The 4 main Diesel engines (used to power and drive the ships) have major issues remaining extant and the switchboards used for main power distribution also have major issues. Due to a lack of funding there is no repair plan in place for these problems. Issues are also going on with the chilled water plants which are used for air conditioning and to cool the weapons control systems. These engineering issues in Northumberland were typical of Type 23 frigates throughout my career in the Navy and a situation arose where despite my warnings, when serving as the diesel maintainer on Monmouth back in 2011, we suffered simultaneous and catastrophic failures on two of our Diesel engines leaving our ship stranded alongside awaiting a double engine change, at huge cost.”

Moving on to manpower issues, my constituent writes:

“The Navy haemorrhaged personnel between 2010 and 2013 with the redundancy tranches. Marine Engineers in particular were hit quite hard. One of the main draw backs was a lack of ability to compete with a higher paying private sector. This loss in engineers left others over worked, and feeling underpaid compared to their civilian counterparts. This was a key reason for me leaving ultimately, I had over 5 months of leave to take that had accumulated over several years of cancelled leave periods due to engineering defects and trials. This lack of man power has now spread to Weapons Engineers and communications ratings. These people are amongst the most capable and highly trained engineers on the planet and the MoD has no real plan for retention and no ability to compete with private employers. I also know that due to staff shortages, people who are just not ready for promotion are being promoted to fill gaps in senior positions. These positions come with great responsibility and it is unfair on the promotee to be put in to that position without sufficient experience. Speaking of manning shortages, HMS Portland has been sat alongside in Devonport since March with a locked gate on her gangway, as they cannot staff the ship. It is occasionally being used for minor training exercises. Then will be going in to refit early next year. If manning is not sorted, when she comes back in to service personnel may need to be passed from other ships causing shortages elsewhere and further compounding the effect of engineers et al missing out on leave.”

My constituent also writes:

“These issues are causing other issues, as more ships are now due to be cut. There are rumours of 2 Type 23s and both LPDs being scrapped and the fabled Type 26 may not see service for another decade. Of the 13 Type 23s currently in service, there are 4 in refit and HMS Portland locked up alongside. Of the remaining 8, at least 2 are running around the UK on reduced man power. That leaves 6 destroyers and 6 frigates out to meet our standing NATO commitments across the globe, providing no destroyers are currently in refit. It'll be no surprise that we don't have a UK presence on a few standing NATO deployments as we have a fleet of maybe 12 active surface warships. I was wryly chuckling with my friends that fleet is the wrong word and in reality the Royal Navy makes up barely a squadron.”

[Susan Elan Jones]

I was struck by these comments at the end of what Alex writes:

“This is not a concise appraisal of the struggles of the Royal Navy and certainly more issues are ongoing but these are things I know quite confidently. I have worked across the globe as an engineer since leaving the service and I can say quite categorically that our service men and women are amongst the most capable and expertly skilled engineers on the planet. This means they are sadly being let down by ever tightening shoe string budgets and face annual below inflation pay increases. Though this year they won't have a below inflation increase as they have been told to expect no increase at all.”

My constituent goes on:

“I know tabloids have said this sensationally before but I don't feel it has ever been truer than today. Our Armed Forces are at absolute crisis point! Our equipment is over used and under maintained and so are our servicemen and women. The Government needs pressing on this and holding to account for the 7 years of decay they have inflicted.”

I very much hope that the Government will be held to account today, and that the Minister will respond to the points made.

3.2 pm

Chris Stephens (Glasgow South West) (SNP): I join others in thanking the hon. Member for Gedling (Vernon Coaker) for securing this debate. I found out a couple of minutes ago, to my astonishment, that he is not right honourable, but I am sure that will be rectified in good time. He was quite correct in what he said in his speech, and he struck a chord with me when he talked about the economic benefits to the country of maintaining defence spending. I will use the last part of my speech to talk about that, particularly as it relates to shipbuilding and the national shipbuilding strategy.

I have a great family history in that many members of my family have served in the armed forces, and when it comes to defence spending, Thales, a company in my constituency, is celebrating its centenary this year. As I noted in early-day motion 292, the company has now provided visual systems equipment for submarines—or, for the lay person, periscopes—for 100 years. That resonates with me because, when it was trading as Barr and Stroud, my grandfather and grandmother met there, fell in love and ended up married for 61 and a half years. They were very keen supporters of the Scottish National party, and if it was not for them I would not be here in the Chamber today.

I thank my hon. Friend the Member for Glasgow North West (Carol Monaghan) for mentioning the Coming Home centre, which is celebrated in early-day motion 499. It provides 1,000 hot meals a month to veterans in Glasgow, and it does fantastic work. I am a regular visitor to that centre, and am always keen to help with its funding.

The hon. Member for North Wiltshire (James Gray) made an important point that was backed up by other Members when he said that the Government should be allocating more time to discuss defence matters. For example, Sir John Parker's report on shipbuilding was published on 3 November 2016, but the first opportunity for Members of the House to debate that report was 8 February 2017, when my hon. Friend the Member for Dunfermline and West Fife (Douglas Chapman) secured a debate in Westminster Hall.

We had a ministerial statement on the national shipbuilding strategy from the former Defence Secretary—it is fair to say that it was a presentational dog's breakfast—but we have not yet had the opportunity to debate that strategy, despite the best efforts of many members of the all-party group on shipbuilding and ship repair, who are always applying for such debates. This is therefore an opportunity for Members such as me—and I am sure others—to debate the national shipbuilding strategy.

For me, the national shipbuilding strategy has flaws that should be explored by hon. Members across the House to see whether we can put them right. Our real fear is that the national shipbuilding strategy is going back to the thinking of the 1980s, which suggested that shipyards should be in competition with each other. Such thinking has only ever led to shipyards closing. Competition has not led to the cutting of costs; with shipbuilding it has led to higher costs and to some famous shipyards—such as Swan Hunter—no longer being around and trading.

We must consider whether we want specialist shipyards that build complex naval warships. That was the position of the former Labour Government who decided that the centre of excellence for building complex naval warships was on the Clyde. I am always grateful to the workforce at Govan on the Clyde, and particularly to the trade union representatives who do a magnificent job of representing their members in the shipbuilding industry.

The other flaw in the national shipbuilding strategy is the nonsensical position of ignoring Sir John Parker's recommendations, and sending the building of Royal Fleet Auxiliary ships out to international competition. This country has just completed a process during which the Aircraft Carrier Alliance was built across shipyards in the UK. If that was good enough for the Alliance, surely it is good enough for Royal Fleet Auxiliary ships. I do not believe that sending Royal Fleet Auxiliary ships to international competition will save the Ministry of Defence money—far from it. Indeed, the Government would make greater savings if they built the ships in the United Kingdom, because the workers building those ships would pay income tax into Government coffers. There will be no savings in sending the building of Royal Fleet Auxiliary ships to international competition, and I hope that the new ministerial team in the MOD will look seriously at that issue. These ships should be built in the United Kingdom.

The hon. Member for Gedling mentioned price tags, and his speech resonated with me with regard to general purpose frigates. There is a flipside to what he said about price tags, and I have the impression that the price tag set for a general purpose frigate will determine its capabilities. We have yet to discover—either in a debate or during Defence questions—what will be the capability of the general purpose frigate. It seems to be a downsize from the Type-26 frigate, three of which are contracted to be built in my constituency. What is the role, purpose and function of the general purpose frigate for the Royal Navy? We do not yet know.

Vernon Coaker: I am sorry to interrupt, but this is such an important point about capability. If you have an equipment budget projected over the next number of years, it must be based on a certain price. So if you do not know the price of those frigates and the price goes

up, the only way to pay for them without increasing resources is to cut a capability somewhere else. It is ridiculous.

Chris Stephens: I fully agree with that point. Francis Tusa, a defence analyst, said that if anyone believes it is possible to build a general purpose frigate for £250 million they are guilty of a conspiracy of optimism. There is no defence expert who thinks that is an appropriate price for building the general purpose frigate.

Mr Ellwood: I want to provide a bit of clarity on this important point, which is part of our shipbuilding strategy. Yes, there is a tentative price tag of £250 million, but each ship will be tailor-made for the order that we actually get. As the number of orders that we get goes up, the unit cost of the ships will go down. Of course there are ways of criticising that, and if Opposition Members have another strategy in mind, I invite them to suggest it; but I want to make it clear that this is something that we are doing, in advance, to utilise our friendships across the world to provide a capable ship that can be utilised in a number of maritime capabilities, depending on the details of the individual order.

Chris Stephens: I thank the Minister, who has been constructive, but I would gently say to him that there was a promise that 13 Type 26 frigates would be built, and that was cut to eight Type 26 frigates and five general purpose frigates, the purpose of which we do not yet know. He mentions orders. It seems to me the argument is that these general purpose frigates could be exported, but who would they be exported to? If we do not know the purpose, the role and the function, why would anybody anywhere else in the world buy a general purpose frigate? It makes no sense. When the Minister sums up, he may want to consider those issues.

The Government have a role to play in shipyard investment. The Ministry of Defence has talked, not just on the Clyde but at other shipyards too, about being more efficient, and if those shipyards are to be more efficient it means a very real investment in shipyard reconstruction and construction. When the former Secretary of State made his statement on the national shipbuilding strategy, he insisted that there was a frigate factory on the Clyde. While he was at the Dispatch Box, insisting that there was a frigate factory on the Clyde, representatives of the GMB trade union were taking journalists round the Clyde, showing them the site where that proposed frigate factory was supposed to be built, and it was rubble and ash.

We really need to get this right. I support the construction of a frigate factory, but it will need investment, and the Ministry of Defence has a real role to play in providing finance and money for that, because if it is insisting that shipyards should be more efficient and that they should reconstruct, it has a role to play. I hope that it will consider investing in a shipyard construction.

3.13 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I congratulate my hon. Friend the Member for Gedling (Vernon Coaker) on securing this debate. I rise to speak not only for the armed forces in Plymouth, but those right round the world. They deserve our thanks and respect for all the work they do. It is worth noting

that it is not only those people who serve in uniform that we should be thanking in this debate, but all those civilian defence workers who do such a good job of supporting our armed forces, not only the engineers, designers, tradesmen and technicians at Devonport dockyard but those in the entire supply chain—sometimes called “the defence family.”

Plymouth is entwined with this debate, not only as a defence city but because HMS Albion, HMS Bulwark and the Royal Marines, which are based in Plymouth, are at the heart of this debate about defence spending. A strong defence is worth fighting for, and that is a sentiment that has been shared by Members on both sides of the House. I think the defence communities have had enough of the talk of cuts—Plymouth certainly has—and they want to see a strategy laid out such that we can proudly talk up our armed forces, with a firm plan about how we will provide them with the equipment and training they need, and the support they need after their time in uniform has come to an end. That should be our collective ambition, but we are still far too far from that at the moment.

I would like to praise all those who have come to the defence of Albion and Bulwark and the Royal Marines. Plymouth, as we know, is at the centre of the universe—it has certainly felt that way in this debate. Members across the House, people across the country and our allies abroad have spoken about the world-class capabilities that Albion and Bulwark provide, and the expertise of the crews who serve on board and the people who provide support in port. I also support the *Plymouth Herald's* “Fly the Flag for Devonport” campaign, which has enabled people in Plymouth to add their voices in support of our brave men and women who serve on Albion and Bulwark and in the Royal Marines.

As has been said, the context of this debate has changed. Russia is more assertive. Its use of Georgia and Ukraine as test grounds for new weapons and tactics is something that all of us in this House, whether or not we have a defence interest, should be aware of. Its weaponisation of migration, in particular, is a deliberate tactic deployed by the Kremlin. Its use of cyber to intimidate not only us but our allies is a growing threat. The threat to the northern flank, as detailed by the right hon. Member for New Forest East (Dr Lewis), is something we should take seriously. We need to know about the threat to the Baltic states. I ran a quick test on the Baltic states, asking people to name them from north to south. I have to say that I am concerned by the results. It is critical to the defence of our NATO and EU allies that we understand why the Baltic states are important, so we should first be able to name them on the map.

Vernon Coaker: Go on then.

Luke Pollard: Estonia, Latvia, Lithuania and then, importantly, Kaliningrad, a Russian enclave in the heart of Europe. We should all be studying this important defence context.

We need to invest more in our cyber and intelligence capabilities, but not at the expense of our conventional forces, as has been said. We need to invest not only in our equipment, but in our personnel. I know from conversations with off-duty service personnel in the pubs around Plymouth that morale is a concern, not only because of the poor state of armed forces

[*Luke Pollard*]

accommodation, as has been mentioned, but because of the pay cap and the uncertainty of their role in the world. Key to our armed forces is their ability to get on and do. They do not question; they just deliver. It is up to us in this place, and to Ministers, to do our bit to ensure that they have the backup they need. At the moment there is much more that could be done.

I am grateful to the Armed Forces Minister for meeting me yesterday to talk about the base-porting of frigates, which is an important issue in Devonport. I welcome the decision to base-port the new Type 23s with tails and ASW—anti-submarine warfare—capabilities in Devonport, but I encourage Ministers to set out a timetable for when the base-porting arrangements for the Type 26s and Type 31s will be made so that we can provide certainty. Devonport has a 25-year order book for maintenance in our dockyard, but that is not the case for our naval base. That certainty is very important.

In my maiden speech I made the case for the Type 26s to be base-ported in Plymouth. At the time I was expecting 13 Type 26s, as Scottish National party colleagues have mentioned, but we now expect only eight of them plus the Type 31s. I am concerned about the debate on the Type 31s, because we must have confidence in these warships, to ensure that they and the crews who serve on them around the world are respected. I think that the debate on the Type 31 frigate could be resolved simply if Ministers renamed it a corvette rather than a frigate. The Type 26 frigate will be world-class and world-beating. Let us not spend our time in this place talking down the Type 31. We should be having 13 Type 26s, but for various reasons we will not, so let us have five world-class corvettes, not just cheap frigates, which would do us and the Royal Navy no favours. I think that could easily be rectified.

While I am making requests of the Minister, will he provide some clarity today on what is happening with HMS Ocean? Having returned from expert work supporting hurricane-hit communities in the Caribbean, to hear from the Brazilian Government that they have purchased HMS Ocean for £84 million, not from the UK Government, felt like a kick in the teeth for all those closely associated with this world-class ship. I would be grateful if the Minister provided clarity on what is happening to her.

I mentioned HMS Albion and HMS Bulwark at the start of my remarks. I expect Ministers to hold true to their promise that Plymouth will be a centre for amphibiousness. That means not only retaining the Royal Marines in Plymouth after the closure of its spiritual home at Stonehouse barracks with a new purpose-built facility in the Plymouth area, but also ensuring that we have amphibious ships that are capable. The Bay classes are brilliant ships but they cannot replace the capabilities of the Albion class ships, and neither can the carriers. Losing HMS Ocean's unique littoral capabilities for a helicopter carrier cannot be replaced by the Prince of Wales.

So we know we are having a capabilities cut already, but we need to make sure that, in providing a world-class centre for amphibiousness, we retain Albion and Bulwark and the Royal Marines. I am pleased that there has been cross-party and cross-Chamber support for the retention of the Royal Marines and the amphibious warships, and I know that Ministers have listened carefully to this.

I must tell the Minister that many Members on both sides of the House will join him in any contest he has with the Treasury to make sure that he gets the resources he needs to provide for our armed forces.

On four occasions to date since being elected, I have asked Ministers to rule out cuts to Albion and Bulwark, but on each occasion I have been told it is simply speculation and is untrue. I ask the Minister now to give some certainty to those who serve on those ships by ruling out the cuts once and for all so that we can focus on where we need to get to, and to rule out cuts to the Royal Marines. Plymouth already saw the loss of 300 Royal Marines from 42 Commando just before the general election, so we have recent history of knowing that cuts to the Royal Marines can, and indeed do, happen. They are a vital pipeline for our special forces; the 6,500 Royal Marines provide 40% of our special forces. We must preserve and embed this pipeline.

On submarine recycling, we have spoken about the importance of our hunter-killers and our ballistic missile submarines, but I also want to raise the issue of the 19 decommissioned defuelled or fuelled submarines lying at rest in Devonport or at the naval base in Rosyth. Valiant, Warspite, Conqueror, Courageous, Sovereign, Splendid, Spartan, Superb, Trafalgar, Sceptre, Turbulent and Tireless are waiting in Devonport dockyard for recycling. The demonstration project on Swiftsure in Scotland is, I believe, paused at present.

We need a long-term solution so that we can safely dispose of our nuclear legacy, ensuring that, when new submarines are brought on board, we as a nation deal with the legacy of previous ones. We must ensure that the people of Plymouth and Rosyth do not have an indeterminate uncertain legacy in their dockyards without knowing what will happen to them in the future. This topic is being raised on the doorsteps in Plymouth, and although it only affects two places across the country, it should affect all of us in how we deal responsibly with the legacy of our armed forces.

I agree with all the remarks that the hon. Member for Glasgow South West (Chris Stephens) made about our shipbuilding strategy. We must have clear investment in that strategy, and the House should be firmly opposed to building the solid support ships abroad. The tonnage of those ships would equal that of the carrier programme, and we have demonstrated that the carrier alliance model works. As the RFA ships might not be armed but will be carrying munitions, the Government should determine that there will be a restricted tender for security and defence reasons, so that the long-term contract is provided to a UK facility.

Chris Stephens: Does the hon. Gentleman agree that if these ships are procured internationally there will be serious consequences for the UK shipbuilding industry?

Luke Pollard: Yes. The protection of our sovereign defence capability to both build and design must be preserved not only in naval matters but, as my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) said, in the Air Force as well. We must make sure we have a clear strategy and a clear plan to deliver on protecting the vital, high-skilled jobs in the UK that will preserve our unique role in the future.

This debate was too important to miss. I would have liked to see more Members present, and I encourage the Minister to follow the suggestion of the hon. Member for North Wiltshire (James Gray) and hold defence debates in Government time. It is not only Members who have served or have a military establishment in their constituency who should voice their view on this; the whole House should understand the importance of the defence of the realm, how precarious the international situation is at present and how vital it is that Labour, SNP and Conservative Members speak with one voice—*[Interruption]*—as must Liberal Democrat Members and others. We must speak with one voice in backing our troops and armed forces. We need a long-term plan with long-term funding so that we can provide the certainty and clarity our armed forces, the civilian contractors who work with them and our veterans need.

3.24 pm

Jim Shannon (Strangford) (DUP): It is always a pleasure to speak in this House on any issue, but defence is an issue in which I have a particular interest. I congratulate the hon. Member for Gedling (Vernon Coaker) on securing the debate and on putting forward a detailed, succinct, balanced and informative case for us all to support. I am pleased to be a signatory to the motion, and it was a pleasure to appear before the Backbench Business Committee with him to ask for the debate. I never doubted for a second that the interest in this subject would be enormous, and of course it is.

I should like to thank all right hon. and hon. Members who have spoken in the debate, some of whom have served in the armed forces. It is always a pleasure to listen to the words of wisdom of the Chair of the Defence Committee, the right hon. Member for New Forest East (Dr Lewis), when he gives us his knowledge and expertise. We are grateful to have benefited from that knowledge and expertise today as well.

I should also like to thank the gallant Members who have served in uniform. I hope that the Under-Secretary of State for Defence, the right hon. Member for Bournemouth East (Mr Ellwood) will not mind my saying that we are immensely impressed by him, and not only because he has served in uniform. We have not forgotten the occasion last year on which his particular qualities shone out. I can honestly say that I think about that occasion often, and I know that others in the House feel the same. I should like to put on record my thanks to the Minister for that. I hope the message is coming through from all Members here that we want to support him. Others have already said this, but I repeat that we want to strengthen his hand when he goes to the Chancellor to get the moneys that the Ministry of Defence needs to spend.

I should like to declare an interest as a former member of the Ulster Defence Regiment, in which I served for three years in an anti-terrorism role. I then served for eleven and a half years with the Royal Artillery as a part-time soldier. I am pleased to have had those opportunities; it was good to have that experience. I should like to pay tribute to all our armed services personnel who are currently serving, to their families and to our veterans. Theirs is the ultimate form of service, and they all too often make the ultimate sacrifice. The words that adorn the tomb of the unknown warrior in Westminster Abbey sum this up perfectly:

“Man can give life itself
For God
For King and country
For loved ones home and empire
For the sacred cause of justice and
The freedom of the world
They buried him among the kings because he
Had done good toward God and toward
His House”.

This is a hugely important debate at a critical time in global defence and security, and it is vital that we in this House, as guardians of the decision to go to war, should take the time to debate the Government's current policies and plans for ensuring that our armed forces are fit to fight and that they can truly “be the best” in these dangerous times.

I want to pay tribute to my hon. Friend the Member for Belfast East (Gavin Robinson), who serves on the Defence Committee. As other members of the Committee will know, he makes a massive contribution to it, but he could not be here today owing to constituency duties back home. Speaking on behalf of the Democratic Unionist party, I am happy to add our support to the themes that have emerged clearly from the debate so far.

It is an inescapable conclusion that our armed forces have been in demise since 1979. We cannot deny that fact. I accept that dividends were rightly taken as a result of the end of the cold war, the eventual end of the troubles and the impact of new technologies. However, I believe that it is plainly wrong—indeed, it is folly—to think that any current or future threats across the world will be of a lesser magnitude of consequence to our defence and security than what we faced in Berlin, or in Belfast in the 1970s and 1980s.

I would gently remind the Secretary of State, who is not in his place, and the Minister that the majority of Governments since 1979 have acquiesced in the managed decline of our armed forces, hollowing out manpower, materiel and morale in equal measure. The Secretary of State needs to bring that decline to a halt, and we want to strengthen his hand to enable that to happen. He and his colleagues—a number of whom have given gallant service in uniform, and of whom we in this House are rightly proud—must begin the much-needed process of rebuilding our defence and security capacity for the role that we must play in world and European affairs post Brexit. We need our armed forces to be ready and able to deal with the hard-power challenges of the 21st century, not just fit to engage in soft diplomacy and, if I may say so gently, shadow boxing.

On 11 November 2018, we will pause and reflect on the centenary of the end of the first world war. The history books tell us that it was the war to end all wars, and 100 years on we have an army smaller than that which we had at the advent of the first world war. We know all too well what happened to that British Expeditionary Force: defeat followed by retreat and then entrenchment. We did not learn, because by 1938 we had once more hollowed out our armed forces and chosen to ignore the real existential threat of an ambitious expansionist enemy. Once more, we met with defeat and retreat, culminating in the Dunkirk evacuation, five years of hard-won battles and losses, and the loss of hundreds of thousands of our finest young men and women. We are at grave risk of setting the same conditions

[*Jim Shannon*]

again. We risk ignoring threats from all around us: under the sea, on the surface, on land, at home and abroad, in the air and in cyber-space. Returning jihadists, dissident republicans, Russians, ISIS, Iranians, North Koreans and home-based cyber-terrorists all present us with a problem.

We continue to pursue the disingenuous process of so-called security and defence reviews and—I do not mean this unkindly—we have to and should ask questions. Defence reviews are nothing more than budgetary exercises where we suspend reality, forget the past, ignore the present and dilute the future to reverse-engineer the military into a smaller fiscal envelope. The warning signs are all around us. There are doubts about whether the Royal Navy is able to put its Type 45s to sea. We have aircraft carriers with no aircraft, and helicopter carriers are sold off before they can be replaced. The fleet cannot be fully manned, and less than a third of it is at sea. The Royal Marines do not have the amphibious capability to get ashore. Contrast that with the taskforce that we sent to recapture the Falkland Islands in 1982. Can the Minister offer any reassurance that we could emulate that today? Others have said that it would be impossible. I do not say that, but it would be much more difficult.

The Army gets smaller and smaller by the week. Reduced recruiting targets are still not met, equipment promises are reneged on, fleets are cut to the core and, as others have said, housing is in disrepair. Training budgets have been slashed and overseas training areas have been closed or restricted. The long-promised Army Reserve experiment is still in the test tube. I have been privileged enough to be on the armed forces parliamentary scheme for several years, and I have been on the Army scheme for the three years. We get the chance to speak to Army personnel, to officers and to families, and we are well aware of the problems. I praise the hon. Member for North Wiltshire (James Gray) for his role in the scheme, because he enables many of us to participate in it, and we can learn more and become more knowledgeable in the House.

I do have some good news, however. I cannot speak about it much more than generically, but I understand that the Government and the Ministry of Defence have confirmed that they will increase the number of reserves in Northern Ireland. We are at 95% of capacity, and we want to grow, so we have asked for that and the Government have responded. I also understand that some capital spending is coming through, which we welcome.

I heard the Chief of the General Staff trying to explain the frankly bizarre decision to abandon stable branding on TV, to which the hon. Member for Gedling referred, and a hard-won ethos in pursuit of fleeting and fashionable politically correct soundbites and millennial tastes. He said that the traditional recruiting cohort that the Army would usually draw upon is 25% smaller, but the fact is that the Army is 33% smaller, so we have missed a target there as well. The plain and simple fact is that we need an Army that is able to engage with and defeat the enemy, with bayonets or bare hands if needs be. It is a horrible image and an awful thing to imagine, but that is the gritty and enduring reality of what we are asking our young men and women on the frontline to do.

Our Air Force is also in a perilous state. I am serving for the RAF on the AFPS this year, and we get to know such things. We talk to the officers and other personnel, and we see the realities. The RAF suffers from chronic underfunding, undermanning and an ageing fleet of aircraft. The Tornados, for example, have now had more upgrades and life extensions than most. The reduced Typhoon fleet has much to admire, but it has not proved itself to be the answer to the multi-role, multi-platform challenge that it needs to meet, and it is now regularly overmatched by aircraft from potential aggressors. Closing that gap will be a challenge for the joint strike fighter programme. I hope to be proved wrong, but I fear we will never again be able to conjure up the battle of Britain spirit that has come to define us in our darkest hours.

The House will be glad to hear that all is not lost. The opportunity to intervene and address this difficult situation has not yet passed us by. This debate is a step on the way, and it will strengthen the hand of the Minister and the Secretary of State in ensuring that the Chancellor finds a pot of gold at the end of the rainbow, or whatever it may be, so that we can fill the gap. The United Kingdom will once again take its place on the global defence and security stage, stepping out from the shadow of the European common security and defence policy. We need to express a clear and bold statement of intent about who we are and what we stand for. We need to invest in our armed forces by putting our money where our mouth is, as befits our UN P5 status. We need to step up to the plate as the second senior partner in NATO and give a much-needed lead to other members who draw their inspiration from us.

Yes, health and welfare remain this nation's priority, as they should, and spending priorities reflect that. However, Defence has been playing second fiddle or, more accurately, third flute to other Departments for too long—we are well aware of the third flute in Northern Ireland. We do not want to be a third flute when it comes to defence. We want to be more than that, so we gently and respectfully look to the Minister.

The House must cease to be supine on matters of defence and security spending. The Government cannot continue to degrade our armed forces while we turn a blind eye. Hope and good fortune are simply not good military expedients, and we have become over-reliant on the world behaving broadly in our favour.

I take this opportunity to plug a book to book readers. If Members have not read it already, they should make it their business to get "2020: World at War" by a friend of ours, Kingsley Donaldson, who has an experienced and knowledgeable point of view on where we are on defence.

Taking Northern Ireland as a simple case in point of a wider malaise, in 1979 thousands of men and women were serving full time and part time in the Ulster Defence Regiment, in which my right hon. Friend the Member for Lagan Valley (Sir Jeffrey M. Donaldson), my hon. Friend the Member for East Londonderry (Mr Campbell) and I served. We will never be able to recover that capability because of the cuts to the Army. I question whether the Ministry of Defence and the Home Office have anything like the capacity or capability to deal with resurgent terrorism of the scale we lived through in the troubles, as the hon. Member for Caithness,

Sutherland and Easter Ross (Jamie Stone) said—he is well aware of it from his family connections in Northern Ireland.

In regular recruiting, Northern Ireland furnishes two armoured regiments—the Queen’s Royal Irish Hussars and the 5th Inniskilling Dragoons—the Irish Guards, two battalions of the Royal Irish Rangers and an infantry training depot. Six Regular Army units are permanently garrisoned in Northern Ireland. There are Navy ships on station in Carlingford, Belfast lough and Foyle, air stations at Ballykelly, Aldergrove, St Angelo and Bishops Court, and thousands of servicemen and women across the Army, Navy and Air Force.

Over the years Northern Ireland has provided thousands of reserves to the Army, Navy and Air Force. We have two Territorial Army infantry battalions, a Royal Armoured Corps regiment, an artillery regiment, an engineer regiment, a signals regiment, transport units and two field hospitals, as well as Royal Naval Reserve and Royal Auxiliary Air Force units.

There are many talented young men and women in Northern Ireland of all ethnic diversities and social backgrounds who would make excellent recruits to our armed forces. I am a spokesperson on reserve force and cadet organisations in Northern Ireland, and I commend the Minister and his Department for their work with the cadets. We are growing the cadets in all capacities and across all communities in Northern Ireland, which is an indication of where Northern Ireland is going. Northern Ireland could go further if we get the opportunity.

I say gently to other Members—this is not a game of one-upmanship—that educational attainment standards across Northern Ireland are much higher than in the equivalent armed forces recruitment hotspots in Scotland, northern England and the midlands. I welcome the commitment of the Minister and the MOD to increase the number of TA and reserve forces.

Wellington, one of many famous Irish soldiers, famously commented that more than a third of his Army at Waterloo were Irish. Four of the nine Victoria Crosses awarded to the British Army at the Somme on 1 July 1916 were won by Ulstermen of the 36th (Ulster) Division. The British Army generals who orchestrated the eventual allied victory in world war two included many notable Ulster connections among them: Field Marshals Alan Brooke, Alexander, Auchinleck, Dill and Montgomery; and Generals Cunningham, O’Connor and Ritchie. Indeed, Churchill said of Field Marshal Alan Brooke:

“When I thump the table and push my face towards him what does he do? Thumps the table harder and glares back at me.”

He also said:

“I know these...stiff necked Ulstermen, and there is no one worse to deal with than that.”

I am not sure we are all that bad, Madam Deputy Speaker, but we do not take being told off too easily. That came from such a national hero as Churchill, so what greater epithet or encouragement do the Minister and his colleagues need to get on the front foot, starting with defence money? We need to invest in our rich source of martial fighting spirit, dogged determination, moral courage and fearlessness. Those are the characteristics of our armed forces that we need, whether it be in fighting floods, defeating ISIS, keeping our islands and dependent territories safe, policing the seas and skies, or just supporting our allies’ efforts.

I am very conscious of the time, Madam Deputy Speaker—[*Laughter.*] I have just realised, and I apologise. I wish quickly, however, to commend the charities that work in my area, including SSAFA, which does tremendous work. I do a coffee morning with it once a year and we have raised almost £30,000 over the past six or seven years, so we have done very well, as have the people of Newtownards and the district. I should also mention Combat Stress and Beyond the Battlefield, another organisation that reaches out to people that other charities may have missed.

It is clearer than at any point in the recent past, certainly since 1979, that our armed forces are in a perilous state. We must stop that rot. A bare minimum of 2% of GDP will not keep pace with rising inflation, so standing still is not an option. I well understand that the Minister wants to see the spend increasing, and we are behind him in making sure that that happens. It is time we reconsidered the funding priority for defence and placed greater importance on the assets that are at the core of the values of our nation. We need to distance ourselves from these reductionist security and defence reviews, and instead look at funding programmes that match our ambitions for our global status post Brexit. To do otherwise is to leave us vulnerable to our enemies and incapable of defending ourselves, never mind assisting our friends and allies, and certainly not fully able to answer to our responsibilities in NATO and the UN. Thank you for your patience and your indulgence, Madam Deputy Speaker.

3.42 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): I suspect you may agree, although you would never be ungracious enough to say it, Madam Deputy Speaker, that sometimes debates in this place can go on a bit. But we have heard a genuinely informative and at times inspiring series of contributions today, and it has been a pleasure to sit through and listen to the debate, almost in its entirety. I, like perhaps one or two others, may not have the privilege of winding up a debate any time soon from the Front Bench, so it is a privilege to be the last speaker from the Back Benches in this debate.

Mr Sweeney: Almost.

Madam Deputy Speaker (Mrs Eleanor Laing): For the avoidance of doubt, there is still one hon. Member to come and I have not forgotten him.

John Woodcock: Who could ever forget him? I say to my hon. Friend that I am terribly sorry—I had not seen him back there.

Let me just add a few thoughts on the threat we face, the budget constraints and personnel issues to the many cogent points that have been made in this debate. First, let me say that it is truly extraordinary that this country is in a position where the Ministry of Defence is locked in a battle with the Treasury and we are talking about desperately trying to save vital capabilities such as our amphibious capabilities, the size of the armed forces and so many others. We are scrapping merely to maintain things at their existing level, when we have heard so often and it is so obvious that the threats we are facing are expanding.

[John Woodcock]

Russia has been mentioned many times in this debate. The scale of the threat posed by President Putin's expansionist regime is not spoken about nearly enough. It is not mentioned nearly enough that, for the first time since the second world war, part of a European nation has been annexed by another European nation by force. That has almost fallen off the public and political agendas, yet it has happened and it will happen again, unless countries such as the UK can wake up to the scale of the threat we face. The values that we all hold dear are potentially in mortal danger. In an act of terrible complacency, we seemed to believe that the post-cold war consensus had settled those values for good, but they are being eroded. Even now, we are not prepared to understand the scale of the peril they are in.

We have an expansionist Russia, and we have, potentially, a similar mortal threat to our country and our values from the evil ideology of which the latest encapsulation has been Daesh. Although that organisation is crumbling, that ideology will certainly resurface in other forms. Part of the investment that this country makes to combat that ideology will extend far beyond the MOD's capabilities, but we have seen its capacity to cohere around a capability that can control a state for a certain amount of time.

If we look just beyond Daesh's first foothold in Iraq, we can see how in Syria our complacency about tackling Daesh and the perversion of Islam that it represents has mingled with our complacency about the threat posed by Russia. As has been well articulated not only today but in a Conservative Member's question in Prime Minister's questions this week, that has gravely diminished the UK's standing and put a question mark not only over our capability to intervene if we wish, but over our willingness ever to do so, despite the fact that our values are threatened.

We have those two weaknesses coming together, as epitomised in Syria. We do not know what the future of the European Union will be after the UK leaves, but we have drawn a red line in respect of areas of future co-operation, so we must have our own capability outside the EU. America is retreating into itself. Aside from the monstrosities of President Trump's regime, we simply cannot rely on America coming to the aid of our values in Europe.

Mr Seely: I do not disagree with the hon. Gentleman's point—I do not like President Trump any more than he does—but in the US it is an Administration, not a regime. There are regimes in Cuba and Russia, because their democracies are questionable. I know that some of us do not like the American Administration, but it is an Administration, not a regime.

John Woodcock: It is, and let us hope it is a one-off. I cannot remember who made this point earlier, but there has been a real question mark over the US's enduring willingness to engage around the world that dates from before the current Administration. The fact that we can have someone such as President Trump shows that our complacent reliance on the Americans must go forever, even if—God willing—we get someone we can actually trust with the nuclear button in the future.

We have this budget process whereby we have to plead for even current levels of defence spending to be maintained. Let me say another thing on that—this has

been mentioned by a number of people. In fact, this is the first time that I can recall agreeing so substantially with Scottish National party Members on an issue—I am sorry to have to break that to them. It must be the case now that the Government act to take the Dreadnought programme out of the Ministry of Defence's budget and deal with it through the Treasury reserve. I was privileged to be an adviser to the previous Labour Government for a number of years. I remember quite clearly the agreement that the then Defence Secretary, now Lord Hutton, reached with the then Chancellor, now Lord Darling, over restoring what had historically been the position that the nuclear deterrent would be treated outside the MOD's budget. It was a grave act of complacency by this Government, which came to power in 2010, to rip up that agreement. While I was waiting to speak just now, I tried to refresh my memory of what happened then. I came across the way in which the then Chancellor, George Osborne, announced it at the time. In justifying the decision, he said:

"All budgets have pressure. I don't think there's anything particularly unique about the Ministry of Defence."

Well, absolutely. As we have heard from so many speakers, the MOD's budget, with the capabilities that it is defending, is unique. Even if that complacency was justifiable back then, which it was not, it is deeply worrying that we now have another Chancellor who is potentially adhering to that line of thinking, when all the developments in the world since then have shown that, actually, we did not understand the level of threat we were facing.

In conclusion, let me turn to personnel, but in a different sense from that which has been cogently spoken about by a number of Members.

Alex Chalk (Cheltenham) (Con): The hon. Gentleman is making some fair points, if I may say so. Does he accept this one as well? When considering the total amount of money that goes towards our collective national defence, there are a number of pots, particularly in so far as they affect the intelligence services, which are especially important in terms of waging war in cyber-space, that are not necessarily taken account of within the £36 billion of the defence departmental expenditure limit, and that must be taken into consideration when looking at this in the round.

John Woodcock: I would be interested in discussing that matter further with the hon. Gentleman. I am not sure whether I accept that point. The whole point of this is that we are talking about very difficult decisions, and I do not envy the Ministers on the Front Bench. We are shifting around money from an overall pot, which is just woefully, woefully inadequate.

Let me talk about personnel. First, locally, I was saddened to see the departure from Barrow shipyard of Will Blamey after only a few months in the job. I wish him very well. I know that he has a big contribution to make in the future and, hopefully, that will be in the field of the strategic defence of our realm. I welcome Cliff Robson as the new managing director. I say that not just to get it on the record, but to make the point that the challenges facing our submarine programme must not be all put at the door of the good men and women at Barrow shipyard.

There has been a level of mismanagement of the submarine programme as part of the suboptimal management of the entire defence equipment programme,

and it may be reaching a critical point. It is not acceptable for the Government to lay blame at the door of people who are doing extraordinary work for the defence of the realm; Opposition Members will not allow the Government to get away with that. The Government are currently seeking to starve our future capability of the vital equipment budget, which is not great at the moment, but it is now vital in order to create future capabilities so that we can continue in the business of building submarines.

My final point on personnel relates to the ministerial team here. I am really glad to see the Minister in his place. From the fact that he kept his job in the reshuffle, I take it that he has been given the assurances he sought that the Army will not recede any further. I look forward to him making that clear in his winding-up speech. I welcome the new Minister for defence procurement, who comes in at a critical time. I hope that Opposition Members will be a constructive force in helping him to meet the challenge of arguing for greater resources and ensuring that they are properly spent. Let me finish on the Secretary of State, who is not a man I knew a great deal about. In fact, I get the sense that he is not a man that many in the armed forces knew a great deal about before he took his job. I look forward to working with him constructively, particularly on the future of the submarine programme.

This is a time for seriousness—for serious people and people who are able to establish a grip over their roles. In various roles, I have briefed a newspaper occasionally and ended up with a story, sometimes in *The Sun* and sometimes in the *Daily Mirror*. But I have looked at the way in which the Ministry of Defence has been run over the past couple of months, and, although I welcome the fact that the Secretary of State has apparently intervened directly to save some military dogs and is personally cutting down on the Chancellor's ability to use military flights, I question whether this shows that he is spending sufficient time ensuring that our equipment programme is up to scratch in a way that will be effective for the nation. He still has a window of time in which to prove himself, but he needs to do so in short order.

Dr Julian Lewis: It is very kind of the hon. Gentleman to give way at this late stage. May I just say that I, for one, want to give the new Secretary of State the benefit of every possible doubt, because what we need at this moment in time—the debate has really brought this out—is someone who is going to have a bare-knuckle fight with the Treasury to get the money we need for defence? The fact that he may not have much of a background in defence is not the main issue. The main issue is whether he will fight for money for defence and whether he can win that fight.

John Woodcock: It is, absolutely. I suppose it remains to be seen whether the tactics he has so far adopted continue and are effective. We will be as supportive as we can in ensuring that that is the case. I wish that the Secretary of State were here so that I could say this to him in person. I do not know what his other commitment is, but this has been a really important debate with many important contributions, and he would do well to listen to what has been said this afternoon by colleagues on both sides of the House.

3.59 pm

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Thank you, Madam Deputy Speaker, for the opportunity to contribute to this magnificent debate in which we

have heard a series of robust, resilient and passionate contributions, not least from my immediate predecessor in speaking, my hon. Friend the Member for Barrow and Furness (John Woodcock). He represents a fine shipbuilding town that has a critical stake in the future of the defence equipment programme.

I think it is fair to say that there has been consensus, and that it is a source of great dismay, among everyone present today that every year of this Government has seen a steady decline in defence spending as a percentage of GDP, from 2.4% in 2011 to 1.9% in 2016. Not only has it declined in every year of this Government, but it is lower than in any year of the previous Labour Government. Those figures, damning as they are about the Government's real commitment to defence, belie the true criticality of the situation. A letter published by former defence chiefs during the general election last year called the 2% target "an accounting deception" and added:

"Most analysts...agree core defence expenditure for hard military power is well below 2%."

Not only is real defence spending well below the purported 2% target minimum, but its effective purchasing power is being eroded year on year; as many Members will know, the defence rate of inflation runs well above the national rate. In 2015-16, for example, the defence inflation rate was 3.9%, the highest since 2010, while the national GDP deflator was just 0.8%. That relentless pressure on defence resources explains the litany of cuts stemming from the 2010 and 2015 strategic defence and security reviews. Most notable in its absurdity has been the scrapping of the Nimrod MRA4 programme mere months before it entered service, squandering £3.4 billion and leaving the UK with no maritime patrol aircraft for at least a decade.

In recent months, the Army has been cut by a fifth, wages have been frozen for a sustained period and no Royal Navy ships have been on patrol in international waters over Christmas for the first time in history. That is an absurdity and a really depressing situation. We continue to see the playing out of chaotic and wrong-headed thinking on procurement of defence, most notably in the recent national shipbuilding strategy. Yesterday, I had the privilege of chairing the latest meeting of the all-party parliamentary group on shipbuilding. We heard further testimony about the urgent need to improve key elements of the strategy if we are to achieve the best effects possible for our national shipbuilding sector.

Key themes seem to be emerging from the ongoing process of discussion with key stakeholders in industry and in the defence community. The national shipbuilding strategy must both define and outline measures to safeguard key industrial capabilities. It is breathtaking that the strategy has taken no steps to define the minimum sovereign capabilities that we need to sustain as a nation in the shipbuilding industry or to prescribe how we achieve and sustain those capabilities.

The strategy must also commit to investment that will ensure that those key industrial capabilities, once defined, are modernised to be world class. That was the case under the previous defence industrial strategy created by the Labour Government in 2005; it designated that the Clyde shipbuilding industry would be the key deliverer of the nation's complex warships and prescribed a solution that would allow that industry to become world class by developing what was called a frigate factory or modern dock facility. That would deliver an integrated, consolidated

[Mr Paul Sweeney]

site achieving the efficiencies necessary to deliver the defence capability for the Navy at an effective value for money cost.

We also recognise as a result of this process that a distributed block build strategy as defined by the national shipbuilding strategy is not suitable for frigates such as the Type 31E as it will actually drive up unit costs to manufacture; they would best be built in that consolidated world-class facility, with the benefits from learning curves and efficiency from integrated production. The national strategy must also recognise clearly that there is a huge opportunity for that distributed block build strategy in the next tranche of royal fleet auxiliary ships to be procured: the three fleet solid support vessels with a displacement of 40,000 tonnes—a scale suitable for such a strategy. No one site in the UK would be capable of building such a ship alone. That is the key opportunity: to use that distributed block build strategy to sustain shipbuilding capacity across all the multiple sites in the UK and maintain the resilience of the defence supply chain. I would like to insist that the Minister consider applying the treaty on the functioning of the European Union article 346 protection in the case of the new solid fleet support ships to ensure that there is a UK-only competition to build those new complex royal fleet auxiliary ships.

Mr Seely: I am interested in what the hon. Gentleman says as I have the same problem. Does he agree that, as well as having shipbuilding as a core strategic industry, we need to keep radar capacity in my constituency and others? We need radar demonstrators to ensure that we continue development of radar in this country for those ships in the next 50 years.

Mr Sweeney: I thank the hon. Gentleman for that excellent contribution. What he says is absolutely critical. When we think of shipbuilding, we often just consider the hull of the ship. However, when we see a ship launch into the water for the first time, we are seeing perhaps only 8% of the value of the overall project, even though structurally it looks like much more. The real value is in the ship as a platform for multiple other high-value defence capabilities. A good example is the multi-function SAMPSON radar. It is manufactured on the Isle of Wight and constitutes a large share of the overall cost of the Type 45 programme. That is where we need the pipeline of capability: not just in the front-end shipbuilding capability, but in the second and third-tier supply chain.

Our RFA capability provides an opportunity to pump-prime our national shipbuilding capability. According to the latest figures compiled by the Fraser of Allander Institute at the University of Strathclyde, shipbuilding on the Clyde alone contributes £231 million a year to GDP in the UK and—critically—generates, in addition, a multiplier of £366 million a year across the wider defence supply chain. That includes the facility in the constituency of the hon. Member for Isle of Wight (Mr Seely). It is critical that we use the national shipbuilding strategy to involve that wider supply chain and so maximise the value to the UK economy.

The all-party group on shipbuilding and ship repair yesterday discussed how we gave the contract for the latest fleet support tankers to Daewoo Shipbuilding

and Marine Engineering in South Korea. The cost of building them there was equivalent to the cost of building them in the UK, but the price the South Koreans offered was considerably lower than any UK shipbuilder alone could have offered. In effect, the South Korean taxpayers are subsidising the British MOD to build its ships for it. Why on earth would they do that if they did not recognise that it is a major industrial opportunity for them? Surely there must be an opportunity for the South Koreans. They would not do it simply out of generosity or altruism; they are doing it because they recognise that it is a core part of their defence industrial capability and national industrial strategy. Perhaps we ought to take a leaf out of their book by having a more active industrial strategy when it comes to defence and including those RFA ships.

There is a further issue in the national shipbuilding strategy: the financing, particularly of complex warships. My hon. Friend the Member for Barrow and Furness mentioned that the previous Chancellor of the Exchequer described defence as no different from any other Government Department when it came to capital expenditure. I take issue with that, as I am sure do many other Members. Defence is unique when it is commissioning complex warships such as the Type 26 and the new deterrence submarines. These two vessels alone constitute two of the most complex engineering projects every built by mankind. They are huge national, generational programmes. The idea that they ought to be constrained by in-year spend profiles is absurd, because it militates against the efficiency of the programmes. They are not managed in the same way as, say, the Olympic games, the High Speed 2 programme, Crossrail or any other large-scale infrastructure project. They are arbitrarily constrained by Treasury limits on annual spending. It is critical that we change that—this is a cultural thing in the UK—if we are to achieve the best opportunity for defence. That has to be tackled on a cross-party basis.

When I worked at BAE Systems, innovations for the Type 26 programme, which included changing to spray-on insulation, using LEDs and replacing non-structural welding with adhesives, were constrained because the MOD was not willing to adapt and innovate and apply new standards to its shipbuilding programmes. That demonstrates that it is the customer that is sclerotic in its approach to innovation in new programmes. It drives costs into projects and militates against innovations that would save costs in the long term. Those short-term constraints cast a long shadow through the life of the programme and build in an overall cost.

That is the reason for the attrition we often see in programmes such as the Type 45—originally 12 ships were meant to be built; that was cut to eight; and finally six ships were built. There is an optimism bias at the start, followed by annual constraints on spend and a structural rigidity built into the programme that fails to adapt as it goes forward and innovate with new products as new technologies emerge. That approach also insists on arbitrary competition in the supply chain, when actually long-standing relationships can be established there—for example, with gear box manufacturers and engine builders—that can ensure a commonality of approach and adaptability and enable ships to be built more efficiently. A year-zero approach for every programme duplicates costs and adds complexity that could easily be avoided.

All that ought to change. We have a huge opportunity. We have seen the bigger picture. The root cause is the relentless decline in defence spending as a share of GDP. The Chair of the Defence Select Committee mentioned that it has halved as an overall percentage of national wealth in the last two decades or so since the end of the cold war. That is the root cause, but we could certainly provide mitigation in the meantime by more efficiently managing the remaining resources we do receive and managing our defence equipment programme in a more resilient and innovative way.

Hopefully I have presented some practical opportunities to improve the national shipbuilding strategy that can help us to achieve a future fleet of the scale and capability that we need to sustain British military power around the world in the coming decades. I look forward to the Minister offering his view on that.

4.10 pm

Stewart Malcolm McDonald (Glasgow South) (SNP): This is one of the few debates in the House that has been not only extremely well mannered, but extremely well informed by Members from all parts of the House. I cannot single out all of them, but I want to mention the typically well-informed duo who make up the chairs of the all-party parliamentary group for the armed forces, the hon. Members for Stoke-on-Trent North (Ruth Smeeth) and for North Wiltshire (James Gray). Of course, the Chair of the Defence Committee gave an incredibly thoughtful speech.

Despite the brief diminution in consensus, I will single out the hon. Member for Moray (Douglas Ross), who spoke incredibly proudly of his constituency and its long, historic connections to the armed forces. He will be glad to know that I will be returning to the issue of tax, which I will be very pleased to do.

In the short time he has been here, the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) has shown himself to be a force to be reckoned with in defence debates. I even found myself hear-hearing at the end of the speech by the hon. Member for Barrow and Furness (John Woodcock), which is possibly a first for an SNP Member and is making him visibly nervous as I finish this sentence. Of course, it is a pleasure to follow my good friend, the hon. Member for Glasgow North East (Mr Sweeney). Of course, there were also excellent speeches from the SNP Benches by my hon. Friends the Members for Glasgow North West (Carol Monaghan), for Glasgow South West (Chris Stephens) and for West Dunbartonshire (Martin Docherty-Hughes).

I really do want to single out the hon. Member for Gedling (Vernon Coaker), who secured the debate. His opening speech was a forensic, thoughtful, blistering, sobering and eye-opening contribution on the state of defence and the armed forces and on the challenges we face now and will face in the future. The House is much better informed as a result of his securing the debate today. As he mentioned, it comes in the context of international threats from Russia, North Korea and an extremely unpredictable incumbent in the Oval office in the United States; new threats in relation to cyber-security and cyber-defence; and a boisterous Russia, which seems to have been in our waters on an almost weekly basis over the past few years.

Following the reshuffle, Defence is Whitehall's only all-male, all-white Department. The one woman who was a Minister there was replaced by a man. I make an

appeal to the Prime Minister, which perhaps the Minister on the Treasury Bench, who knows that I respect and like him, can take back: why can we not have the promotion of the hon. Lady sat behind him, the hon. Member for Berwick-upon-Tweed (Mrs Trevelyan)? She would not only make a fine Minister, but bring a new sense of dynamism and youth to that extremely male-dominated Department. I fear that my endorsement may have the opposite effect. [*Interruption.*] The kiss of death, I hear. In the week when the Army launched its diversity recruitment campaign, the one woman who sat in the Ministry of Defence as a Minister was moved elsewhere. So much—[*Interruption.*] So why not promote another woman to replace her instead of a man? That is the point I make to the House.

I want to look at the condition and state of the armed forces and illustrate what has been mentioned in the debate. Let us start with the Army, which is smaller than at any time since the Napoleonic wars. I will speak about terms and conditions, starting with the issue of pay. Because inflation is about 3%, the 1% pay cap is, in real terms, a cut to armed forces wages. It is no wonder that some on the Government Benches are looking at their feet, because I would be embarrassed to come to this Chamber and defend the Government's record on armed forces pay.

Under the new rates of Scottish income tax, an Army private on a salary of £18,500 will pay less than their counterparts based anywhere else in the United Kingdom. These personnel make up the vast majority of those who are based in Scotland. Those at the higher ends of the pay scale—who, yes, will pay a bit more—make up a tiny percentage. This is a legacy of decades of under-investment in defence in Scotland by the Conservatives and by Labour. Let us look at the increases in context. Under the new SNP tax plans, an Army sergeant will pay an extra £1.44 a week, and a naval lieutenant will pay an extra £2.61 a week.

The hon. Member for Moray, who was so outraged by all this, may wish to take one figure—the average salary in his own constituency. I took the liberty of looking it up just after his speech: it comes in at £22,584. The average taxpayer in his constituency will not pay any more. The frontline squaddie in Scotland is getting money in his pocket thanks to the SNP, while the hon. Gentleman's party cuts his wages, insisting on a continuous pay freeze.

Douglas Ross: Let me say once again that the nat tax will make Scotland the highest-taxed part of the United Kingdom. The hon. Gentleman will have to accept, despite what he says, that anyone in Scotland earning more than £24,000—hardly a high earner—will pay more tax under the SNP plans than they currently do. That is affecting members of our armed forces, who have been in contact with me about it.

Stewart Malcolm McDonald: I am grateful to the hon. Gentleman for allowing me to go over the figures again. An Army sergeant with a salary of about £33,000 pays £1.44 a week more. I think that it is fair to ask them to pay a little more, and entirely fair to ask officers who are earning in excess of £65,000 to pay a little more. Let us bear in mind that the average salary in his seat is under £23,000.

John Spellar: Will the Army sergeant, or member of whichever rank, be paying these tax rates based on where he was born, where he was living when he joined the forces, or where he is based?

Stewart Malcolm McDonald: Where they are based. That is why I said that the squaddies in Scotland will get a tax cut. What we can unite on—the right hon. Gentleman's party; my party; and, I understand, some sympathetic members of the Government party—is that it is time to lift the public sector pay cap, which is affecting serving soldiers.

Patrick Grady (Glasgow North) (SNP): Is it not the case that the sergeant my hon. Friend mentions who will be paying a little more tax will be getting free prescriptions, while their children will go to university for free and their grandparents will get free social care, because that is the social contract that the Scottish Government have with the people of Scotland?

Stewart Malcolm McDonald: They will benefit from many elements of the social contract. Of course, they already receive some of these benefits as members of the armed forces anyway.

I turn to the issue of housing. I was amazed to hear what the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) said. Actually, I should have singled him out because he gave a thoughtful speech. Military housing that I have seen is the kind of stuff that you would not put a dangerous dog into. It is one area where the right hon. Member for Rayleigh and Wickford (Mr Francois)—who is not in his place, unfortunately—sees that the Government really need to put some work in.

On recruitment, as my hon. Friend the Member for Glasgow North West said, we need an urgent alternative to the Capita recruitment contract, which rakes in about £44 million per year over 10 years. It was the right hon. Member for Rayleigh and Wickford who suggested, in his marvellous report last year, that an alternative way needed to be found to fill the ranks. On terms and conditions, let us get our house in order. The right hon. Gentleman has now rejoined us.

I say to Labour Members, in the genuine hope that we can work together on this, that we should get an armed forces trade union Bill before the House. Let us give the armed forces the dignity and decency they deserve as workers in uniform so that they are in a better position to bargain for better terms and conditions for themselves and their families. I am very pleased not only that that was in the SNP manifesto, but that my party is currently undertaking some policy work—led by our armed forces and veterans spokesperson, my hon. Friend the Member for Glasgow North West—on how we can improve the terms and conditions offered to the armed forces.

Mr Francois: The hon. Gentleman has mentioned accommodation. I do not know whether he is aware that Carillion, the parent company of CarillionAmey, is in an extremely difficult financial situation at the moment. It is actually in discussions with its creditors about whether the company will be allowed to continue. Under those circumstances, does he agree that it is extremely important for the Ministry of Defence to have a plan B, so that if the worst were to happen to the corporate entity, its personnel can still receive a housing service?

Stewart Malcolm McDonald: I am very grateful to the right hon. Gentleman for his intervention because he is absolutely right. My preferred option would be to bring this back in house. I do not know whether he would go

that far, but his central point is right that the MOD needs a plan B. I have been watching with interest the news on Carillion, which made the papers just this morning, and this is a really critical time for it.

I want to talk about capability, and I will do so briefly. We are running slightly ahead of time, but I wish to hear what the Minister has to say. Following the 2015 SDSR, there is a new mini-review, led by Sir Mark Sedwill, as several right hon. and hon. Members have mentioned. The review is looking at both security and defence aspects. My fear, which other Members have adumbrated, is that it is about what the Government can get away with spending, as opposed to what they need to spend given the threats they face.

As the hon. Member for Gedling said in his speech, we learned from a report in the *Financial Times* at the weekend that the review will now be split. Many of the Members who regularly attend defence debates will recall that the report was supposed to be published, and presumably a ministerial statement would have been made, early in the new year. I would have been charitable and extended that right up to the end of March. We now learn, however, that the defence aspects will be kicked later into the year. I would be grateful to the Minister if he told us in his summing up whether that is the case. The cynic in me does wonder—I am not normally one for being cynical—if this is about getting beyond the local elections in May. I sincerely hope not, because that kind of politics is not on.

James Gray: The hon. Gentleman seems to imply that there is some plot or conspiracy involved in splitting up the security and defence parts of the review. If that is the case, I strongly welcome it, because that means there is a much greater chance that the defence budget will not be cut. If the two parts are announced together next week, the extra spend—on cyber, for example—will come straight out of the defence budget. If he wants them to be announced next week, he is actually speaking in favour of defence cuts.

Stewart Malcolm McDonald: The hon. Gentleman is much more optimistic than me. I have seen just this week, on the European Union (Withdrawal) Bill, how the Government do this kind of thing. They take every opportunity to pull the wool over people's eyes. He need only ask his colleagues the hon. Members for Moray and for West Aberdeenshire and Kincardine, as well as the rest of the Scottish Conservative intake. We need a proper SDSR that takes account of the fact that we will no longer be members of the European Union, and of the fact that we have had currency fluctuations and the devaluation of the pound. I am in favour of taking more time if we get a more considered outcome, but the cynic in me suggests that that is not what is at play.

Dr Julian Lewis: I hope that the hon. Gentleman will see that separating defence from the amalgam that has been created could be a good thing, by focusing attention on the purely defence aspect, as he acknowledges, and by giving a new Defence Secretary the opportunity to fight and win the battles with the Treasury that need to be fought and won.

Stewart Malcolm McDonald: I am amazed that with their combined experience, the hon. Member for North Wiltshire and the right hon. Member for New Forest East (Dr Lewis) appear so optimistic, and I fear they

are trying to square a circle that cannot be squared. For more than a year, the SNP has called for a proper SDSR to take account of the fact that we are leaving the European Union, as well as the devaluation of the pound and currency fluctuations.

We must also address the nonsense that we have heard about 2% of GDP. The Government do not spend 2% of GDP on defence, and we should not let them get away with claiming that they do. That 2% includes things such as pensions, efficiency savings, and all sorts of things that it ought not to include. *[Interruption.]* I see that you are getting nervous about the time, Madam Deputy Speaker, so I will conclude my remarks and say that I think we should have more such debates on defence in the House. I think we should do that in Government time, and that the Defence Secretary should have turned up to the first defence debate of his tenure. It should not always be up to the Opposition to drag the Government to this Chamber to explain their woeful record.

4.26 pm

Nia Griffith (Llanelli) (Lab): I congratulate my hon. Friend the Member for Gedling (Vernon Coaker) on securing today's debate. He speaks with great authority and passion on defence matters. I echo the words of the hon. Member for Glasgow South (Stewart Malcolm McDonald), who said that we have heard many considered and well informed speeches today. They have included contributions from my hon. Friends the Members for Bridgend (Mrs Moon), for Barnsley Central (Dan Jarvis), for Plymouth, Sutton and Devonport (Luke Pollard), for Stoke-on-Trent North (Ruth Smeeth), for Glasgow North East (Mr Sweeney), for Barrow and Furness (John Woodcock), and for Clwyd South (Susan Elan Jones). I will not comment further, simply because time is marching on and I know that the Minister would like a decent time in which to respond.

The debate takes place at a time of immense uncertainty for defence and our armed forces. Recruitment has stalled across each of the services, with numbers falling year on year. The defence budget faces significant funding gaps, with fears of deep cuts to the Royal Marines and our amphibious capability. That uncertainty also puts at risk thousands of jobs in our world-class defence industry, and threatens to undermine our skills base and sovereign capability. Yet for all the talk of stand-up rows with the Chancellor and the Minister's threat to resign, we are still none the wiser about what the Defence Secretary and his Ministers will do to get to grips with these serious challenges.

The motion before the House rightly pays tribute to the brave men and women who serve in our armed forces. Their courage and dedication represents the very best of what our country stands for, and we pay tribute to all those who serve, and particularly those who were separated from family and loved ones over Christmas and the new year.

Last week I had the privilege of visiting personnel who are serving with the Royal Welsh in Estonia. I was visiting as part of the armed forces parliamentary scheme, and I pay tribute to the hon. Member for North Wiltshire (James Gray) for his hard work on that scheme. In Estonia, along with Members from across the House, I saw the vital work being done as part of NATO's enhanced forward presence there. It is clear that the mission is highly valued by the Estonian Parliament

and its forces with whom our personnel serve, as well as by the Estonian people more broadly. This is not just about defending Estonia from potential adversaries; it is about reinforcing NATO's eastern border and making clear that NATO stands as one against external threats.

As Britain leaves the European Union, it is all the more important that we dedicate ourselves to the international institutions that have served this country's interests over many decades, including NATO and the United Nations. Our work with those bodies is a reminder of the huge good that this country can achieve in the world, thanks in large part to the service of our armed forces personnel, be they serving on NATO missions or as part of UN peacekeeping efforts.

I profoundly regret that the last seven years have seen the weakening of our voice in the world, and it must be said that our current Foreign Secretary has not helped. Brexit cannot, and must not, be an opportunity for this country to turn inwards and shirk our international obligations. That includes the responsibility to be a critical friend to our country's allies when they flirt with pursuing reckless policies that endanger the international order.

One of our foremost international obligations is to spend at least 2% of GDP on defence, in accordance with our NATO commitments. The Opposition are fully committed both to NATO and to the 2% obligations; indeed, we spent well above that figure on defence in each year of the last Labour Government, with defence spending at 2.5% of GDP when Labour left office. I was pleased to hear the new Secretary of State say recently that he regards the 2% figure as a floor, not a ceiling; yet under this Government we have barely scraped over the line, and have come perilously close to missing the target altogether.

As the Defence Committee found, the Government are guilty of shifting the goalposts, in that they are now including in our NATO return areas of spending that were not counted when Labour was in government. The fact is that the 2% does not go nearly as far at a time when growth forecasts are being downgraded due to the Government's mismanagement of the economy.

The simple truth is that we cannot do security on the cheap, and the British public expect their Government to ensure that defence and the armed forces are properly resourced. With that in mind, I was staggered when the Secretary of State admitted to me at Defence questions that he had not been to see the Chancellor before the Budget to demand a decent settlement for defence. I just wish that he had spent as much time fighting for the defence budget as he appears to spend in briefing the newspapers about rows with the Chancellor and near-scuffles in the voting Lobby.

We know that the Government's national security capability review is being carried out within the same funding envelope as the last SDSR—that is, there will be no new money. It has now been widely briefed that the Government plan to hive off defence from the review altogether and carry out a separate exercise sometime next year. I should be grateful if the Minister clarified what the format and timetable now are. While we agree that the most important thing is to get the decisions right, this cannot just be an opportunity to kick the issue of funding into the long grass. Nor should the review be used to pit cyber-security against more conventional capabilities. Of course, we absolutely

[*Nia Griffith*]

must develop and adapt our capabilities as the threats that we face continue to evolve, but Britain will always need strong conventional forces, and those include the nuclear deterrent, as the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) will be pleased to hear.

There is considerable concern across the House about possible cuts to our conventional capabilities and to our personnel. We understand that our concern is shared by the Minister himself, who has even staked his own position on preventing further defence cuts. With that in mind, can he rule out once and for all that the Government are looking at selling HMS Albion and HMS Bulwark, and can he confirm that there will be no cuts to the Royal Marines? Those decisions would have a profound impact on the role of our Royal Navy and would limit our ability to carry out operations, contribute to NATO missions and facilitate humanitarian relief efforts, such as the recent Operation Ruman.

There is deep concern about the affordability of the Government's equipment plan more generally. The National Audit Office has concluded that it is at

“greater risk than at any time since its inception.”

We know that the plan was heavily reliant on efficiency savings to make ends meet, but the Defence Committee has found that it is “extremely doubtful” that the MOD can generate efficiencies on the scale required. Alarming, the Committee also uncovered considerable confusion between the permanent secretary and the former Defence Secretary over the figures for the projected efficiency savings, so can the Minister now clarify just how much the Department is counting on saving?

We also face a major challenge due to the dramatic slump in the value of sterling—down an unprecedented 17% under this Government. Given that £18.6 billion of the equipment plan is to be paid for in dollars, including the F-35 programme and the Apache attack helicopters, the Government need to come clean about the effect that will have on the already stretched equipment budget.

As well as investing in equipment, we must invest in the men and women who serve in our armed forces. Worryingly, the Government have decided to cut training exercises in the coming year, and I know that is a real source of concern to service personnel. We are also facing a crisis in recruitment and retention, with more and more personnel choosing to leave the armed forces. Indeed, every one of the services is falling in size, and the Government have broken their 2015 manifesto pledge to have an Army of 82,000 and the pledge they made before last year's election to maintain the overall size of the armed forces.

We have been clear that one way of beginning to remedy this sorry state of affairs would be to lift the public sector pay cap and give our armed forces a fair pay rise. It would not be a silver bullet for the real challenge we face with personnel numbers, but we know from personnel themselves that pay is one of the main reasons they choose to leave the armed forces. Indeed, satisfaction with basic rates of pay and pension benefits are at the lowest levels ever recorded.

We must also explore other means of boosting recruitment, particularly of those from under-represented groups. With that in mind, I welcome the Army's recent

recruitment drive, despite the mild hysteria it provoked in parts of the press. If we can remove perceptions that deter potential applicants, that is to be welcomed. But we must take more radical action, and that means looking very seriously at the recruitment contract with Capita, which is simply not fit for purpose. There have been substantial delays to the IT systems and the planned savings have not materialised. More fundamentally, Capita has simply not done its job of boosting recruitment.

I know that the Minister shares with Members across the House a strong commitment to the defence and security of this country. The question now is whether he can convince his colleagues across Government that we simply cannot do security on the cheap. We wish him well in that endeavour.

4.36 pm

The Parliamentary Under-Secretary of State for Defence

(Mr Tobias Ellwood): It is a real pleasure and an honour to respond to such a formidable debate, which has been detailed and truly constructive, and throughout much of it there has been a consensus on the direction in which we need to travel. I congratulate the hon. Member for Gedling (Vernon Coaker) on securing it and commend the Members throughout the House who have contributed—it is comforting and encouraging to know that hon. Members on both sides of the House can illustrate their case with such detail. In congratulating our brave and professional servicemen and women on what they do, may I also, on behalf of the whole House, express our gratitude to the families who support those in uniform, the cadets, who are the future of our armed forces, the reserves and the Royal Fleet Auxiliary Service? They all play an important role in defending our nation and reminding us of who we are.

There has been a Government reshuffle. I am delighted and honoured to continue in this role, but I want to take this opportunity to welcome the new Under-Secretary of State for Defence, my hon. Friend the Member for Aberconwy (Guto Bebb), and to wish all the best to my hon. Friend the Member for West Worcestershire (Harriett Baldwin), who has moved to the Foreign and Commonwealth Office. An SNP Member commented earlier on gender balance, and I am pleased to say that overall there has been a huge jump in the number of women who are Ministers, and let us not forget that we have a female Prime Minister—the second that the Conservative party has put forward.

The debate has focused on a number of areas: equipment and resources, defence expenditure and the size of our regular services. I will do my best to answer the questions that have been asked, but if I am unable to do them all justice, I will write to the hon. Members concerned—I am looking to the officials in the Box—and do my best to answer them in due course. Let me temper expectations, however, because I am unable to provide answers to some of the bigger questions on the capability review. Answers are coming and announcements will be made, so I ask Members to please be patient.

Before going into detail of the outputs, we should look at the bigger question, which I thought was wonderfully articulated by the hon. Member for Stoke-on-Trent North (Ruth Smeeth). She asked what role we require our armed forces to play. Of course they must defend our skies and shores and the UK's interests overseas, but do we aspire to partner with, train or lead

other like-minded nations in dealing with the threats and challenges the world faces? Should our defence posture be limited to war fighting and defending, or should it include stabilisation and peacekeeping capabilities? With the conduct of war advancing and the battlefield becoming ever more complex, how do we respond to the new threats that the fast-changing technology is presenting?

As reflected in this debate, Britain aspires to act as a force for good on the international stage. We have the means and the aspiration to step forward when other nations might hesitate. That is all the more critical at a time when some nations are ignoring the international rules-based order that we helped to establish and that has served us well for decades, and other nations are adopting a more nationalist approach.

That is why UK forces are currently conducting, and contributing to, operations across the world. We are contributing to defeating Daesh in Iraq and Syria, we continue to help train troops in Afghanistan through Operation Resolute Support, and we are supporting the Ukrainian armed forces by training them in the challenges they face. We are involved in peacekeeping missions in Kosovo, Somalia and South Sudan, and we are training the Libyan coastguard to respond to irregular migration in the Mediterranean and countering piracy off the horn of Africa. HMS Argyll and HMS Sutherland will both deploy to Asia-Pacific this year, and British military personnel will join military training on the Japanese mainland, underlining the UK's commitment to peace and stability in the region.

The hon. Member for Barrow and Furness (John Woodcock) asked the important question of where this will leave us post Brexit. We will not have an EU membership card in our back pocket, but we remain a formidable force—the biggest force in Europe—and I believe that the coalition of the willing will still step forward to meet the challenges of today, just as when there was an Ebola crisis in west Africa it was us who stepped forward along with other nations that are not necessarily all active members of NATO. The same will continue into the future. It is a question of whether we have the capability and desire to step forward, rather than of what organisations we might or might not be part of.

The versatility of our armed forces is regularly demonstrated when they step forward to help, not just by responding in war-fighting and peacekeeping scenarios but also, as has been mentioned, by responding to events such as Hurricane Irma in the Caribbean, with 2,000 personnel deployed there to provide humanitarian aid and disaster response. Op Tempora is another example of responding, when the security threat at home changes and our police require support, as we saw last year. Our armed forces provide invaluable support, not always seen, to our intelligence agencies, embassies and overseas development efforts, as well as to our police forces and communities, often with little recognition. I know the House will join me in thanking them for their efforts.

This is a big year for the armed forces as we mark 100 years since the end of world war one, and, as has been mentioned, it is 100 years since the founding of the RAF, and we look forward to celebrating that, too.

Conor McGinn (St Helens North) (Lab): I apologise to the House for missing today's debate, but I and my hon. Friend the Member for Sedgefield (Phil Wilson)

were on a visit to RAF Odiham with the armed forces parliamentary scheme. Will the Minister join me in praising the work done at that station both at home and abroad, notably in the alleviation of the destruction caused by Hurricane Irma last year? Does he also agree that the Chinook is a very versatile, robust platform and we should ensure it continues long into the future?

Mr Ellwood: I welcome the hon. Gentleman to the debate, and it is a pleasure to join him in paying tribute to RAF Odiham and all the RAF bases and the work the RAF does; this is going to be a fantastic year for the RAF. I encourage all Members to talk to their local authorities and ask what they might be doing to mark Armed Forces Day on 30 June this year. This is a great opportunity for us to make sure the nation and our local communities can celebrate what our armed forces do.

Mr Francois: I thank my right hon. and gallant Friend for giving way, and, like many others in this House, I am delighted that he remains in his place. I read his cogent article in *The Sunday Telegraph* about the many roles our armed forces perform, including in maintaining the economic wellbeing of our nation, not least as 90% of our trade comes by sea. Will he say something about the importance of that before he moves on to talk about equipment?

Mr Ellwood: I would be happy to do that. We perhaps take for granted how open our economy is, and how we require the freedom of the seas to ensure that we can trade and attract business here. There is now an entwined link between security and our economy, and we forget that at our peril. My right hon. Friend reminds us of this powerful point.

My hon. Friend the Member for West Aberdeenshire and Kincardine (Andrew Bowie) went through a comprehensive list of our equipment. I feel that he must have copied my list! I will simply underline the fact that we have some amazing bits of equipment coming through as a result of our pledge to spend £178 billion. The aircraft carriers have been mentioned, as has the F-35B, of which 14 have now been delivered. We have heard about the Type 26, and we have had a good debate about the Type 31. We have also heard about the River class, and the Dreadnought programme is coming on line as well. In the Army, we have the Ajax armoured fighting vehicles; these were Scimitars and Samsons in old language, if my hon. Friend remembers them. In the RAF, we have the upgrade of the Typhoon, and the F-35 fifth-generation fighter is joining our armed forces as well.

Much of this debate has focused on expenditure. As has been mentioned a number of times, the Defence budget is £36 billion this year. We hold the fifth largest Defence budget in the world. The Government have made a commitment to increase this by 0.5% above inflation every year of this Parliament, so it will be almost £40 billion by 2021. The Secretary of State has expressed the view strongly in public that the capability review is a priority for the Ministry of Defence, and he will shortly outline in more detail the process of how we will move forward. The capability review was brought about because things had changed since the SDSR in 2015. We have had terrorist attacks on the mainland, and cyber-attacks, including on this very building. We have also seen

[Mr Ellwood]

resurgent nations not following international norms. It was rightly decided that this necessitated a review, to renew and reinforce our commitment to the UK's position as a force for peace, stability and prosperity across the world.

James Gray: I am glad to hear that the Minister is taking the capability review so seriously. I want to ask one simple question. If the review comes to the conclusion that more defence spending is required, where will that extra money come from?

Mr Ellwood: My hon. Friend makes an important point. As I have said, it is for the Secretary of State to spell that out in more detail, and that will happen shortly, but that is the big question that we must ask ourselves as fiscal, and responsible, Conservatives. The money must come from somewhere, which is why we cannot simply rush in and say that it will be provided. The details need to come through, and I hope that we will hear more details from the Secretary of State in due course.

It is clear from the contributions that we have heard today, and also from the world around us, that the world does not stand still, and nor should we. We must be sure that we possess the right combination of conventional and innovative capabilities to meet the varied and diffuse threats that I have outlined. We must also retain our long-standing position as one of the world's most innovative nations, and do more to harness the benefits of technological progress and reinforce our military edge. I can assure the House that the Ministry of Defence has no intention of leaving the UK less safe, or the brave men and women of our armed forces more vulnerable, as a result of this review.

Dr Julian Lewis: Will the Minister give way?

Mr Ellwood: I will in a moment.

The House is well aware of my position on the size of the armed forces. I want to see the UK maintain its long-held military edge and its enduring position as a world leader in matters of defence and security. The Ministry of Defence and the Government as a whole share my ambition. I should also like to address the involvement of Ministers, and indeed generals and others in uniform, in the process. This has been run not just by the permanent secretary but by a team of generals. That point was touched on by the Chairman of the Defence Committee, and I give way to him now.

Dr Lewis: The Minister has just said that we will not be left more vulnerable. On 25 January last year, the then Defence Procurement Minister wrote to me to say that she could reassure me that the out-of-service dates for HMS Albion and HMS Bulwark remained 2034 and 2035 respectively, and that their roles remained vital. Surely that rules out the scrapping of those ships. They obviously still had a vital role to play in January last year. Why would their role be any less vital in January this year?

Mr Ellwood: I am grateful to my right hon. Friend. He asks an operational question about the amphibiousness of our capability. I stress to the House that we must maintain our amphibiousness, a capable Royal Marine presence and, dare I say it, a capable Para presence as well, so he can rest assured. I will not go any further

than that because we are getting into the weeds of operational decisions, and more will become clear very soon.

John Spellar: Going back to the point made by the Chair of the Defence Committee, if the capability was vital last year, when we were given an end date, what has changed in the meantime to put that capability in any way in question?

Mr Ellwood: The right hon. Gentleman is trying to pre-empt the capability review and what will follow. All I can ask for is patience, because the answers will be forthcoming.

Turning to a couple of other contributions, this has been a tough time for recruitment and retention, and we should be honest about the challenges, something which my right hon. Friend the Member for Rayleigh and Wickford (Mr Francois) studied in detail in his report. Nevertheless, I am pleased to say that recruitment is moving forward. We do have to change our approach, and we need to recruit specialists as well, because the art of war is fundamentally changing. The requirements for what is needed on the battlefield mean that we should not necessarily have to train somebody from start to finish. It may be easier to have somebody with the technology, understanding or detailed knowledge instead. For example, a subject matter expert for a country in the middle east could be brought in and trained and then could join our armed forces to provide that intelligence detail. That is exactly what 77th Brigade does, and it provides huge value away from the teeth arms, with which the right hon. Member for Warley (John Spellar) and I are more familiar.

We need to adapt and to reflect society as a whole. We have now opened up all roles to women, and our new campaign has led to a rise in applications of 20% since 2016-17. Reserves are also up by almost 5% on last year. The offering must also change, and some worries have been raised about accommodation, but we are looking at a new accommodation model, and I am concerned about what is happening with Carillion. We need to give individuals more opportunity. Do they want to stay in a garrison, do they want to rent, or do they want to own their own house? That is what other people aspire to, so why should somebody who joins the armed forces not be able to do the same? That is what our accommodation model is looking at. Many hon. Members have participated in the passage of the Armed Forces (Flexible Working) Bill, which will allow somebody to step back from what they are doing in the armed forces for a period of time, perhaps to spend more time with their family or possibly to have a child. That proposal is proving hugely popular.

The enterprise approach is about attracting people on sabbatical, such as someone with a senior engineering, cyber or linguistic capability whom it would not be cost-effective for us to train from the bottom ranks all the way through. The veterans' package has been mentioned, and I am proud of this Government's work in supporting the armed forces covenant, which over 2,000 companies have signed. We also have the Veterans' Gateway which, if hon. Members are not familiar with it, is the online portal that allows any individual to comprehend the myriad military-facing charities that are there to support our brave armed forces as they make the transition into civilian life. It is an excellent bit of work, and I recommend that all hon. Members look

at it. Finally on that front, through our mental health strategy we are trying to remove the stigma from someone stepping forward if they are suffering from any form of mental health issue.

A couple of comments were made about the public sector. Pay is obviously up to the Armed Forces Pay Review Body, but the cap has been lifted and there is the freedom to go above 1%. However, it is for the pay review body to make recommendations.

The last contribution that I want to comment on came from my hon. Friend the Member for Isle of Wight (Mr Seely). His pertinent point was that if the armed forces are not being used, they can be perceived as redundant. As Sun Tzu wrote in “The Art of War”:

“Supreme excellence consists in breaking the enemy’s resistance without fighting.”

Having an armed force, a posture and a strong capability that backs up our soft power can do much to influence the world around us without our having to leave it to war fighting or military engagement.

I would like to give a couple of minutes to the hon. Member for Gedling, who moved the motion, so I conclude by thanking all Members for their contributions. I hope the House will agree that we are deeply indebted to all those who choose to wear the uniform and, if required, stand in harm’s way in defence of our country and values and in aid of those in need across the world.

The professionalism of our defence people forms the hard power that is respected by our allies and feared by our adversaries, and it is that hard power that sits behind the country’s soft power that allows us to continue playing such an influential role on the world stage.

As the world moves faster and becomes more dangerous, we must not be naive about the durability of the relative peace that the UK has enjoyed over the past few decades. Our country, our open international economy and our values are vulnerable to a range of growing world threats that have no respect for our borders. It is critical that Britain’s defence posture remains credible and that we maintain our military edge. That is exactly what the Secretary of State is working to achieve.

I end by reminding the House that President Reagan said:

“Freedom is never more than one generation away from extinction.”

Let us not take our ability to fight and the security we have for granted. All of us in this House should make the case for strong and credible defence.

4.56 pm

Vernon Coaker: I thank the Minister for his response, and I thank all my hon. Friends and all hon. Members who have taken part in this well-informed debate. I gently say to the Minister that it is disappointing the Defence Secretary has not been here for at least part of the debate to listen to the intensity of feeling on both sides of the House that wants to get behind him in his arguments with the Treasury.

A lot of what the Minister said was, “There will be lots of answers in due course.” As it stands, we do not know from the Government about the size of the Army; about whether there are continuing threats to the number of Marines, to Albion and Bulwark, and to the number of planes; or about a whole number of equipment decisions.

The reason why the Government are in this predicament, as the right hon. Member for New Forest East (Dr Lewis), the hon. Member for North Wiltshire (James Gray) and many Opposition Members have said, is that the National Security Adviser told the Joint Committee on the National Security Strategy that he was instructed by the National Security Council to deliver a strategy review that is fiscally neutral. That means it does not matter what threats he uncovers or what threats he feels this country faces—we have heard that everyone believes those threats have increased and intensified—as he will not recommend that there should be more money; he will recommend that we cut from one area to pay for another. That is totally and utterly unacceptable to this Parliament, to the public and to this country. It is not good enough. The Government have to get a grip and realise that we will not have defence on the cheap—this Parliament will not vote for it.

I say this as a Labour politician: all power to the Department in its argument with the Treasury to get the money it needs to defend the country we all love and to continue promoting democracy and human rights across the world. That is what needs to happen, and all power to the Secretary of State as he argues with the Treasury to get that money. Anything else would be a diminution of the responsibilities of this Parliament.

Question put and agreed to.

Resolved,

That this House pays tribute to the men and women who serve in the Armed Forces; believes that the Armed Forces must be fully-equipped and resourced to carry out their duties; and calls on the Government to ensure that defence expenditure is maintained at least at current levels, that no significant capabilities are withdrawn from service, that the number of regular serving personnel across the Armed Forces is maintained, and that current levels of training are maintained.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): On a point of order, Madam Deputy Speaker. I wish to correct the record, as it appears I may have inadvertently misled the House this morning. During business questions, I spoke of the Scottish Government sending two letters to the outgoing Culture Secretary without reply. *Hansard* did not record the words “without reply”, but the Minister responded to that specific point in his response. It has since come to my attention that the Scottish Government have recently received a response from the Secretary of State, and I did not want the day to end without correcting the record. I thank you for the opportunity to do so.

Madam Deputy Speaker (Mrs Eleanor Laing): The hon. Gentleman is absolutely right. The record requires to be corrected and he has adequately done so.

Business without Debate

SELECTION COMMITTEE

Ordered,

That David Evennett, Andrew Griffiths and Esther McVey be discharged from the Selection Committee and Chris Heaton-Harris, Christopher Pincher and Andrew Stephenson be added.—
(*Christopher Pincher.*)

Plumbers' Pension Scheme

Motion made, and Question proposed, That this House do now adjourn.—(David Rutley.)

5.1 pm

Kirstene Hair (Angus) (Con): I am grateful for this opportunity to raise the issue of the plumbers' pension scheme, which affects small plumbing businesses in my constituency and in those of my colleagues across this Chamber. Most plumbers are part of a multi-employer pension scheme such as the Plumbing and Mechanical Services (UK) Industry Pension Scheme, which is run by the Scottish and Northern Ireland Plumbing Employers Federation. The scheme currently has more than 35,000 members, more than 350 contributing employers and, as of April 2017, £1.9 billion in assets. Since its inception in 1975, about 4,000 employers have paid into the scheme. Members would now like to know whether the 101%—the assets have been found to cover 101% of the liabilities—currently in the scheme is on a buyout basis or on a technical provision basis.

Fundamentally, this issue is a consequence of section 75 of the Pensions Act 1995, as amended in 2005, which covers what happens when an employer ceases to participate in a multi-employer pension scheme. When a participating employer leaves the scheme, either by becoming insolvent, winding up, changing its legal status or even simply no longer having any active members in the scheme, it becomes liable for a section 75 employer debt, to cover its share of the scheme's liabilities. The size of a section 75 employer debt can be known with any certainty only when the employer ceases to participate, due to the variety of factors that go into how the debt is calculated, which range from how many scheme members the employer employs and how old they are, to the value of the scheme's assets and to so-called "orphan liabilities". Orphan liabilities are those liabilities that cannot be identified from those who have left the scheme in the past. So, in essence, employers leaving the scheme today are on the hook for liabilities incurred by employers who left the scheme years ago.

There is nothing objectionable about the idea of a section 75 employer debt in itself. The premise that employers leaving a pension scheme should leave on terms that protect the integrity of that pension scheme is entirely reasonable. However, the legislation is not suited to the plumbers' pension scheme, and has inadvertently left many plumbers facing vast liabilities when they come up to retirement. Ironically, a measure designed, in good faith, to protect people's retirements has in this case put many people's retirements in jeopardy.

Hywel Williams (Arfon) (PC): May I draw the hon. Lady's attention and that of the House to early-day motion 414 of last November, which stands in my name and those of Members on both sides of the House? May I also draw her and the Minister's attention to the case of Mr Stuhlfelder, a plumber in my constituency, who cannot retire because of liabilities that he would incur? He wants to pass the business on to his workers, but that would deprive him of the pension pot that he has gathered so diligently over many years. He cannot hang around until 2020, and nor should he. That makes the case strongly to the Minister, as does what the hon. Lady has been saying, that we need quick action. We need diligence and prudence, but we need quick action on this matter.

Kirstene Hair: I completely agree with the hon. Gentleman. My constituents also have grave concerns because they could essentially be left with nothing. That is why I shall urge the Government to take up various recommendations later in my speech.

Why then does the legislation have unintended consequences for plumbers? The first issue is that the plumbing industry is mostly composed of small, often family-run businesses that have been established for many years, created local jobs and contributed to their local economies. Such businesses are the lynchpin of our communities. I have huge admiration for this prime example of true, independent entrepreneurialism. They have built businesses that have thus far largely withstood the rise of large corporations and the so-called gig economy.

The legislation is quite simply not made for industries such as plumbing. The turnover of employers leaving the scheme is higher because, of course, many plumbers shut down their businesses when they retire. In many other industries with multi-employer pension schemes, companies tend not to be tied to one specific person and are less likely to close voluntarily, whereas in plumbing there is a steady stream of employers reaching retirement and closing down their businesses, and now suddenly finding themselves liable for huge sums of money.

The turnover of employers, combined with the age of the scheme, has the additional consequence of making the aforementioned orphan liabilities particularly onerous. Much of the scheme's buy-out deficit comes from employers who left the scheme years ago, and that large liability is now being shared out among currently departing employers. Moreover, although many industries are mostly composed of limited companies, many plumbers own unincorporated businesses, leaving them personally liable for business liabilities such as the crushing section 75 employer debt.

Perhaps a plumber could change their unincorporated business into a limited company, but that in itself could incur an employer debt, leaving plumbers with little room to manoeuvre. They cannot sell the business or even transfer it from parent to child without incurring an employer debt, and nor can they move their employees to a new pension scheme. They are, in effect, trapped in the scheme, with no escape. Plumbers are therefore uniquely and personally exposed to the effects of having to pay a vast amount in employer debt when they retire. Many of the plumbers who have been faced with a massive bill when trying to close down their businesses had absolutely no idea that this could happen to them. It has been a sudden and deeply damaging surprise.

This issue is not 22 years old. The 2005 change from the minimum funding requirement basis to the buy-out basis, which requires a departing employer to pay enough into the scheme such that that employer's pension liabilities could be bought out with an insurance company, drastically increased the amount for which plumbers could be liable. Until recently, the plumbers' pension scheme was unable to calculate or estimate section 75 employer debts because the legislation was not easily applicable to the scheme, being as large as it is, and because it did not have all the necessary data. That has had a devastating effect on many plumbers.

Luke Graham (Ochil and South Perthshire) (Con): I congratulate my hon. Friend on securing this debate. Does she agree that providing clarity is key for so many

plumbers in her constituency, my constituency and others throughout the country, because the plumbers are suffering and the impact is on not only them and their employees, but their families?

Kirstene Hair: I completely agree. This issue affects not just the individual, but their company, their family and their livelihood. That is why it was so important to bring this issue to the Floor of the House.

Plumbers have worked hard all their lives and are now in danger of losing everything—their homes, life savings and plans for retirement—when they trigger their business's employer debt, and all for being responsible, sensible employers who sought to provide for their employees' retirements. It is a tragic irony made even worse by some of the frankly ludicrous sums involved. Some plumbers are finding themselves liable for hundreds of thousands, even millions of pounds—amounts of money that they could not possibly manage to pay. I urge the trustees immediately to carry out an accurate valuation for these plumbers.

Stephen Kerr (Stirling) (Con): My hon. Friend is making a powerful case, and I congratulate her on securing this debate. I will not be the only Member of this House who has had the distressing experience of listening to the agonies through which these good people are going. They are people who have worked long and hard and built something up for their families, and they now face financial ruin. It is right that the fund's trustees should undertake a thorough review of all the options, but does my hon. Friend feel that the Government have a part to play in helping to bring clarity to the situation?

Kirstene Hair: I thank my hon. Friend for his intervention and completely agree that there is a role for the trustees to play and a role for the Government to support that process.

Alan Brown (Kilmarnock and Loudoun) (SNP): On the suggestion about the trustees doing an evaluation, I understand what the hon. Lady is saying, but will that evaluation not just highlight the ludicrous position facing people that she has already highlighted? We need not just an evaluation, but a different way of evaluating debt, because, as was correctly pointed out, this is fully funded anyway. It is actually a change in the legislation that is needed rather than the trustees doing that evaluation.

Kirstene Hair: I thank the hon. Gentleman for his intervention. I do go into that particular point in a little more detail further on.

Plumbers have been checkmated by the legislation. They have no room to manoeuvre, no way out. Every possible move, it seems, will trigger the employer debt and bring it crashing down on them and their livelihoods.

The damage to some plumbers' mental and physical health, family life, and financial security cannot be overstated. When these constituents appeared at my surgeries, their levels of desperation were evident. For many plumbers, the only option is to carry on—to defer retirement and even take second jobs, and hope that some form of relief comes before it is too late. These people are not fat cats trying to avoid paying their due. For years, they have dutifully paid their contributions into the scheme. They are ordinary entrepreneurs who

wanted nothing more than to give their employees a decent pension. That is a principle that I strongly stand by and I know that it is one that this Government stand for, too.

Douglas Ross (Moray) (Con): I, too, congratulate my hon. Friend on securing this very important debate. She is speaking about the impact that this is having on her constituents, but I am sure that she also recognises that my Moray constituency has some of the highest number of plumbers affected by this problem. Does she agree that they need answers sooner rather than later? The biggest problem is obviously the funds and the amounts that they are facing, but there is also the uncertainty, and the longer that that goes on, the worse it is for them, their employees and their families.

Kirstene Hair: I thank my hon. Friend for his intervention and completely agree with him. That is why, when I go through my recommendations for the Government shortly, I will also urge that those actions to be taken with immediate effect, so that we can alleviate that pressure on the plumbers in constituencies across the country.

I understand that this is a very complex system and that we should be wary of making any changes too hastily, lest they then have unintended consequences of their own. We do not want to solve this crisis by creating another one, let alone inadvertently make matters worse. Likewise, I recognise and support the principle behind employer debt. We do not want to open the door to companies being able to walk away from a pension scheme and dump its liabilities on other employers. None the less, the system is obviously not working as intended right now. None of the people who contributed to the legislation as it stands today could possibly have envisaged creating a system that has left ordinary plumbers facing, potentially, six or seven-figure bills when they try to retire. This is, self-evidently, not the way that it was meant to work.

There is surely a case to be made for recognising the unique situation of the plumbers' pension scheme. More flexibility would certainly be welcome, especially with respect to the buy-out basis, unincorporated businesses and orphan liabilities. One could perhaps make the Pension Protection Fund a guarantor of last resort for the scheme's orphan liabilities, as is currently the case in single employer schemes, so that those liabilities are not included when calculating the section 75 employer debt. As I mentioned earlier, the plumbers' pension scheme is well funded and is on course to pay all members' benefits in full, so there is little chance that the PPF's role as guarantor would ever come into play. There must be a solution to this crisis, and any solution should also address the fact that the plumbers' pension scheme includes unincorporated businesses where the owner's house and life savings are at risk. One option could be, for example, to help plumbers seeking to avoid personal ruin by incorporating their businesses and by removing the funding test requirement from the flexible apportionment arrangement regulations in such cases.

Likewise, a solution should address the gross unfairness of employers in the scheme currently having to pay for liabilities incurred by employers who left the scheme before 2005, who did not need to pay anything when they left. I understand that the Government recently consulted on a deferred debt arrangement that would

[Kirstene Hair]

allow employers in multi-employer pension schemes, such as the plumbers' pension scheme, to defer payment of an employer debt in certain cases. I am also aware that the Green Paper, "Security and Sustainability in Defined Benefit Pension Schemes", has looked into the issues of unincorporated liability and orphan liabilities, and that a White Paper responding to these issues is coming soon. I hope, therefore, that the Government are looking into all options as to how we can get justice and peace of mind for plumbers, and that they will not delay in making the necessary changes to the system. The sooner this crisis is resolved, the better.

It is worth reflecting on the issue of raising awareness among small businesses of section 75 employer debt and other pension liabilities. Many plumbers affected by this issue were wholly unaware that they could be made liable for such vast quantities of money, and that is not right. We should aim to ensure that small business owners enter multi-employer pension schemes with their eyes open, and that they are properly informed of any changes in the legislation and their potential consequences.

To conclude, the situation facing many plumbers right now is wholly unjust. Small business owners who have done nothing wrong are being penalised by the totally unintended consequences of the legislation as it currently stands. We need action to ensure that the system works as intended, and delivers relief and justice to upstanding plumbers who, through no fault of their own, are going into 2018 with a vast liability hanging over their heads. I urge this Government to take the actions I have outlined today.

5.15 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): I commend my hon. Friend the Member for Angus (Kirstene Hair) on securing this debate on this very important subject. I assure her that I have been listening carefully to her contribution and to those of other hon. Members. I would like to try to provide some reassurance, explain some action that is being taken and answer the individual solutions that she has so sensibly set out.

Since my appointment last June, I have spoken and written to several colleagues in the House who have made representations—much as I have heard this afternoon—on behalf of their constituents. I utterly recognise that it is a worrying situation for the employers in the scheme and for the individual pensioners who are so affected. The previous Pensions Minister committed to look at this issue following previous debates, and we set out some matters in our Green Paper, which was published in 2017. As my hon. Friend outlined in her speech, we will shortly be setting out the response to that in a White Paper. Although I cannot say in advance what the White Paper will say in detail, I will address some of the issues that she has raised. I will also attempt to demonstrate the difficulties we face in what is clearly a very complex area.

Let me first address who this matter affects; there are effectively four or five parties. There are the employers, who continue to be involved with this scheme, and the trustees, who are responsible for ensuring that the pension scheme is run properly and that the members'

benefits are secure. More specifically, there are the members themselves, who have worked hard to build up a pension and deserve to have it paid in full. I should also mention the PPF, which provides vital protection to members of pension schemes whose sponsoring employer becomes insolvent. However, the PPF is funded by levy payers, which are of course other pension schemes, and their sponsoring employers. Therefore, any changes would have a wider impact on the financial levy of other pension schemes and consequences for the amounts that they would have to pay. By any interpretation, this is a complex situation, and building a consensus solution that is fair and equitable to all is extremely challenging. We have to be conscious that this scheme is one of many multi-employer schemes, and that any changes for this particular scheme—however worthy and important it may be—has consequences in some shape or form for other schemes.

It is important to remind hon. Members of the background to this issue. The original legislation was introduced to protect members' pensions, and was then strengthened in 2005. A key principle is that employers cannot walk away from their obligations if they have promised a pension to their employees. Before they do, they must ensure that members' pensions are paid in full. In a single employer scheme, this would be through buy-out with an insurance company. The similar arrangement in a multi-employer scheme, as we have here, is the payment of an employer debt. This helps to ensure that members receive the pensions they have worked for and been promised when their own or former employer ceases to participate in the scheme.

The current regime is also designed to protect those employers who remain in the scheme and are also a party to this problem; they would be left to pick up the shortfall left by departing employers. The Government estimate that there are about 25 other multi-employer schemes with a design similar to that of the plumbers' pension scheme. It would be difficult to consider introducing specific legislation about one particular scheme's problems, especially as, since 2005, many similar such schemes have paid their section 75 debts and complied with the current legislation. That includes employers who were personally liable for any debt they may have owed.

There are also nearly 1,000 "last man standing" multi-employer schemes in total. To comply with legislation, a debt should be calculated when individual employers ceased to participate in a multi-employer scheme. It is with regret that, since 2005, the trustees of the plumbers' scheme have been unable to calculate or collect the debts, so the scheme has not been able to provide any estimates on the levels of potential debts. It is therefore absolutely important that all concerned do not create any unnecessary anxiety by speculating about the size of any potential debts before they are calculated. I am pleased that this week the scheme that we are concerned with has announced plans to consult on a methodology for calculating debts in February. That is long overdue. It is vital that that work is now done urgently so that all concerned about all aspects of the scheme, and on all sides, can work together to agree a way forward with employers affected.

I want to use this debate to try to suggest possible solutions and to answer the laudable recommendations made by my hon. Friend in her outstanding speech.

Employer debt legislation applies to all schemes, not just the plumbers. The Government are fully aware of the issues that employers have faced in complying with this legislation. A significant number of changes have been made to legislation, in response to representations made by employers, whereby only part of the debt or no debt may be payable. Those arrangements are available under current legislation and are being used right now.

My hon. Friend the Member for Stirling (Stephen Kerr) and the hon. Member for Arfon (Hywel Williams), whom I know well, mentioned plumbers who may be personally liable and are genuinely worried that they may lose their homes. It is worth pointing out that the majority of employers in this scheme are limited companies and are protected through limited liability, but I turn to the situation affecting unincorporated and incorporated employers.

For those who may be personally liable, there is already legislation that could assist. The personal assets of an incorporated employer are protected. Employer debt valuation is not required for an employer to become incorporated. My hon. Friend the Member for Angus mentioned the flexible apportionment arrangement. This is already available in legislation and can be used to help unincorporated employers incorporate without triggering an employer debt. The arrangement has been used by employers in this scheme and is one of the arrangements that can be used to help unincorporated employers, some of whom have been mentioned in correspondence to me and in this debate, provided that the scheme is no worse off from a funding perspective.

I turn to my hon. Friend's point about the funding test. The Government believe that it would be wrong to remove the funding test as it provides an important protection for both members and the remaining employers. The plumbing pension trustee has a streamlined flexible apportionment arrangement process in place to help small employers wishing to incorporate. Individuals who want more details on this arrangement should contact the plumbing pension scheme to discuss their situation and whether an FAA can help. I urge individuals worried about their personal liability to contact the scheme to discuss their situation in more detail.

Once the debts have been calculated, the scheme trustees can also use their discretion not to pursue a debt when they expect that doing so would represent a disproportionate cost to the scheme.

I turn now to the key issue of a deferred payment scheme. We have recently consulted on regulations, including a new deferred debt arrangement, that will enable employers in multi-employer pension schemes to defer the requirement to pay an employer debt in some circumstances. This is a further tool for those affected by this problem. We aim to introduce these regulations in April, which will provide valuable breathing space for employers, so that they can consider their options on how to meet their obligations.

The issue of orphan liabilities was raised, as well as those relating to members whose employers no longer participate in the scheme. I am aware that the scheme would like to exclude orphan liabilities from the calculation of employer debt. That requirement to meet a share of orphan liabilities is common to all multi-employer schemes and is an integral part of member protection. I understand that the scheme has substantial orphan liabilities from employers that have departed it, but it is important to

note that these liabilities are dated from the period both pre and post-2005. Changing legislation to enable schemes to accept less money when they are underfunded simply passes more risk on to members as it moves schemes further away from being able to secure members' benefits in full.

I await the White Paper, but the Government's provisional view is that it would not be right or fair to pass this burden on to the PPF and its levy payers, which are, of course, other pension schemes, and their sponsoring employers, who have no connection with, or responsibility to, the scheme. The legislation only requires departing employers to pay an employer debt when there are insufficient funds in the scheme to secure members' benefits in full.

Several people talked about the funding of the scheme. In 2014, as an ongoing technical provision, the scheme was funded to the tune of 101%, but on a buy-out basis, it was deficient by 25%, hence the difference in the valuation and difference of comprehension on that point. That also answers the question from the hon. Member for Kilmarnock and Loudoun (Alan Brown).

It is accepted entirely that this is a very complex area in which there is no quick fix; no solution is pain free. It is only right that any changes should be carefully thought through, proportionate and justified. The Green Paper explored many of the issues facing defined benefit schemes. In particular, consolidation could provide a long-term solution for schemes currently unable to afford a full buy-out. Further work is being done on this, and it would not be right to pre-empt the outcome, but the White Paper will be delivered in the fullness of time, relatively shortly.

Alan Brown: I appreciate the fact that the Minister says the White Paper will come shortly. Will he say how soon and what the timescale will be for legislation after that? That is the important thing. Also, I am bringing forward a 10-minute rule Bill on this issue, and I would be happy to work with the Government on aspects of it, if he is willing to do that.

Guy Opperman: The hon. Gentleman asked me three questions. I will write to him with a bit more detail, because the time available to me is limited. The White Paper will be delivered at some stage this spring. Spring is an elastic term in the House of Commons, as he will understand, but it will certainly be delivered before the summer period. I look forward to his ten-minute rule Bill.

To be fair to my hon. Friend the Member for Angus, she has set out a number of positive solutions, some of which we have been able to take forward. I am aware that there is an all-party parliamentary group and I am happy to meet the group to discuss the matter in more detail. I will certainly write to individual colleagues with more detail on what we have discussed today.

I congratulate my hon. Friend on bringing a very important matter to the House. I want to make it absolutely clear that we accept that this is a complex but very upsetting situation for many of our constituents. We have all had individuals attend upon us with a file of papers and say, "Please help me sort this out." I appreciate that problem and welcome the fact that she has taken the time to bring her constituents' concerns to the House. I hope that I have provided some comfort about what we are doing now, some aspiration about what is

[*Guy Opperman*]

coming in April and the opportunity to address the problems raised by individual constituents, because we take this matter very seriously.

Question put and agreed to.

5.29 pm

House adjourned.

Westminster Hall

Thursday 11 January 2018

[PHILIP DAVIES *in the Chair*]

Forestry in England

1.30 pm

Neil Parish (Tiverton and Honiton) (Con): I beg to move,

That this House has considered the fifth report of the Environment Food and Rural Affairs Committee, *Forestry in England: Seeing the wood for the trees*, Session 2016-17, HC 619, and the Government response, HC455.

It is always a pleasure to serve under your chairmanship, Mr Davies. It is good to see my friend from the Select Committee on Environment, Food and Rural Affairs here. I have forgotten her constituency. Sheffield, is it?

Angela Smith (Penistone and Stocksbridge) (Lab): Penistone and Stocksbridge.

Neil Parish: Penistone and Stocksbridge, that is right. It is also good to see my hon. Friend the Member for Brecon and Radnorshire (Chris Davies), who sat on the Select Committee in the last Session and had a lot to do with this report, and who also chairs the all-party parliamentary group on forestry, and other hon. Members. It is also good to see the Minister is still in her place—congratulations.

Forestry and woodland provide multiple environmental, social and economic benefits. The Department for Environment, Food and Rural Affairs estimates that woodland provides at least £1.8 billion in social, environmental and economic benefits each year. Trees are beneficial for carbon capture, reducing flooding and improving air quality, as well as providing timber for commercial production and creating green spaces for people to relax in and enjoy. But it was particularly disappointing to hear the Government say that there is no need for forestry representation when discussing the UK's exit from the EU. Given the nature of research and development and that forestry research is already underfunded, I ask the Minister to reconsider keeping this funding in place, in particular for disease control. I found the Government's response to our report, if I may say, disappointing. I hope she will be able to address some of the concerns we all share about forestry.

I very much support the ambitions of the northern forest and I look forward to the Government bringing forward the practical application of creating a great woodland across the north of England. I ask of the Minister that at some stage we will be able to discuss exactly how this will be achieved. We have the national forest, which we will be able to expand, but I am keen to see whether we can find ways of bringing land into tree planting and take the farming community with us as we do it. There will be land very suitable for tree planting. The land north of Hull is some of the best arable and vegetable growing land in the country. We need to ensure we have this balance.

I am sure the Minister will also consider the type of forest we require. We require tree planting for the environmental, social and community benefits, but what really matters is how we deliver a large forest in the north of England in the future. I want to see a mixture. For instance, take the Blackdown Hills in my constituency: there is a lot of forest, farmland in between, copses and areas where people can stay, walk and enjoy themselves. Woodland is great and woodland is right, but we also need a mixture of landscapes for it to be enjoyed. I always remember driving through the Redwood forest in the United States of America. We drove through the forest for some three days. One of the Americans said to me, "Gee, have you been to the Redwood forest?" and I said, "Yes, I have, but I've almost seen enough of it." I saw a tremendous amount of trees and they are fantastic, but I think we need a mixture of landscapes to really make it enjoyable for the public.

In our report we asked for a one-stop shop for farmers and landowners to get grants and advice on which trees to plant. So far, the Government have resisted this idea, but I think it will be more and more important to do that, because we have environmental schemes, which we can change as we move to a British agricultural policy that is much more linked to forestry, but we also have to ensure that support can be accessed reasonably easily and that it is encouraging farmers and landowners to plant trees. I have said many times in this House that when I was a young farmer, if I borrowed a lot of money to buy land and said to my bank manager, "Well, now I am going to plant trees," he would say, "Mr Parish, you should plant something that may bring an income in a little sooner, rather than 50 or 60 years hence."

I am not asking for a licence to print money for farmers, I am just saying that if we want to encourage farmers to plant trees—I believe that on marginal land and certain types of land they will be quite keen—they need the right support. Why should a farmer—perhaps a seventh generation, or even first generation, sheep farmer, beef farmer or arable farmer—be told, "Right, you must now plant trees."? I do not think any Government will do that, but we can encourage farmers to plant more trees. This northern woodland will be a real challenge, but it could also be very successful. However—I say again—it has to be done in the right way.

I spoke before about the countryside stewardship scheme. We have found in the past few years that there have been fewer schemes in place and fewer trees planted. There is a real opportunity now, because the schemes under the EU common agricultural policy do not allow for enough tree planting, and where they do, we have to work out whether the tree is a tree or a sapling and all sorts of complications. I am sure that is something we can make much better.

I also acknowledge that the EU is part of the problem and that post-Brexit the policy can change. Farmers, I believe, will be interested in planting more trees. We can also plant trees in banks to help with flooding. We can have more forestation, more woodland, greater wildlife and retain soils in the fields and stop communities from being flooded. There are many advantages to changing this. Today, I listened to the Prime Minister set out our 25-year environment plan, for which I have much enthusiasm, but now I want to see the practical application of how we will meet these goals. If we want to change a

[Neil Parish]

financial regulation in banking, we change it and that hopefully fixes the problem, but if we want to plant millions of trees, we have to physically plant those trees, we have to find the land and the policies to do it. I am not saying that we cannot do it, but what matters is how we deliver that in the future.

Timber from the woodlands has many economic benefits. I know that my hon. Friend the Member for Brecon and Radnorshire has done much work on timber, timber use and natural timbers being used in this country. We also need to look at that. Going back to the New Forest—do we want woodlands just for recreation? Do we want them for the carbon capture? Or do we also want them for the wood they will provide in the future? We sometimes think that trees live forever. They do not, and we need to cut them down and then replant, so let us look at the type of trees that we are growing.

Mr Marcus Fysh (Yeovil) (Con): Would it help to improve access to, and the quality of, smaller woodlands if crafts using wood grown within the same woodland were always regarded as ancillary to forestry within the planning guidance?

Neil Parish: Yes, my hon. Friend makes a very good point. It will also be about linking the woodland and the craft to a given area. We could do the same with types of wood and the crafts that come from them as we do with food, farming and types of cheeses. It is an interesting point. Linking it to planning is not necessarily the responsibility of the Minister today, but is something that I am sure the Ministry of Housing, Communities and Local Government could look at.

Coming back to timber, we now have an opportunity to grow a number of types of trees. We also have an opportunity to advise farmers, landowners and those who want to plant trees on the varieties and species to plant. It is very difficult, and nobody can be blamed for this, but who would have known that we would be facing Chalara and ash dieback? We were not facing it a few years ago. In the south-west and in parts of Scotland, the larch has virtually all had to be cut down because of disease. As we move forward, it is going to be so important that we have the right types of trees so that it is right for recreation, the right scale, organisation and landscape of planting, and that we plant the trees that, hopefully, will be there for generations. That, in itself, will be a big challenge.

Antoinette Sandbach (Eddisbury) (Con): I invite my hon. Friend to come up to my constituency where Delamere forest nurseries, which are part of the Forestry Commission, grow many different types of trees and look in particular at future climate change impacts and what species will be best to plant.

Neil Parish: If I can get the Whips to allow us to get as far as Vauxhall bridge before calling us back for a vote, I will definitely try to get up to my hon. Friend's constituency. She is absolutely right. Naturally, we are looking for ash trees that will have a resistance to the dieback. Where I farm in Somerset we had elm trees completely destroyed by Dutch elm disease in the '70s and '80s, and we are yet to find an elm tree that is resistant to the beetle and to Dutch elm disease. Those

sorts of things are so important so that we have our native trees as well as new trees that can be brought in.

Alex Chalk (Cheltenham) (Con): Does my hon. Friend agree that as we seek to select the correct species mix in certain areas it is important to take account of local knowledge? In my constituency, the Friends of Leckhampton Hill and Charlton Kings Common has a huge number of volunteers who help to maintain local woodland and up on the Cotswold escarpment. Their views should be taken into account; does he agree?

Neil Parish: I very much agree with my hon. Friend about local knowledge, because sometimes a local tree, or the strain of a tree in a given area, is the one that we need to plant. That is so important. I always say that it is good to have 25 letters after your name, but sometimes those who have real local knowledge, know exactly what they are doing over the years and have had experience also need to be listened to. I would endorse that entirely.

With the renewable heat incentive, biomass boilers are a means by which we can grow some woodland—some hardwoods and others. We can also thin woodlands out to manage them in a better way. I have to admit that I spent 10 years in a terrible place called the European Parliament—I know that there will be a lot of hissing and booing at that point—but I did actually see a much better management of woodland in parts of southern Germany, in Austria and in other countries. They were actually using their woodland and the wood resource much better. We see woodlands for sale in many parts of this country, and people buy it as an investment and enjoy having a bit of it, but they never really do much to it. Woodland can be a greater resource for not only biodiversity and wildlife but timber, and that is where we can do more.

On ancient woodland, I better not mention the Parliamentary Private Secretary, my hon. Friend the Member for Taunton Deane (Rebecca Pow), who likes to chain herself to every ancient tree that she finds, and quite rightly so, because she is very concerned about ancient woodland being cut down. We do need to consider that. Again, we have heard from the Prime Minister that trees need to be protected, and we are keen to see that happen.

Finally, when the Minister sums up, will she tell us exactly how she sees the way forward towards having DEFRA, Natural England and the Environment Agency completely joined up in delivering more trees, more woodland planting and a better grant system that is more accessible, easier and more attractive to those who want to plant trees in the future, so that we fulfil our aspirations to plant more trees? Can we also encourage organisations such as the Woodland Trust and others, which are doing so much good work, with even more help? I am a great believer that planting more trees is good for recreation, good for the environment, good for carbon capture and good for wood production.

1.47 pm

Angela Smith (Penistone and Stocksbridge) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. It is a pleasure to follow the hon. Member for Tiverton and Honiton (Neil Parish), who chairs the Environment, Food and Rural Affairs Committee in a very skilled, constructive and inclusive manner.

I start by declaring an interest. I am a member of the Woodland Trust and the Yorkshire Wildlife Trust, which the Chair of our Committee will be pleased to know. I chaired our sessions on the report because the Chair was indisposed, if I can put it that way, and was very pleased to do so. The report made 15 recommendations, and since it was published the Government have made good progress in some areas—for example, trees and woodland have become better embedded in cross-departmental Government policy, such as in the clean growth strategy—but in other areas the Government's response has been rather weak, and some extra clarity is needed on their position.

Before I go through that, I want to refer briefly to the environment plan. It is very difficult to have this debate without referring to today's publication of the 25-year plan, which is strong on rhetoric. This morning the Prime Minister delivered a bucolic vision of the countryside where everything smells nice and looks good, but the realities of the countryside are rather different. One of the challenges of this plan will be the need to establish how rigorous it is in terms of its ability to deliver. It has already been noted that there is no legislation planned to underpin the priorities of the plan and the delivery of its objectives. I note the commitment to a national tree champion, and it would be good to hear from the Minister—I, too, am pleased that she is still in her place—the detail of what exactly this national tree champion will deliver.

To return to the report, I will speak in turn about three important areas of policy. I hope the Minister will take my comments in the spirit intended and consider them carefully in her response. First, on funding, it became clear during our inquiry that the current system of grants and subsidies is not working, as the hon. Member for Tiverton and Honiton said earlier—I nearly called him my hon. Friend. The countryside stewardship scheme was singled out for its tortuous system of administration. As he pointed out, our witnesses almost universally favoured a return to a one-stop shop system for grants. That would not only deliver a seamless and accessible approach to securing grants, but give more of a balance between forestry and agriculture, knitting the two together in terms of how landowners and farmers can deliver our objectives as a country.

The Secretary of State has told us that such a system cannot be implemented until we leave the European Union. However, we recommended that the Government take steps now so that they can reinstate such a system post-Brexit on day one, whenever that is. We have yet to see any evidence that any steps have been taken, although in his letter dated 24 November to the Chair of the Select Committee, the Secretary of State said that he is “keen to interrogate”

the concept of a one-stop shop further, and to “consider how such an approach could operate in future.”

I ask the Minister directly: can we expect the details of the review of countryside stewardship and the fruits of the Secretary of State's thoughts on a one-stop shop to be published any time soon? Can we expect clarity, or perhaps even a Green Paper, on how all of it might work if the Secretary of State accepts that the concept represents the right way forward?

Ancient woodland is our most wildlife-rich land habitat. It is key to fighting climate change and tree pests and diseases. More than that, it is a priceless commodity

that we should all cherish. It frustrates me enormously that the idea that we can destroy ancient woodland and replace it by planting elsewhere is still current in many circles, particularly in the planning system and the attitudes of some developers—not necessarily housing developers, but developers across the piece. I refer, of course, to the application in my constituency to build a motorway services station that would involve significant destruction of Smithy wood, which is ancient woodland. Local people feel strongly about it and do not accept that the destruction of ancient woodland is a price worth paying for the jobs that the service station would deliver.

One crucial recommendation of the report was that the Government maintain an up-to-date public register of ancient and veteran woodland. Such a register would provide a focus for scientific research and aid sustainable development and planning. It could form the cornerstone of woodland conservation policy—that is how important ancient woodland is to our tree heritage. The Government's lacklustre response to that recommendation was to assess the feasibility of the idea. Since the report, the Woodland Trust has generously offered to support the register through funding, data management, staff resources and expertise. Have the Government finally managed to assess the feasibility of the recommendation, giving particular thought to the kind and constructive proposals made by the Woodland Trust?

Finally, on woodland cover, it was heartening to see the Government pledge £5.7 million at the weekend to help start the creation of the northern forest. I pay tribute to the Woodland Trust for its imaginative thinking, and I support wholeheartedly its efforts to raise the rest of the moneys required to deliver the project. Although I cannot commit personally to finding the rest of the £25 million, I will do all that I can to support the trust in that respect. It is important that the trees are planted in the right places and that we think through the project properly. I am sure the trust will do so.

There is a danger that the northern forest concept will overshadow and obscure the fact that the Government are currently failing badly on their targets for planting more trees generally, which are themselves limited in ambition. In our inquiry, the Select Committee recommended that the Government commit to reaching 12% woodland cover by 2060, and to plant 11 million trees by 2020. Whether or not the Government meet those targets will be the marker for whether their forestry policy as a whole has worked. The northern forest is good, but Parliament should not be fooled for a minute into thinking that it is the next stage in the Government's forestry ambitions. As it stands, the target of 11 million trees by 2020 will not be met.

The Minister has said previously that the target will be met easily. I hope so, but I am not confident. The two years since the pledge was made have been two of the worst planting years on record. The rate has been roughly half what is required if the Government are to have any chance of fulfilling their commitment. That does not bode well for the long-term target, on which serious doubt has unsurprisingly been cast by the forestry sector. To reach it, planting rates would have to sit consistently at 5,000 hectares a year for the next 42 years, roughly double the rate of recent years. I look forward to the Minister's response on that point.

We need to reach the short-term target of 11 million trees by 2020, and we need to reach the more ambitious target of 12% of woodland cover by 2060. The Secretary

[Angela Smith]

of State himself admitted that that is limited in ambition at the recent Woodland Trust reception—I think he referred to it as “pathetic”. If it is pathetic and limited in ambition, a target of 11 million trees by 2020 should be achievable. What will the Government do to achieve it, as well as helping the Woodland Trust deliver its northern forest?

Finally, I refer briefly to the comments made by the Chair of the Select Committee about the need for mixed planting and the role of forestry in our economy and agricultural system, in terms of recognising its economic value more clearly. That was at the heart of the report. I completely acknowledge his points and agree with his comments. They were important points about the industrial role that timber can play in our economy and the need for the Government to properly support our foresters and the role of forestry in the economy. The grant system is at the heart of all that, and it must work properly if we are to improve forestry’s role in our economy and make it more robust. I look forward to the Minister’s points, particularly on that.

Several hon. Members *rose*—

Philip Davies (in the Chair): Order. Before I call the next speaker, there are four people seeking to catch my eye, and I intend to call the Front-Bench speakers at 2.30 pm. I will not impose a time limit, but if people can be mindful and keep to about eight minutes each, it will give everybody a fair crack of the whip.

1.58 pm

Antoinette Sandbach (Eddisbury) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. Before I begin, I point Members to my entry in the Register of Members’ Financial Interests. I am grateful to my hon. Friend the Member for Tiverton and Honiton (Neil Parish) for securing this debate and for his work and that of the hon. Member for Penistone and Stocksbridge (Angela Smith) on the Committee during the writing of the report. I know that my hon. Friend has taken a long-term interest in such matters across his career, both in the House and beforehand. That kind of long-termism is what I would like to talk about.

One thing that comes across time and again in the Select Committee report is that the sector needs long-term decisions taken very far in advance, purely and simply because it takes 40 years or more to grow a tree. When one considers that length of time, one sees the disincentives for landowners to plant, because they do not get a return on what they plant for 40 years. That is the main issue that the Minister faces in encouraging landowners to plant. I am pleased to see the Minister back in her place, because continuity helps long-term thinking, as is evident in the 25-year environment plan that was launched today.

I have briefly spoken about Delamere Forest already, which is in my constituency. It has 750,000 visitors a year and is described as the “green lungs” of the north—that is, until the new northern woodland, an initiative that I am delighted about, gets built. The forest contains several sites of special scientific interest. Its nursery grows a wide variety of trees that help research into the resilience of forests, particularly to the threat of climate change, and provides for all the Forestry Commission

planting across England. It is a huge asset to my constituency and to the country. I invite the Minister to come to visit the forest and see the fantastic work that takes place there.

When it comes to enhancing the forests, I welcome the Government’s ambitious targets for the medium and long term. Planting 11 million trees by the end of this Parliament will be a step forward in the stewardship of our natural heritage. Likewise, the longer term aspiration of increasing woodland cover from 10% to 12% by 2060 is rightly ambitious, but I ask the Minister to commit to that as a target, not as an aspiration—perhaps she will deal with that in her response. Like the hon. Member for Penistone and Stocksbridge, I am concerned that we will not meet that goal.

The Government need to encourage the private sector to step up and plant more, which means giving long-term assistance to landowners. In the 25-year environment plan, I am pleased to see ideas of measuring the extent to which carbon can be locked up in our trees and of encouraging the building industry to use UK-grown timber. Hopefully, they would mean that wood would not be burnt for biomass, carbon would be locked up and recycled wood would be used to renovate buildings. It would be a future win if the Ministry of Housing, Communities and Local Government were to look at using better, British timber in building, which would create a good market for UK-grown produce.

In the 25-year environment plan, I am also pleased to see that the Government are looking at a forest carbon guarantee scheme. I am keen to hear more about that from the Minister. If the kind of woodland management that my hon. Friend the Member for Tiverton and Honiton described is to happen, we will need an annual payment to cover its costs. The reality is that thinning out trees or dealing with trees that are blown over by massive storms hitting the UK is expensive—there is often a net cost to the landowner—and does not provide a return.

If we are serious about forestry planting in this country at the required scale, I encourage the Minister to look at an easy-to-access grant scheme. The Government are asking landowners to plant in situations where they could, for example, rent out that land to other farmers for arable farming or stock grazing. Farmers will need some sort of incentive to encourage them to plant trees there.

I want a diverse landscape in the UK. I want our native species to be planted, but I also want commercial species such as Sitka spruce and Douglas fir to be planted as resources that can be used for highly efficient buildings. There are very good building designs in Scandinavia and elsewhere that use wood, are highly energy efficient and are quick to build because they can be pre-fabricated. That is failing in the UK at the moment because the banks are failing to recognise the long-term durability of houses built using wood. If the Minister works with colleagues in the Ministry of Housing, Communities and Local Government to get some sort of certification scheme going, we can have a virtuous circle in the UK that works to the benefit of our constituents and the environment.

We import 80% of our timber—a shocking statistic. I encourage the Minister to take forward some of the ideas that have been published today in the 25-year environment plan and to work across Departments to

see how we can encourage that virtuous circle of planting that will bring all the benefits that my hon. Friend the Member for Tiverton and Honiton spoke of. In the meantime, I extend my invitation to visit the wonderful forest of Delamere to all hon. Members present.

2.6 pm

Sandy Martin (Ipswich) (Lab): It is a pleasure to follow the hon. Member for Eddisbury (Antoinette Sandbach).

One of the few areas of the economy where we can be fairly sure that Brexit will lead to an increase in activity is tourism. The fall in the pound relative to other currencies has already led to a boost in our tourism from domestic and foreign visitors. The nature of our countryside is crucial for the future economic health of our country.

Woodland makes a vital contribution to the feel of that countryside. It is not easy to quantify, but if I were to ask anyone who knew anything about England to paint a picture of the English countryside, I would take a fairly safe bet that it would have at least some trees in it.

I do not underestimate the importance of trees as commercial timber. I would support any measures that would increase our ability to meet our timber needs from trees grown in this country, but we need to bear in mind that the tourism value of woodlands—especially ancient woodlands—is usually much greater than their timber value.

We need a woodlands policy that maximises the tourism value of our woodlands while also meeting our timber needs. Some of the classrooms that I was taught in as a small boy were built in wood back in the 13th century, so it is certainly a very durable material.

Neil Parish: You weren't there then!

Sandy Martin: I was not there when they were built, no.

To maximise that tourism value, we need woodlands that are large and established enough to boost biodiversity. Small copses and individual trees have great value, but we need some larger forests in this country, although I do not wish to replicate the American redwood forests of the nightmares of the hon. Member for Tiverton and Honiton (Neil Parish).

We need to protect our biodiversity-rich ancient woodlands wherever they are. We need more trees of all sorts and trees to fit with our other economic and land-use needs, but I take this opportunity to press for the protection of ancient woodlands, for more serious forests in the UK in the future, and for policies that ensure that those things are achieved.

2.8 pm

Chris Davies (Brecon and Radnorshire) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. I thank my hon. Friend the Member for Tiverton and Honiton (Neil Parish) for securing this debate and for chairing the Environment, Food and Rural Affairs Committee so eloquently and constructively. It was a pleasure to serve under his chairmanship for the first two years of my parliamentary career in Westminster. I also welcome the Minister back to her place. It is a

pleasure to see her and I look forward to working with her open-door policy over the next few years before she goes on to even greater things.

I have a declaration to make. The forestry and wood-processing sector is well represented in my constituency of Brecon and Radnorshire: we have three sawmills, including the largest single-site sawmill in Wales—BSW's at Newbridge-on-Wye—which employs 148 staff. Over the past decade, BSW has invested more than £6 million in the site, which produces more than 150,000 cubic metres of saw and timber each year for the construction industry and for the fencing and landscaping markets.

Given that I represent a large rural constituency in which forestry and timber support so many jobs and families, hon. Members will not be surprised to hear that I have served as chair of the all-party group on forestry since 2015, when I was elected. Not many of its members are present today, but it is always well supported and it represents all sectors of this country. Unusually, Scotland is exceptionally well represented. Sadly, not many Scottish Members are in the Chamber—I am sure they have all rushed off to their trees in Scotland because they miss them when they are down in London—but the Scottish Government are leading on tree-planting and forestry. England, Wales and Northern Ireland could do with learning from Scotland. This is probably the one and only time I will ever say that, but I do give Scotland credit.

I am proud to have served for the past two years on the Environment, Food and Rural Affairs Committee and to have contributed, along with three other hon. Members present—my hon. Friend the Member for Taunton Deane (Rebecca Pow), the hon. Member for Penistone and Stocksbridge (Angela Smith) and our Chair, my hon. Friend the Member for Tiverton and Honiton—to its important and constructive report. I am sure you have read it from cover to cover, Mr Davies, so I will not dwell on it for too long.

Neil Parish: We will test him later.

Chris Davies: Absolutely. Despite its title, our Committee's inquiry looked beyond England, and a number of our recommendations are relevant to the forestry and timber-processing industries throughout the UK, which employ nearly 80,000 workers and contribute £2 billion to our economy each year. Forestry businesses operate across geographical boundaries—Forest Sawmills in my constituency has operations in Worcestershire and in south-west Scotland. This diversity is reflected in the make-up of our all-party group, in which the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) sits alongside the hon. Member for Stroud (Dr Drew) and my hon. Friend the Member for Berwick-upon-Tweed (Mrs Trevelyan). Forestry crosses not only constituency and country borders, but party lines. Long may that continue.

This is the second Westminster Hall debate on forestry since I was elected in 2015. In December 2016, while the Environment, Food and Rural Affairs Committee was considering forestry in England, I secured a debate on tree planting in the UK. Much has happened since, but sadly not all of it has been positive. Our report noted in March 2017 that the UK was the third-largest importer of timber in the world, behind only Japan and China. Since then, unfortunately, the UK has overtaken Japan

[Chris Davies]

to become the second largest importer of timber—at a time when the World Wide Fund for Nature warns that global demand for wood will triple by 2050. That, perhaps more than anything, demonstrates clearly why it is so important for Parliament to make its voice heard and send a strong signal to the Government that the UK must plant more trees now to ensure a secure and growing supply of domestically sourced timber in the future.

I have referred to the considerable investment in timber processing in my constituency. I am pleased to say that rising demand for timber products, which is good not only for our environment but for our economy, means that similar investments have taken place up and down the country. However, investment in processing capacity by companies such as Norbord, Egger, and James Jones and Sons is entirely linked to the availability of the raw material they require—timber. The industry body Confor—the Confederation of Forest Industries—predicts that, unless tree-planting rates are greatly increased, the UK faces a timber gap in the next 20 years. We can plug that gap by taking action now, but there really is no time to lose.

Our report referred to:

“Getting the most out of forests and woodland”

and highlighted the need for a “long-term strategy for forestry”. It is self-evident to those of us with even a passing knowledge of forestry and timber processing that, as hon. Members have said, any strategy for the sector needs to be long term. It takes at least 30 years for a sustainably grown spruce tree to be ready for harvest. To put that in perspective, the trees being harvested now were planted when Ronald Reagan was President of the USA, the USSR was still in existence and, perhaps most surprisingly of all, the now untouchable Manchester City were in the second division of the Football League. Changed days indeed, Mr Davies.

Our report recommended that

“the dual benefits of agriculture and forestry should be recognised by having a single grant scheme to support both sectors.”

It also urged

“those in the forestry sector to approach the Parliamentary Under-Secretary of State for the Environment and Rural Life Opportunities as early as possible with any concerns, opportunities and thoughts they have on the forestry sector when the UK leaves the European Union.”

I am pleased to say that the forestry sector, under the umbrella of Confor, has done just that—it has had very positive talks with the Minister. I began my speech by welcoming her back to her place. One thing I can say is that her door is always open, both to Members of Parliament and to the industry. She is always prepared to have discussions, and I thank her for that.

The industry has published an excellent discussion paper with proposals for how a common countryside policy can support forestry and woodlands in the UK when this country leaves the EU, which it will. It has also made great efforts to engage with environmental non-governmental organisations, farmers and landowners to find common ground on how best to support the Government’s aspirations for a green Brexit and how to replace the common agricultural policy. In October, Confor published a joint statement with the Woodland Trust and the Country Land and Business Association,

setting out guiding principles for the Government to follow to support our forests and woodlands in the years ahead. I urge the Minister to consider those principles.

Many people with an interest in forestry have an understandable fear that it is the forgotten F-word, constantly competing for attention with food, farming and fisheries. It does not get the attention that such a successful industry, which provides good-quality jobs in rural areas such as Brecon and Radnorshire, fully deserves. Next time hon. Members speak about our countryside and its great rural businesses, I urge them not just to praise farming and fisheries—although they do need praising, believe me—but to make a point of saying “farming, fisheries and forestry” instead. It is not often that using the F-word improves a sentence, but that was a good example. I am pleased to commend our report and thank our Chair for introducing it.

2.17 pm

Theresa Villiers (Chipping Barnet) (Con): I welcome the opportunity to follow my hon. Friend the Member for Brecon and Radnorshire (Chris Davies). It is also a pleasure to serve under your chairmanship, Mr Davies.

I congratulate the Chair of the Environment, Food and Rural Affairs Committee, my hon. Friend the Member for Tiverton and Honiton (Neil Parish), on introducing this debate on the Committee’s welcome and thoughtful report on a significant issue. It gives us an opportunity to highlight the significant importance of forests and woodlands not only to our environment, but to our quality of life, as hon. Members have pointed out. I was pleased to see that sentiment reflected in the report, in the Government’s response and in the evidence given to the Committee by witnesses.

My suburban constituency of Chipping Barnet illustrates that the debate is not just of interest or relevance to rural areas. There are a number of woodland areas in Barnet: we have woodland around Monken Hadley common that dates back hundreds of years—it may have been continuously wooded since the end of the last ice age. Coppetts wood, at the other end of the constituency, used to be part of Finchley common, the haunt of highwaymen in the 17th and 18th centuries. It underwent a spell as a sewage works, but was subsequently revived and renewed and is now a welcome public space. Whittings wood between Arkley and Underhill brings us right up to date, because it was planted in 1996 and is now ably managed under the stewardship of the Woodland Trust.

A key goal for me as a Member of Parliament is the conservation of our natural environment. I warmly welcome the work that the Committee has put into the report, the strong commitment on the environment that the Prime Minister made today and the 25-year plan that has been published.

Like others in this debate, I want to focus on ancient woodlands. I welcome chapter 6 of the report, which covers that area. I also strongly support the Conservative manifesto commitment to strengthen protection for ancient woodlands in the planning system. I recently had the pleasure of joining the all-party parliamentary group on ancient woodland and veteran trees, and I was alarmed to learn at the first meeting I attended that as many as 500 ancient woodlands across the country may be under threat. I appreciate that in certain circumstances some loss of this valued habitat is unavoidable—for

example, in relation to crucial major infrastructure projects of national significance—but I am alarmed that according to research by the Woodland Trust, current threats to ancient woodland include projects for caravan sites, leisure activities, waste disposal and, as we heard from the hon. Member for Penistone and Stocksbridge (Angela Smith), a motorway service station. It is hard to see how that kind of land use can possibly justify the destruction of irreplaceable ancient woodland.

Our planning system should provide that building over ancient woodland should be permitted only in wholly exceptional circumstances. I support the Committee's call for more extensive and systematic measurement and recording of ancient woodlands so that we have a better understanding of what we have and how much of it is under threat. I hope the Minister will respond to those important recommendations.

A key goal for all of us who recognise the benefits of woods and forests is not just protecting what we have, but planting more trees. I therefore urge the Minister to ensure that the Government deliver on their commitment to plant 11 million trees during this Parliament, plus a further million in our towns and cities. I note the scepticism we have heard from some this afternoon and from some witnesses in the Committee's inquiry on the likelihood of the Government being able to deliver the long-term goal of 12% forestation by 2060. DEFRA's response to the Committee rightly indicates that the private sector will be crucial in delivering on that very long-term goal. I agree that it is important for the private sector to do more.

With that in mind, I hope the Minister will consider putting a renewed focus in the Government's clean growth strategy on planting trees as carbon stores. My understanding is that companies can include trees planted abroad in their carbon accounts, but cannot claim a similar credit for trees planted in the United Kingdom. I hope the Government will consider changing that. In other crucial decisions they will be making over the next few months, such as the replacement for the common agricultural policy, I hope that the Minister and Secretary of State will take into account the importance of woodlands and hedgerows. I appeal to the Minister to ensure that trees, hedges and small woods are better integrated into our new system of agricultural support.

In his speech to the Oxford farming conference recently, the Secretary of State said that he wanted sustainability and environmental goals to be at the heart of the UK's new system of farm support after we leave the EU. I urge the Minister to ensure that that includes rewarding farmers for taking care of trees on their land and supporting them to add new trees, hedges and shelterbelts. It is important to bear in mind what has been said this afternoon and what is in the report about the importance of ensuring that the system for administering and applying for support payments is vastly simpler, more straightforward and more logical than the CAP it will replace.

In conclusion, as the evidence to the EFRA Committee showed, woods and forests provide a whole range of benefits to everyone in our society, including tackling climate change, reducing floods and improving air quality. As we have heard eloquently from a number of speakers, there also include significant economic benefits. As places of beauty and tranquillity, woods and forests can deliver significant and valuable public health advantages by providing opportunities for recreation, physical and

mental relaxation and an escape from the pressures of life in modern Britain. Projects such as the northern forest illustrate the value we place on our woodlands, because it has captured the public's imagination.

In preparing my remarks today, I was reflecting on the track record of my predecessor as Member of Parliament for Chipping Barnet, a wonderful man by the name of Sir Sydney Chapman. He was famed for his project, "Plant a tree in '73". It was one of the first large-scale environmental movements. It was followed by the less well-known, but equally well-named, "Plant some more in '74". While Sydney is sadly no longer with us, the trees that he was responsible for planting will leave a green and leafy living legacy for decades and perhaps even centuries to come. In future years, I hope this Government will be remembered for many positive things, but also for the trees and woodlands we planted as part of our commitment to be the first to leave the environment in a better state than we found it. We have the opportunity to do that. I urge the Minister and her colleagues to ensure that that happens.

2.26 pm

John Mc Nally (Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate the hon. Member for Tiverton and Honiton (Neil Parish) on securing this interesting, topical and timely debate. I wish a belated happy new year to all. It is good to see members of the Woodland Trust present. I will try to be fairly brief and get to the end of this speech without losing my voice.

Many enlightening points have been made during the debate. The hon. Member for Penistone and Stocksbridge (Angela Smith) made good points on how to merge forestry and farming. She also talked about ancient woodlands. I am eternally grateful to the hon. Member for Taunton Deane (Rebecca Pow) for her ambition on preserving ancient woodlands. She provided me with a huge insight into the problems that exist. The hon. Member for Eddisbury (Antoinette Sandbach) talked about addressing short-termism. We have been practising short-termism for far too long. It needs to stop but there seems to be no end in sight. Things are taken week to week, month to month and year to year, and that has to change. The aspiration that she mentioned needs to become a certainty in policy.

The hon. Member for Ipswich (Sandy Martin) mentioned tourism, a special interest of mine, which I will speak about later. I am extremely grateful to the hon. Member for Brecon and Radnorshire (Chris Davies) for his words recognising the work that the Scottish Government are undertaking. The right hon. Member for Chipping Barnet (Theresa Villiers) well expressed her local knowledge and interest in the history of her area. She also talked about the conservation of ancient woodlands and the threats to them. All those things are very commendable, and I agree entirely with many of the things that have been said. There is cross-party agreement on many of these issues. Trees, birds, wildlife and the whole habitat depend on the whole transnational situation.

I would like to bring to the Chamber's attention how the matters we are debating today affect Scotland and their potential impact on Scottish interests. I hope that Members will bear with me—I recognise this is essentially a debate on English issues—if I get a wee bit parochial. The Scottish forestry sector supports more

[John Mc Nally]

than 25,000 full-time equivalent jobs and contributes some £1 billion gross value added to the Scottish economy. Our forestry sector represents 64% of the UK's total green wood output. It is an essential part of our landscape's visual appeal, Scottish industrial supply chains and the provision of a multitude of ecosystem services, from flood mitigation and erosion control to habitat for pollinators.

Considerable social and health benefits are being realised through the Scottish Government's use of planning policies to encourage the afforestation of vacant and derelict land. Tourism and recreation in Scotland's national forest estate contributes £110 million each year to Scotland's economy, supporting around 4,000 jobs. That was brought clearly into focus just yesterday at an event I co-hosted in the Jubilee Room in Westminster Hall with my hon. Friend the Member for Linlithgow and East Falkirk (Martyn Day). The companies benefiting from the hugely successful series "Outlander" were exhibiting their products there. For providing such a marvellous afternoon, I would like to thank the Earl of Hopetoun; Campbells, which is a successful fine food business located in the Falkirk area; Mary's Meanders; and Diageo, which supplied the wonderful whisky. It was plain to see that the beauty of our landscape was critical to the success of the series, and the tourism it has subsequently attracted is enormous. Within the series, producers used magnificent trees to set many of the scenes—indeed, trees and forests were crucial to the location sought out.

Our woodlands are to be treasured, but forestry is a sector vulnerable to uncertainty. Trees occupy land for a long time, and leave it in a condition that is expensive to restore to its original state. No sane land manager is likely to consider planting them unless they are certain that they will benefit. In addition, key parts of the sector's supply chain, such as commercial forest nurseries, find it difficult to cope with surges and crashes in demand. It is therefore vital that the Governments in Scotland and the UK do all they can to provide the sector with a long-term view of the incentives and support mechanisms in the markets that will be available for forestry once we leave the EU.

That brings me to the crux of the matter. The forestry Bill passing through the Scottish Parliament includes the formal devolution of competences over forestry but, as we withdraw from the EU, the allocation of funding for both forestry and agriculture has been retained here in Westminster by the UK Government. As you will know, Mr Davies, European funding has been a vital lifeline for forestry in Scotland and elsewhere, with 55% of the Scottish Government's forestry grant scheme coming from the European agricultural fund for rural development. The current round of that scheme is worth £252 million from 2014 to 2020. Forestry research is vital as we adapt to and try to mitigate the effects of climate change and the spread of exotic tree pests and diseases. However, as the Environment, Food and Rural Affairs Committee heard during its inquiry, the money made available for it has halved in recent years, and the Forestry Commission's research agency relies on European money for some 16% of its dwindling budget.

I have a significant question for the Minister, to which I hope she will respond. Professor Graeme Roy, director of the Fraser of Allander Institute, giving evidence to the Scottish Parliament two years ago in July 2016, said:

"Scotland has about 8 per cent of the UK population, but about 18 per cent of UK CAP payments come to Scotland. How will that funding reach the Scottish budget? It will not come through tax revenues. If comes through Barnett, you will get 8 per cent of the equivalent spending in England and Wales, which is certainly not 18 per cent. What is the mechanism by which those additional revenues will flow into the Scottish budget?"—[*Scottish Parliament Official Report*, 28 July 2016; c. 17.]

I reiterate that question, and ask the Minister how she intends to bridge the financial chasm identified by Professor Roy that is opening up between Scotland's present share of the UK's common agricultural policy payments and what we can expect to receive via the Barnett formula.

At present, we have guarantees from the Department for Environment, Food and Rural Affairs underwriting the EU funding allocated up until the UK leaves the EU in 2020, but again that represents a cliff edge beyond which nothing is certain. We have no clarity as of yet about what support for agriculture or forestry will look like in a post-Brexit UK, nor do we know how money will be allocated to the devolved Administrations. Since we have recently seen the appointment of a Secretary of State who is a great believer in communities being their own architects of choice, could the Minister provide an update on his plans for funding post-2020? Such an announcement—it may have been made and I have missed it—would do much to alleviate fears in this sector, such as those expressed by the UK forestry sector representative body Confor, which predicted in 2016 that uncertainty over future grant funding availability will discourage investment in large planting schemes.

The Scottish forestry sector is valued by the Scottish people and Government, and is of strategic importance beyond being a source of timber. The Scottish Government recognise the importance of forestry in mitigating and adapting to the effects of climate change, restoring environmental health and improving human health. It is a vital and expanding part of Scotland's industrial chain. Considerable private investment has been made in both forest management and processing timber. Investors need reassurance that Scotland is open for business, and clarity regarding future trade arrangements and tariffs. I will end by again asking the Minister for clarity about future funding and trade arrangements, and echoing the call made by the hon. Member for Tiverton and Honiton for deeds, not just words.

2.34 pm

Dr David Drew (Stroud) (Lab/Co-op): It is a delight to serve under your chairmanship again, Mr Davies. I thank the Chair of the Environment, Food and Rural Affairs Committee, the hon. Member for Tiverton and Honiton (Neil Parish), for introducing the debate. If nothing else, it gets Lord David Clark off my back. When I was on the Committee he spent a lot of time asking why we never debated forestry. I had to explain to him that I was a limited voice on a much bigger Committee, but it is good that the Committee has discussed it, and that the hon. Gentleman has managed to arrange today's debate for the same day as the announcement of the 25-year environment plan. If only I had that much authority, I would not be where I am today.

This is an important milestone and an important piece of work by the Committee. Government Members can be critical of the Government, and I will also make

some points in that respect, but today's debate is largely consensual, because we all love trees and want more trees. The only question is how we get them. Sadly, we do not always simply get more trees—some are cut down, which causes all sorts of problems. I have a great many friends in Stroud who seem to spend a lot of their time sitting in trees that they do not want cut down, but that is Stroud, and they are the people I represent. I therefore have an interest in how trees have grown and been saved, and sometimes not been saved.

Today's debate is marked by the interests of a number of bodies. I will declare my own interests: I am a member of both the National Trust, which has a great many trees in Stroud, and the Gloucestershire Wildlife Trust, which also has trees. I am indebted to the Woodland Trust, which also has trees in Stroud, and Confor, which does a marvellous job in making sure that the all-party parliamentary group on forestry—it is good to see the group's chair, the hon. Member for Brecon and Radnorshire (Chris Davies), here—functions very efficiently and effectively. I dare say, That is why we are discussing trees today.

I owe much of my knowledge of forestry to a dear late friend, John Workman, who, by any stretch of the imagination, would be described as a forester. He was such a good advocate of forestry that he bequeathed all his woodlands—he was a single gentleman—to the National Trust. The Ebworth Estate—I do not know whether hon. Members know Stroud—is a wonderful centre. The woodlands around are crucial to the way in which Stroud, as a constituency, lives, breathes and functions. His dream was always that there would be a ring of trees all the way around the centre of Stroud, so that people could walk round without ever leaving the woodland. That has not quite come to pass, because there are certain private woodland owners who have not yet agreed to full access. I say to the Minister that it would be interesting to see how the new structure of farm payments will encourage woodland owners, with sensibility, to make sure that there is proper access, so that people can walk round and get the benefits of that.

Antoinette Sandbach: I am always interested in calls for access, because one of the big problems is the spread of disease. *Phytophthora ramorum* spores can very easily be spread on people's boots, so if someone walks in a forestry that has *phytophthora* in it—most of the Forestry Commission wood in Wales does—other woodland could be infected. Will the hon. Gentleman comment on how he would deal with the question of access versus disease?

Dr Drew: When speaking of access, I used the word "sensibility". People cannot be allowed to walk wherever they want—that has to be recognised—but there is a lot of evidence that the right to roam, within reason, has been less destructive than some people would allege, and I think that we can move forward on that.

We have had very good contributions from my hon. Friends the Members for Penistone and Stocksbridge (Angela Smith) and for Ipswich (Sandy Martin), from the right hon. Member for Chipping Barnet (Theresa Villiers), and from the hon. Members for Brecon and Radnorshire and for Eddisbury (Antoinette Sandbach), as well as a short contribution from the hon. Member for Yeovil (Mr Fysh). Although hon. Members from the Scottish National party are largely interested in Scotland,

it is good that we recognise that this is a genuine United Kingdom debate. We should welcome that, and learn from what they are doing right in Scotland, because we all have to plant more trees.

To be slightly critical of today's environment plan—I have only just got a copy of it, but perhaps the Minister can explain this to me—the first bit says:

"We will also work with industry and support Grown in Britain to increase the amount of home grown timber used in England in construction, creating a conveyor belt of locked-in carbon in our homes and buildings".

I am not quite sure what that means. If the Minister can tell me what "locked-in carbon" neutrality is, I would be very pleased to be disabused.

In the few minutes I have left, I will concentrate on three areas, some of which have been highlighted already. I want Minister to understand where there is a need for more detail, both in the response to the Select Committee report and in the 25-year environment plan. First, there is the issue of how we get to 12% by 2060, which is not clearly spelled out in either the response or the 25-year environment plan. We need detail about how that will be achieved. There is a lot on aspiration, but much less on the detail. Those with knowledge of the industry are more than a little sceptical about where the detail will come from.

Secondly, there is the issue of woodland management and how we protect our ancient woodlands, which a number of hon. Members highlighted. We need to lay down clearly what the criteria are for the planning system. I am aware that that is not the Minister's responsibility, but she will have to talk to the Ministry of Housing, Communities and Local Government about areas where we are protecting woodlands, which means that they cannot be developed.

A particular interest of mine is how forestry relates to climate change. Again, I have not had the opportunity to read the 25-year plan in detail, but I am a bit worried that the approach to carbon capture and to using woodlands as part of how we deal with climate change is not as clearly spelled out as it could and should be. It would be useful if the Minister can say something about how management, protection and growing more trees will be achieved.

Finally, as the Chair of the Select Committee intimated, the grant system is more than a little messy. The way that countryside stewardship approaches woodlands is dated. There are a number of other grant schemes, which I have never really understood—I am not an expert in this field—but I talk to people who have an interest in how they might be persuaded to grow more trees. As has been made clear, we are not just talking about the new northern forest, much as it is welcome—I suppose the northern forest will be alongside the new northern powerhouse, but it could be around it. This is not just about the big answers, but about the small copses and areas around the market towns where I live. We have got to give landowners, including housing developers, the opportunity to come up with innovative schemes.

I want to mention two other people in passing, because they are apposite to this debate. John Parker, who happens to be a constituent of mine, is the head of trees at Transport for London, and has taught me a few things about how we need to look at tree surgery, which we have not touched on, and the way in which we maintain urban trees as well as trees in the countryside.

[Dr Drew]

That is very interesting, because we must not see urban trees as negligible. They are part of the solution, so we need more trees in the urban setting. Chris Uttley has been leading a project to try to keep the water upstream so we have less flooding in towns such as Stroud, and part of that is about the sensitive planting of trees. Those people are important to me locally, and they have part of the solution for dealing with climate change and flooding, and maintaining our natural environment alongside our built environment. I look forward to hearing from the Minister, who is going to provide all the detail now she is back in office.

2.44 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Tiverton and Honiton (Neil Parish) on securing this debate on forestry, and I thank his Committee for producing its report. Hon. Members will have seen our formal response and our exchange of correspondence with the Committee. I welcome this debate, which is extremely timely, particularly given that the 25-year environment plan was published today. We are moving forward and developing a long-term vision for the environment. Today, the Prime Minister launched our landmark 25-year plan, which sets out how we will improve the environment over a generation. I was very pleased to be reappointed Environment Minister to see some of it through and I thank hon. Members for their kind words.

The much-said mantra “the right tree in the right place” can serve multiple benefits, as has been illustrated today. Forestry and woodland creation, and its sustainable management, offer a wide range of economic, social and environmental benefits, including landscape scale habitats for wildlife, increased biodiversity and reduced flood risk. Indeed, we are spending £15 million on more natural flood management schemes to understand better and more systematically how things such as different ways of planting trees can make life better. They also contribute to improved soil, better water quality, the personal enjoyment of nature and, as has been pointed out several times, the supply of timber.

Well-managed trees, woodlands and forests have a role in the countryside and the urban environment, which is why it is so disappointing that certain councils seem hellbent on removing trees from city streets. I am sure my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) is keen to ensure the Mayor of London keeps his pre-election pledge to plant 2 million trees in London. We are still working on our plans to help more councils plant trees to meet our 1 million tree target. They will be supported with an advice pack about the best kind of species and cultivars, which will contain guidance on different methods of tree surgery, which the hon. Member for Stroud (Dr Drew) talked about. We know that there is excellent practice in local government already, and we want to ensure it is as widely known as possible.

To reassure the hon. Member for Penistone and Stocksbridge (Angela Smith), we remain committed to our ambition to plant at least 11 million trees during this Parliament and a further 1 million trees in urban areas.

Angela Smith: The original target was 2020, but this Parliament goes on until 2022. Which is the relevant date?

Dr Coffey: I am pleased to say that we made that pledge in 2015, which naturally would take us to 2020. We restated the pledge in 2017, so we have restarted the clock. It will be a further 11 million trees by 2022—in this Parliament. I believe we will do that comfortably, not least because HS2 Ltd is setting aside money, £5 million, for schemes and will plant trees over the next few years, so I am confident that we will go past that target. In this debate, we are focusing on the schemes relating to DEFRA, which is where I intend to focus my attention.

We want England to benefit from significantly increased woodland cover by 2060, which is why we stand by our shared aspiration to achieve 12% woodland cover. We will achieve that only through a mix of private and public investment. I reiterate that it is a key part of the Government’s clean growth strategy, which identified the milestone of an extra 130,000 hectares to be planted by 2032.

I recognise the slow start of take-up of the countryside stewardship scheme and the woodland carbon fund. However, we have made a number of changes, partly driven by our review. I am confident that by focusing our efforts and making these changes, we will see an increase in tree planting.

Chris Davies: I was delighted to see in the 25-year plan, which was released this morning, that there will be a national tree champion. How will the national tree champion fit in to DEFRA, and what will their role be?

Dr Coffey: The hon. Member for Penistone and Stocksbridge asked that question, too. The tree champion will help to co-ordinate activity. This is about having trees in the right place. I see them very much as an ally in ensuring we pull together the different stakeholders. They will also be a champion for urban trees and will ensure the trees we have stay in the ground, particularly in our urban environment. We are making progress in a variety of ways, and the tree champion will be a key part of that.

Angela Smith: Will the Minister give way?

Dr Coffey: I want to make some progress, because I have plenty to say.

To return to the different schemes, I had the pleasure of visiting the Lowther estate last month and planting the first of 213,000 trees this winter. That has been funded through the countryside stewardship scheme. I was shown its plans for future woodland schemes for a rich mix of broadleaf corridors and softwood plantations that together will provide commercial forestry as well as huge benefits for wildlife. That was truly impressive.

I was delighted that the largest forest to be planted in more than 30 years finally got the green light. The first of more than 600,000 trees will be planted this March at Doddington North moor. That 350-hectare forest will store 120,000 tonnes of carbon, help to manage flood risk, boost timber industry businesses and jobs, and help red squirrel populations. That was funded through the woodland carbon fund.

Most recently of all, as already alluded to, I know that hon. Members are applauding the launch of the northern forest. We expect 50 million trees to be planted for communities along the M62 corridor—truly a green heart, or ribbon, for the northern powerhouse. That long-term project is led by our friends at the Woodland Trust and England's Community Forests, and we are kick-starting it with DEFRA funding to accelerate this ambitious project. I understand that our partners have already managed to secure extra funding from the Heritage Lottery Fund, and I am confident that over the timeline of the project, given their successful track record—which is why we are partnering with them to achieve it—they will be able to take advantage of not only corporate funding but development schemes that attract other kinds of Government funding.

We have continued to work with the industry and reviewed the schemes that we have in place to encourage more planting. In taking a number of steps to remove barriers that were discouraging applications for funding to support tree planting, we have made internal changes to improve operational processing. For example, the country has been mapped by the Forestry Commission, which has worked with Natural England to identify appropriate areas for significant afforestation. The commission is also working with National Parks to identify suitable planting areas, and I am looking forward to visiting the South Downs tomorrow to discuss that further.

We have raised the environmental impact assessment threshold for afforestation to 50 hectares in mapped low-risk areas, with full prior notification of relevant details required below that threshold to ensure that we maintain the environmental protection. The Forestry Commission has also set up a large-scale woodland creation unit to support the development of projects by directly influencing landowners. I am grateful to the chair of the Forestry Commission, Sir Harry Studholme, for stepping up his efforts. With him, I will be meeting landowners and estate managers later this month.

Informed by the review, we improved the application forms for the countryside stewardship scheme for 2018 and released guidance three months earlier than in the previous year, in effect significantly extending the application window, which opened last week. The woodland carbon fund, the aim of which is to provide larger forests—to recognise the point made by the hon. Member for Ipswich (Sandy Martin)—is a one-stop shop process administered by the Forestry Commission. Again, we have made significant changes, including lowering the planting threshold to 10 hectares, providing funding for forest roads and making a second-stage payment five years after planting. We have now received two more applications and I am aware of another 10 that are to be submitted.

My right hon. Friend the Member for Chipping Barnet talked about the domestic carbon market and, as was highlighted in the clean growth strategy, we wish to establish that. That is my intention. The industry says that it needs more confidence that the planting rates are getting under way before we can establish something that is financially resilient, but I am confident that we can achieve that.

On there being two schemes, we are keeping both because they have different objectives. The countryside stewardship objectives include improvements in biodiversity

and habitat, flood mitigation and water quality, while the woodland carbon fund focuses on largescale carbon capture. In both cases the UK forestry standard is the guideline on the mix of planting, which does not predefine the split of species, but diversification of planting, as we have heard, helps to improve woodland resilience and protects future supplies of timber, biomass and other benefits.

We are also considering future schemes carefully. I have previously challenged the sector on improving the quality of woodland creation plans so that they clearly satisfy the expectations of the UK forestry standard. I am pleased that the Forestry Commission, the Institute of Chartered Foresters and key forestry stakeholders are working together to develop support tools, training and communications to upskill all parties involved in the design, assessment and delivery of forestry proposals. Some of the most recent woodland creation planning grant applications have shown a high quality of design planning and are being used as exemplars to guide future applicants.

On active management, which has been discussed extensively today, we know that improving markets for hardwood timber will bring more undermanaged woodlands into production. This year we will continue to promote the market opportunities for timber. Our work with the ICF and other organisations to improve the quality of plans and the way in which we process them will reduce the time taken to get the management plans in place. We do not only support new planting. We offer options through countryside stewardship to support the active management of the woodlands we already have. Since 2016 we have had nearly 600 woodland management applications, which would support more than 44,520 hectares, bringing them back into active management.

On ancient woodland, my officials have met the Woodland Trust and other groups to discuss how best to prevent the loss of such woodland. We recognise its importance and that is why ancient woodland enjoys the special protection that will be further enhanced in the updated national planning policy framework. That said, our records show that there are 340,000 hectares of ancient woodland, which is 26% of total woodland area, and that between 2006 and 2015 just 57 hectares, or 0.02% of the overall ancient woodland area, were lost permanently to other land uses. We are exploring the opportunities for better recording the loss of ancient woodland, including the potential for updating the ancient woodland inventory. I understand that officials are still in discussion with the Woodland Trust about the detail, but its support is welcome.

On other Committee recommendations not already covered, Forestry Commission England will continue to publish the headline performance updates, which include the rate of new principal Government-supported tree planting and both the total area and the percentage of woodland in England in active management, on a quarterly basis. The Forestry Commission will review the indicators it publishes on woodland creation, aiming to reflect the creation supported by Government more clearly. The commission has also committed to providing the sector with information on short to medium-term expectations of planting rates, based on grant applications received and those in preparation. My officials have discussed with the Committee on Climate Change the long-term trajectory for woodland planting to match the five-year carbon budgets and our 2060 aspiration.

[Dr Thérèse Coffey]

On the industrial strategy, it is for the industry to come forward with a proposal for a sector deal, but I assure my right hon. and hon. Friends that we absolutely support the industry. On skills and apprenticeships, the Forestry Commission worked with the sector to create a new apprenticeship standard, and it is liaising with industry, the Royal Forestry Society and the Institute for Chartered Foresters on the creation of higher-level forest manager apprenticeships. The commission is engaging colleges, training providers and assessment bodies to promote take-up of the standard. A small number of universities in the UK also provide forestry degrees, and last year I was pleased to meet students and recent alumni at Bangor University.

At the Ministry of Housing, Communities and Local Government, we are identifying options to encourage the use of more domestic timber in construction. Nothing will happen overnight, but the clean growth strategy clearly supports the use of more home-grown timber in construction. We will work with Confor, Grown in Britain and the sector. The locked-in carbon is the essence—instead of concrete, metal and all the other things, we can achieve things just as well with wood.

Across Government, we will continue to explore how to do more for British forestry and timber-processing businesses. On the renewable heat incentive scheme, we want to ensure that waste wood is used only in specifically designed boilers. On research—I am running out of time and I appreciate that the Chair of the Select Committee may wish to reply briefly—I assure him that we have developed strong links with the industry and non-governmental organisations. Forest Research devotes 25% of its budget to knowledge exchange. We also work with the Scottish and Welsh Governments to explore future business models. European Union funding is also possible, although EU regulation does not cover forestry. Finally, in response to the hon. Member for Falkirk (John Mc Nally), I have to be candid: future funding

arrangements are a matter for further discussion between the Governments of the different nations. I can give no pledge today.

I hope that I have covered all the subjects I wished to. We have made some changes and we are seeing an uptick in the number of trees being planted. People are applying more through our different schemes, and I encourage them to do so further. We will continue to monitor that, adapting as necessary to achieve our ambitions.

2.58 pm

Neil Parish: I thank the Minister for her words, for her contribution to managing our woodlands better in future and for the tree planting into the future. Now that we are bringing forward a tree champion, perhaps we have the opportunity to look again at our woodland grant system, to see if we can bring it and pull it together.

I thank all hon. Members for their contributions today. My wife and I take the dog around Battersea Park in the morning when we are here in London. Those trees have been planted for generations, so we can enjoy them now, and they have also seen many political parties come and go. We can be absolutely assured that were we to need a cross-party approach to planting trees for the future, as Governments of all persuasions come and go, that is probably the one thing that we can agree on.

Seriously, trees breathe in carbon dioxide and breathe out oxygen, so they are good not only in the countryside but in our cities. They can be our lungs for the future. We can also make much more of our wood industry. We can have everything if we do it in the right way. My final point, as I started the debate, is that as we plant more woodland, we should ensure that it is a mixture of trees and landscapes, so as to provide good access to such forest for all people, whether it is recreational or good for the environment and carbon capture. It can also be good for our future to have more wood in our houses.

Motion lapsed (Standing Order No. 10(6)).

Banks and Communities

[MR MIKE GAPES *in the Chair*]

3 pm

Martin Whitfield (East Lothian) (Lab): I beg to move,

That this House has considered the role of banks and their responsibility to the communities they serve.

As always, it is a pleasure to serve under your chairmanship, Mr Gapes. I thank the Backbench Business Committee for giving us this time to discuss a profoundly important matter. I also thank all the right hon. and hon. Members across the House who have supported the debate, and I welcome the new Minister to his place.

The debate is, in part, a product of the Royal Bank of Scotland's disappointing decision towards the end of last year to close 259 branches. Those closures will start to come into effect, and communities in my constituency will be cut adrift from the face-to-face banking that is so essential. The towns of Dunbar and North Berwick are to be hit, which have high streets with diverse mixes of independent and chain businesses. The impact has been succinctly described to me by a constituent, who said:

"Dunbar supports many small businesses, not just on the High Street. How and where will they bank their cash takings? Online banking does not work for cash. Many older people in the town are dependent on the bank local branch, especially those who have no computer, or are wary of internet banking. Dunbar whose population is rapidly expanding, and the nearest RBS branch is 12 miles away."

All Members here may have in their constituencies banks that are closing, in some cases leaving towns with no banks at all.

Stephen Kerr (Stirling) (Con): I thank the hon. Gentleman for securing this debate. It is important to note that the branch closures that he refers to are only the latest tranche of branch closures; they come on top of a series of branch closures, and that is even more devastating to what they used to call the branch network.

Martin Whitfield: Indeed, I will come on to the statistics about the existence of branches in the United Kingdom.

My hon. Friend the Member for Ogmore (Chris Elmore) tells me that when the branches close in his constituency towns, one town will be left with no bank and the other town with just one. That one bank will serve 58,000 people. This debate is more encompassing than just a recent set of closures. It seeks to ask a very pertinent question about the responsibility and the relationship between retail banking and the communities they should be so proud to serve.

Stephanie Peacock (Barnsley East) (Lab): I congratulate my hon. Friend on securing this important debate. The banking sector has been promoting research into issues that often result from branch closures, such as financial exclusion and isolation. Does he agree that it would be useful for banks to have the results of such studies before they commence local branch closures, such as the closure in Hoyland in my constituency?

Martin Whitfield: I agree; there is a serious question about the data available to the banks when they make decisions about closure. I will come on to that point further into my speech.

Chris Davies (Brecon and Radnorshire) (Con): As a member of the Backbench Business Committee, I was delighted to support the hon. Gentleman's important application. In Wales, and in my constituency in particular, we have towns where exactly what he describes has happened: we have towns with no banks. That causes immense problems, but it has been going on for more than 10 or 15 years. Does he think that the closure policy that the banks have to go through—that tick-box process—is strong enough?

Martin Whitfield: The question that the hon. Gentleman raises of the tick-box attitude towards the investigations that banks carry out is one of the fundamental problems with regard to all consultation. Is it genuine consultation, or is it an economic decision that has been taken somewhere and then just implemented, almost irrespective of the evidence that they find when the consultation takes place?

I am keen to hear remarks from the Minister about what the Government, who obviously represent the United Kingdom in that interface between banks and the consumer and constituents, are able to do to push back those bank closures and, more importantly, investigate and establish the bank's view of the relationship between them and the communities that they serve.

Banking as an institution goes back many thousands of years. It began in the temples—other buildings that communities held sacrosanct and safe. Tensions between money and religion have run in parallel throughout the same period. I do not intend to investigate that, but I suggest it shows the close link between the trust that people put in the individual they give their money to, to look after, and religion. Looking forward through history, the banking sector developed with the European banking families, who established a way of transferring money across Europe and then the world. Then, the Bank of England was established in 1694 and, perhaps more importantly, the Bank of Scotland in 1695.

Deposit banking has been a part—a foundation—of our society from the very beginning. That relationship was not built on pure profit, but on trust; initially, trust of individuals who promised to take care of others' money; promise and trust of families who looked after moneys, and then the institutions. Such trust has developed over time, reinforced by close contact. That trust moved and continued to deepen and develop as banks became the cornerstone of our high streets. What of that bond of trust today? What is the feeling of banks' most important stakeholders—those community individuals? They still entrust their money, which is then used by the bank to do so many other business activities.

In 1998—20 years ago—there were more than 11,000 branches. Today, the most recent figures indicate that there are just 6,000 local branches. Bank closures have escalated rapidly, with just over 1,000 closures in the last two years.

Dr Rupa Huq (Ealing Central and Acton) (Lab): My hon. Friend is making a very powerful speech. He talked about the shrinking number of banks in general;

[*Dr Rupa Huq*]

I am losing a NatWest apiece in Ealing and Acton. When high streets are hollowed out and they become ghost towns, small businesses have nowhere to deposit anymore. The elderly are on the wrong side of the digital divide and are disenfranchised. Who would he say are the winners? Not even the property developers are—in Acton, the HSBC has been empty since 2015. There are no winners in this at all. Does he agree?

Martin Whitfield: My hon. Friend raises a very interesting point about who the winners are in this situation. Certainly, we can identify the losers. The losers are the very community that we hold so dear; the losers are the high street—that geographical area where people gathered together and still try to. As my hon. Friend says, we have high streets that have been hollowed out. We need to find a way to stop this hollowing out and fracturing. The banks form a crucial, fundamental part of the foundation of maintaining our high streets, which we need to maintain our community and our society. We have reached a tipping point now—a point of no return—where the Government must step in with practical solutions to stop future closures and to address the fragmenting relationship with banks.

In 2015 we had the access to banking protocol, which spoke highly of financial inclusion and local engagement from big banks, but that fell short of any statutory protections. Members will be aware of the Griggs report the year following, which offered a series of constructive remarks and ideas to improve the settlement. Unfortunately, it addressed areas where the last bank had already left town. It does not, like my party's position, commit to a new legal protection that would enable banks to keep a presence in their local communities, which need them so much. Any new settlement should be constructively built in partnership with the banks and should engage with the shareholders of the banks who often engage with them most the local users.

What are the other answers? The Government have tried, and I suggest failed, over the past three years to try to displace some of the local bank branches with community post offices. The post office is another fundamental cornerstone of our high street and community. As my hon. Friend the Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney), a campaigner on this matter, will testify, that alternative provision works only if the post offices are not themselves being ripped from our high streets and from the communities they serve at a similar rate. Post offices rightly have a valued position on our high streets, but we cannot place the burden and responsibility of banking on a workforce who are already stretched.

The decision to merge retail banking into our post offices is not workable in the present form, and nor is it a popular alternative. Figures from Which? show that although the British public think most post offices are doing a great job, many do not even know of the alternative banking options available there. I also tentatively welcome services such as the mobile branch service operated and offered by RBS and the idea of shared buildings. My constituents do not believe that such solutions go far enough to ensure a trustworthy banking presence in East Lothian. They may fit an economic model, but they do so at the risk of continuing to fracture the trust. The single solution of a banking van

might work in one place, but will not work in another. To apply it as an idea across the country is foolish and short-sighted.

The trust that people have is also influenced by the quality of protection that communities witness. Local bank staff, placed at the heart of communities, have a responsibility to be the last check and balance in terms of consumer protection. Speaking with campaign groups, including Which?, this week, I was heartened to hear of cases where people had gone into their local branch to withdraw large sums of money and the bank teller has said, "This is unusual for you. What is this about?" With that simple question they have prevented a retired couple from losing substantial sums of their life savings. That solid local relationship with trained members of staff in the local bank can go a long way to protect current accounts from bank fraud, and staff can also advise on and discuss people's challenging financial problems.

When it comes to the assessment of community safety, I raise the question of the bank's responsibility when a sophisticated thief dupes an individual out of money. Is it right that the bank can absolve itself of all responsibility simply because the crime was so complex and maliciously delivered that the victim genuinely believed they were dealing with their own bank branch? Such a crime might be a lot harder if the perpetrator first had to build a branch on a high street to defraud retired couples of their money.

The advent of online banking has been transformative, and it will continue. There is no argument or objection to that, but I am concerned that focus has shifted solely to it as the answer to the banking problems. It would be completely irresponsible to abandon the 20 million people who still depend on face-to-face bank services. Online banking, which will continue to grow, must be accessible. It is certainly not the fault of the big banks that Governments have failed to implement a broadband service fit for the 21st century. Nor is it the fault of the banking industry that nearly 2 million people across the UK experience internet speeds of less than 10 megabits per second, meaning that online banking will not work. But banks should be made to consider broadband blackspots and digital inclusion when they plan closures, as well as the impact of shifting consumer services from face-to-face banking to online services.

Four in 10 Scottish consumers experience service issues with their broadband. How does the banking industry expect a transition to take place? In 2015, 80% of my rural constituents were dissatisfied with their internet speeds, and yet banks in Tranent, Prestonpans and Gullane in my constituency have closed in the past three years. I am interested in the thoughts of my Scottish colleagues and others here on this matter. Should big banks be made to consider broadband speeds in any meaningful consultation on bank closures?

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): It would have been nice to have had a consultation before we heard that the bank was closing. The buccaneer spirit of the Royal Bank of Scotland is exemplified by the fact that it did not bother having a consultation.

Martin Whitfield: I will deal with the question of consultation in a few moments. I want to establish a basis for that with regard to the availability of physical money.

Stephen Kerr: The hon. Gentleman made a strong point, made much stronger by the fact that we are talking about the Royal Bank of Scotland, more than 70% of which is owned by the British taxpayer, who bailed it out in the first place.

Martin Whitfield: Hear, hear.

Physical money is the most symbolic representation of trust, but there is strong evidence that banks want to move as quickly as possible away from the physical movement of cash on to online and electronic transfer. Any transition from face-to-face banking to online services must take place at a similar rate to a drive to remove cash from society. Significant numbers of our constituents rely on cash to facilitate their budgeting, and those who do must not be abandoned in the rush by banks to change.

Last year it was suggested that 10,000 free-to-use cashpoint machines are at risk of closure. Some 2.7 million people in the UK still rely entirely on cash. The free-to-withdraw cashpoints will vanish first from communities where the individuals who rely most on cash for budgeting are based. Additionally, among the small and medium-sized businesses that make up our high streets, the challenge of banking cash is increasing. I have examples of constituents in Prestonpans who now have to travel, sometimes by public transport, with their daily take to the nearest bank where they queue for up to 30 minutes to pay the money in.

Insurance and safety issues prevent them from storing cash on their premises, and the cost of contracting the deposit to security companies is prohibitively high. When the issue was raised with the banks, they said, "The money can be paid in at the post office," but the post office will not take larger sums of money because it does not want to have the problem of transporting the cash either. In the constituency of my hon. Friend the Member for Bridgend (Mrs Moon), where tourism is a major industry, she has a business that banks more than £2 million a year but, following a bank closure, it has the responsibility for taking the cash elsewhere.

The closure of cash machines and the continued closure of high street branches are alienating business owners and older customers, fracturing still further their trust.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): I thank my hon. Friend for giving way in his compelling and comprehensive speech on a critical issue for society. Does he also recognise that the programme of closures seems to target disproportionately the poorest communities in our society? In my constituency, where unemployment is twice the national average, we have seen RBS closures in Possilpark, one of the poorest communities in Glasgow, and in Dennistoun, as well as the Clydesdale Bank in Springburn. But in one of the wealthiest parts of the city—for example, Byres Road—those banks are fully represented on the high street. What is going on there? Is that not a problem?

Martin Whitfield: Absolutely. I thank my hon. Friend for that intervention. There is a serious question to be asked about which communities the banks are changing their model of banking for. Is it for the most vulnerable? Is it those who are stuck on the wrong side

of the digital divide? Certainly the evidence shows that bank closures have hit hardest in communities that have below average incomes.

Banks are and should be a trustworthy pillar of any community. They should stand proudly on our high streets as responsible hubs, along with post offices, GP and dental surgeries and the high street shops that draw constituents into their community. Recent figures from Unite have shown that the proposed closures of 62 branches will lead to 165 job losses. That is devastating for small communities, but we hear that the losses will be offset by the shifting of jobs to head office and call centres. However, the people losing their jobs are of course predominantly women responsible for families, who are unable to make long journeys to different areas. Are they being asked to move out of their communities? The change in banking models affects vulnerable customers most, with 90% of closures taking place in communities where the income is below the national average.

Members will recognise that the model being advocated by the banks is one in which few industries operate. They are founded on so little face-to-face contact, with such limited real-time relationship between consumers and the organisation, that they represent something more like social media network platforms. I wonder whether in fact the banking industry seeks to move to the Twitter and Facebook models. The relationship of trust that once existed between the bank manager and the individual is in serious danger of being lost to an algorithmic financial model.

I hope that my speech will not lead Members to think I am being luddite about digital reform. I embrace it, and what I am saying is as much as anything friendly advice to the banks, but I cannot envisage, with so many still not using online services, that we should continue dogmatically to push through changes to people's accounts, affecting such large groups of people. Social media platforms had their users come to them; banks seek to migrate their customers onto their digital platforms. The trust that the banks have had and have treasured so much throughout their and their community's history is at risk.

As I have made clear, the purpose of today's debate is not just for the people I serve to hear the Government condemn bank closures. They want to hear how the Government can keep banks at the heart of communities and facilitate genuine discussion so that banking institutions can rediscover the value of the close link that they have had throughout their history with the communities that entrust them with their money—which, indeed, the banks used to invest elsewhere. Very recently the banks looked to those communities to save them and the financial engine, and communities stepped up. Communities are now looking to the banks to save the high streets and the bond of trust that is the cornerstone of the relationship. We need a social responsibility clause so that members of the communities to which our banks belong can have an integral and valued role, and trust can once again be established.

Mike Gapes (in the Chair): I am afraid we have limited time for the debate and I strongly advise that speeches should be no longer than four minutes, or we shall not have enough time for the Minister and the Opposition spokespersons. I intend to move to the

[*Mike Gapes (in the Chair)*]

Front-Bench speeches at about 4 o'clock, so I should be grateful if, as far as possible, interventions could be limited and speeches concise.

3.24 pm

Stephen Kerr (Stirling) (Con): It is a privilege to serve under your chairmanship, Mr Gapes. I compliment the hon. Member for East Lothian (Martin Whitfield) on obtaining the debate. It was my privilege to accompany him to the Backbench Business Committee and I was delighted when permission to hold the debate was granted.

If anyone should be aware of how important banking is to people in their daily lives, it is the banks themselves. They know that people need banking services to get paid, pay their bills, save and, usually, buy a house. They know that keeping a pile of cash under the bed is not an option in our society, so they should recognise that it is their responsibility to ensure that rural communities in particular have reasonable access to banking services. Unfortunately, as a Member who represents a largely rural constituency, I have to tell the House that many rural communities are losing that access and their connection with banking.

I am going to say something now that might be seen as something of an article of apostasy in my party, because I am going to agree with the Scottish National party council leader in Stirling. He wrote to me just before Christmas making some valuable points that I can only agree with. In fact, I think I may have said them first, which justifies me in agreeing with him. He makes the point in his letter about the Royal Bank of Scotland closing its Bannockburn branch, which means there will be no banks at all there. I want to use this opportunity to commend the people of Bannockburn ward, more than 2,000 of whom signed a petition asking the Royal Bank of Scotland to review its decision. I want to make a point that is also made by the leader of Stirling council:

“This closure will have a disproportionate impact on some of our most vulnerable citizens”—

as was mentioned earlier—

“within the Bannockburn and Eastern Villages area with many reliant on high street banking.”

The letter continues:

“I have been approached by concerned constituents many who are elderly and neither have the access or ability to engage with on-line banking. Many are distrustful and indeed fearful of using the internet for such transactions.”

That point was also made by the hon. Member for East Lothian. I have also been approached by hundreds of my constituents—I do not exaggerate—who tell me that it is a fundamental act of injustice to remove the banking services from the communities that, as he said, need them most.

In my constituency, RBS plans to close three branches—in Dunblane, Bannockburn, and Bridge of Allan—leaving one RBS branch in the entire constituency. By the way, that branch is in the centre of Stirling and access to it is impossible for anyone with any form of mobility challenge. It is not the best locality—either for car parking or for getting to—for the single remaining RBS bank in my constituency. That is bad news for small businesses, which benefit from having a local

branch, as the hon. Member for East Lothian explained well. It is bad news for the staff who work in the branches, and for elderly people and people who are less well off, who are less able to make the journey to a branch several towns away.

I should make it clear that the Royal Bank of Scotland is not the only offender. I should also make it clear that I used to work for RBS, when I was a callow youth, on leaving school.

Angus Brendan MacNeil: Last week.

Stephen Kerr: Thank you very much. The hon. Gentleman has become my hon. Friend suddenly.

I have a fondness and affection for the Royal Bank of Scotland. It is a grand old Scottish institution, which has been ruined by the mismanagement of the directors of a decade ago.

I ask the Minister to look at what the banks propose. They are saying, “We are going to close the branch. Go to the post office.” That is not practical.

Luke Graham (Ochil and South Perthshire) (Con): My constituency faces closures in Alloa, Kinross and Comrie. In Comrie, we face exactly the issues that my hon. Friend has mentioned, with customers being referred from the bank branch, in a place where there is weak broadband, weak infrastructure and a post office in the newsagent. That is not acceptable to my constituents, and it is pathetic customer service from the Royal Bank of Scotland.

Stephen Kerr: The reality is that there are limitations on the amount of cash that can be taken and given out over the counter, and that must be confronted. The irony of all the closures, as has been mentioned twice in the debate, is that they affect the communities that have the weakest broadband connection. They are going to have to go digital without a broadband service. It is ridiculous and I call on the Minister to call on the Royal Bank of Scotland to conduct a proper review of and consultation on the branch closures.

3.29 pm

Helen Goodman (Bishop Auckland) (Lab): It is a pleasure to serve under your chairmanship, Mr Gapes, and a great pleasure to follow my hon. Friend the Member for East Lothian (Martin Whitfield), who made an excellent speech.

When HSBC decided to close the last bank in Shildon, a town of 10,000 people in my constituency, the mean spiritedness of the bankers was fully on display. We asked them to make a £10,000 contribution to the local credit union. They could not afford to do that, but let us look at the fancy salaries of the people at the top of these banks. This debate is about the values of those institutions. RBS is closing its branch in Barnard Castle, and there is a massive petition going in Barnard Castle and Teesdale. Many local people, small businesses, charities and churches ask, “How are we going to manage?” They are outraged that, even though we own that bank, the Government fail to put controls on what it does.

Hon. Members have rightly spoken about broadband. Branches are being closed in low-income, predominantly rural areas—precisely the areas with the worst broadband,

where it is most difficult to access internet banking. This is a structural problem. People in my constituency have to drive all the way to Leeds to have any kind of sensible discussion about a business issue. That is a four-hour round trip. That means that someone who is trying to run a small business has their day taken up by visiting the bank.

I suggest to the Minister that we should look at changing the competition rules. It seems to me that it might be possible for some banks to share premises, which would undoubtedly enable them to save money, but they say that that would be a breach of competition legislation. That tells me that the competition legislation and the competition authority's mandate are wrong. There should be a public interest test as well as a competition test so that the banks do what they are meant to do: serve the public.

3.32 pm

Brendan O'Hara (Argyll and Bute) (SNP): It is a pleasure to serve under your chairmanship, Mr Gapes. I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing the debate.

The Royal Bank of Scotland's decision to close 62 of its branches in Scotland—a decision that will leave 13 towns in rural Scotland without a single bank—is an absolute disgrace and will inflict further long-lasting reputational damage on RBS. That it announced that decision so callously, without even having the courtesy to hold consultations with the communities involved, is absolutely unforgivable. One would have thought that RBS, having been bailed out by the public purse to the tune of £45 billion, would display a degree of humility. Its decision to turn its back on so many communities, particularly those where the RBS branch is the last in town, is a scandalous abdication of its social responsibility to rural Scotland and to the people who were forced to keep it afloat when it risked sinking without trace during the financial crisis.

RBS plans to close three branches in my constituency: those in Campbeltown, Rothesay and Inveraray. Those ruthless closures will not only hurt local businesses and individuals; they will be hugely damaging to Argyll and Bute. We have worked hard to tell people that we are open for business. We have actively promoted Argyll and Bute as a great place to live, work, raise a family and do business. These closures undermine all that hard work.

It does not have to be this way. We, the people, pumped £45 billion into RBS a decade ago. We own it. The Government therefore can, should they wish, intervene to stop these closures in their tracks. My constituents know, as we all do, that the taxpayer owns 73% of the Royal Bank of Scotland and that the Government can—and, when they choose to, do—get involved. I am sure the Minister does not need me to remind him that when it was announced that Stephen Hester, the previous chief executive of RBS, was leaving, the then Chancellor, George Osborne, told the "Today" programme that "as the person who represents the taxpayer interest...of course my consent and approval was sought."

There is undeniable precedent for the Government to get involved in the state-owned Royal Bank of Scotland.

Just before Christmas, the Prime Minister told Parliament that she had chosen not to involve herself in the RBS branch closure programme. My constituents and I hope

that the Government had time to reflect on that decision over Christmas and had a change of heart, and that the Minister will confirm today that they will summon RBS chief executive Ross McEwan to Downing Street and let him know that, in the interests of our rural communities, the branch closure programme has to stop. If that is not the case, will the Minister explain to my constituents exactly why the Government have chosen not to involve themselves in the closure programme? Will he explain that to the people of Inveraray, a tourist hotspot with retail outlets, cafés, bars, hotels and a huge, flourishing tourist industry, who will be left without a single bank and will need to make an 80-mile round trip to their nearest Royal Bank of Scotland branch?

In the coming weeks I intend to present three petitions from Campbeltown, Rothesay and Inveraray, so that the people of Argyll and Bute have their voice heard in this place. Until then, I will take every opportunity to press the UK Government to accept their responsibility, because we paid a very heavy price to own RBS and the least we expect is for them to protect our rural communities from the excesses of the Royal Bank's hatchet men.

3.36 pm

David Duguid (Banff and Buchan) (Con): It is a pleasure to serve under your chairmanship, Mr Gapes, and I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing the debate. I welcome the Minister to his new role and I look forward to working closely with him on this subject. I believe that meetings are being scheduled as I speak.

The issue of banks in our communities is part of the wider issue of excessive centralisation, which has been happening for decades and concerns many of us with rural constituencies across the UK. Centralisation can have a range of unintended consequences for communities in which vital services are removed or reduced. This is a timely debate about an issue of great importance to constituents in Banff and Buchan, who recently learned that they would be losing two Royal Bank of Scotland branches: one in Banff, the county town, and one in Turriff, which is my home town.

Those closures are in addition to others in rural areas in the north-east of Scotland, including Ellon and Huntley. We have already heard that a total of 62 RBS branches across Scotland will close. As my hon. Friend the Member for Stirling (Stephen Kerr) said, we should not forget that those closures come on top of previous closures. The Bank of Scotland branch in Macduff, just across the River Deveron from Banff, closed down just last year. That was the last bank on the high street. Of course, it was said at the time that there were still banks across the river in Banff, but they continue to close. When will that end?

A couple of Clydesdale Bank branches in my constituency that closed down—one in Banff and one in Mintlaw—are still sitting empty more than a year on. In some cases, former banks are grand old buildings that would be valuable for another use. In fact, I must admit that I looked at one of those premises as a potential constituency office, which may or may not have been politically sound, but I could not get the owner of the building to come back to me. They did not seem interested in renting it out. That is perhaps a different subject, but we do not want empty premises on any of our high streets.

[David Duguid]

These closures affect not only the towns in which the banks are situated, but the surrounding rural communities, particularly in very rural constituencies where towns are far apart. People go to banks not just to withdraw money, but to seek financial advice, apply for mortgages, pay their bills, cash cheques and so on. We should not underestimate the importance of having a friendly face behind a bank counter to explain and guide people through processes that are not everyday occurrences.

As we have heard, a local branch is not just a convenience; it is a necessity. That is particularly true in rural communities. We hear that people increasingly use online banking—these days I do pretty much all my banking online unless someone gives me a cheque, when I have to find a branch to cash that cheque—but when broadband is barely better than dial-up, as in much of our rural communities, that can seem like an extravagant luxury.

One of the RBS closures has been announced for my home town of Turriff, where there is a local savings scheme called the Turriff Friendly Society, which has been around for 143 years. The society has about 400 member accounts. Each member account might have multiple people contributing to it, so perhaps more than 1,000 people are affected. The savings scheme has struggled to cover banking costs in recent years due to low interest rates and it has managed to keep going only by charging small membership fees. The main worry of the society, which currently banks with RBS, is the threat of high costs and service charges for moving to another bank. One of the vital services the society requires is use of a night safe, which is not something we often see in modern banks. It will lose that when the bank closes.

All banks, including RBS, must realise that they are part of the lifeblood of a local community. People provide their loyal custom, and in exchange they expect some very basic services. When it is no longer commercially viable for a branch to remain open, it is imperative that a bank looks at what alternatives can be provided to the people who rely on it. A mobile banking van once a month, for example, is not the answer if there is not the dependable mobile signal that it relies on.

3.41 pm

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Gapes. I thank my hon. Friend the Member for East Lothian (Martin Whitfield) for securing this timely and important debate. There is no doubt that how we access banking services has changed in recent times. However, as with any change, there is a balance to be struck between evolving practice—in this case, the rise of online banking—and ensuring that the drive for change does not cause damaging disruption to the services local communities rely on.

The recent round of bank closures by RBS, NatWest and Lloyds has got the balance wrong, as did the previous round of bank closures. The Government's view is that bank closures are a commercial matter only and that they will not intervene in such issues. As someone who used to run a small business—I refer Members to my entry in the Register of Members' Financial Interests—I can say from experience that local branches are not just private companies but essential utilities to the communities in which they are based. An

easily available, well-run local bank branch has all the productivity benefits of good roads and a reliable internet connection.

The Government cannot absolve themselves of responsibility by claiming that such closures are simply a commercial matter. Research by the Federation of Small Businesses shows that branch closures are damaging to small businesses, with one study finding that lending to small businesses in a given postcode area fell by almost two thirds following a bank branch closure. Lending for small businesses grows on average from one quarter to the next by 2.13%. However, after a closure, growth falls to 0.79%—a reduction of 63%.

In the last round of closures it was announced that six bank branches were closing in a matter of months. Both Blantyre and Cambuslang no longer have any bank branches. I recently asked my constituents what effect the closures were having on them. One respondent, Joy, said:

“My husband is self-employed and he has a lot of coinage to bank. Because of the bank closures, we now have to travel from Cambuslang to Rutherglen, as the branches in Cambuslang and Burnside are now closed. There never seem to be more than two tellers on the counter at any one time and you can wait for over 30 minutes before being seen. This eats into time that could be spent earning.”

RBS says that post offices can provide services in the place of closed branches. However, I have concerns about the capacity of post offices, which have also closed in great numbers, to meet that demand. Post offices do not have the expertise of local branches, which will deprive people of easy access to more complex banking services.

The impact of such closures will be felt hardest by those who struggle either physically or financially to travel, meaning that the elderly, disabled people and the poorest in society will be most affected by the Government's failure to act. An impact will also be felt by aspiring local businesses. From my experience, I know how important it is to build that trusting relationship with a bank from the beginning, and there really is no better way of doing that than old-fashioned face-to-face contact.

It is likely that small businesses will receive less money for setting up and essential in-branch transactions will take more time and be less accessible to those who find it difficult to travel. Banks draw people to the high street, and retail businesses are already struggling to survive. Any decline in footfall and reduction in availability of free-to-use ATM machines for customers to withdraw cash could well be the final straw for many retail businesses.

It is important that we view local branches not just as commercial enterprises but as essential local utilities that play an important role in supporting local economies. Communities rely on banks, but that relationship is two-way. When the banks got into trouble, it was taxpayers in our local communities who stepped in to save them. What a dreadful way this is to repay that favour.

3.44 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to serve under your chairmanship, Mr Gapes. I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing the debate—I applied for a similar debate, and I agree with the sentiment he expressed: namely, that local bank branches are critical to the communities they serve.

RBS has clearly angered many following its indefensible decision to close more than a third of its bank branches across Scotland. It has a cheek to claim in a recent ad that it is the royal bank for the whole of Scotland. It has taken the ridiculous decision to close its busy branch in Renfrew town centre, leaving its only branch in my constituency in Paisley—a branch that has access problems. The bank freely admits that that branch has poor parking facilities, and it is more than 400 metres from the nearest bus stop. Given its position on a busy one-way system, that will not change, which makes life difficult for those with mobility problems to access it. Since I was elected two and a half years ago, this is the fourth bank branch closure campaign that I have been involved in.

The people of Renfrew's reaction to the decision is testament to the strength of feeling on the matter and their support for the local branch. Mrs Cuthbertson posted on my Facebook page to say:

"I am a pensioner, as is my husband, who is also disabled. Both of us will find it extremely difficult to get to the next closest RBS branch in Paisley as there is no direct bus link to it."

Mr Butterfield emailed me to explain that he is "shocked" and "distraught" about the decision. He is registered blind and his brother has special needs. He needs help from the fantastic RBS branch staff, who help him pay his bills. They have no idea what they will do once the branch in Renfrew closes its doors. That highlights once again how RBS has ignored the needs of its loyal customers who have a disability.

I should say, I am a customer of the Renfrew branch, which is a busy branch. There is not a time when I go in when I do not have to wait in a queue—so much so that, last week, I abandoned what would have been a fairly time-consuming request for the teller because the queue was nearly out the door.

A few weeks ago, I met RBS executives in Renfrew, alongside representatives from Renfrew community council and Renfrew development trust, and Councillor Shaw, a local ward councillor. To say that the meeting was disappointing and ultimately unproductive would be an understatement. Despite promising to do so prior to the meeting, they could not—or rather, they would not—provide any relevant information or specific transaction numbers to back up their decision. They stated only that 11 factors were taken into account when making the decision, but they refused to tell us what those factors were. They could give no explanation as to why the branch had been refurbished months earlier.

I have a lot of respect for the Minister, but he has recent history in letting me down—[*Interruption.*]. Not this time, I hope, but Paisley should have been city of culture. I hope at the very least he will look to speak to RBS to ensure that local MPs are given the facts that back up the closure decisions.

The UK Government have legislative and regulatory responsibility for banking and, as a major stakeholder in RBS, they could and should stop the closures. All that is required is political will. Their unwillingness to act speaks volumes. We on the Opposition Benches will not sit idly by and allow RBS to abandon its responsibilities to local communities by closing these vital branches.

3.49 pm

Ben Lake (Ceredigion) (PC): It is a pleasure to serve under your chairmanship, Mr Gapes. I, too, congratulate the hon. Member for East Lothian (Martin Whitfield)

on securing a debate on a matter of the highest importance for communities across the United Kingdom. West Wales was home to some of the first banking networks, set up at the end of the 18th century to facilitate the booming trade of sheep and cattle and to allow Welsh drovers to deposit large sums of money safely on their way to and from London. Is it not therefore tragically ironic that we now face a situation where these very same rural communities, home to some of the earliest banking networks, could soon be deprived of any at all?

Nowhere, perhaps, is that precariousness more apparent than in Ceredigion. The seaside towns of Aberaeron and New Quay have lost bank branches, while the old market towns of Llandysul and Tregaron recently made headlines by becoming towns without any banks at all. The recent round of closures means larger towns in Ceredigion losing branches. It is important to note that, beyond the impact that those recent decisions will have on Cardigan and Lampeter, the consequences will be doubly felt by some of the other towns in the county. When they lost their own branches, the communities were told they could visit the branches in Cardigan and Lampeter instead. Now those branches are closing.

I do not deny that the way people bank is changing, but I argue that the way it is changing differs across the country, which needs to be reflected, as the hon. Member for East Lothian mentioned. For many in rural areas, new and alternative ways of accessing banking services are simply not possible due to a lack of broadband. As a consequence, online banking and card payments, let alone contactless payments, are a distant prospect for many.

In rural areas, the closure of a branch often requires transferring to another branch many miles away, which poses a problem for older people, those with poor mobility, and those living in rural communities where transport links are few and far between. What is more, small business owners find themselves having to close shop to travel 20 or 30-odd miles one way to the nearest branch, merely to bank their takings. It is not sustainable for many small businesses to close for an afternoon or a day just to travel to the nearest bank.

Ultimately, the best way to combat the impact of the bank closures would be to develop a publicly supported community bank network along the lines of the German community banking model. In the interim, an urgent summit of all UK retail banks should be pursued, to discuss their plans regarding the branch networks. For too long, the approach taken has been reactive, waiting for decisions and then allowing them to happen. If we continue in the same way, hon. Members should be in no doubt that our communities will be starved of essential services, announcement by devastating announcement.

We must take the initiative so that we can prevent further closures. That aim could be secured by strengthening the access to banking protocol and introducing greater requirements on banks to abide by their responsibilities to the communities that have long supported them. Arranging a summit of all the major banks would also be an opportunity for the Government to facilitate greater efforts to maintain an equivalent level of banking service in rural areas. Why, as the hon. Member for Bishop Auckland (Helen Goodman) mentioned, should we not pursue greater co-operation or perhaps even the establishment of banking hubs, where existing high street banks can co-locate rather than completely vacating rural towns?

[Ben Lake]

Before Christmas, the Minister referred to action he had taken to raise awareness of the services in the post office. Why do we not pursue that avenue further, and build a proper community bank on the existing infrastructure of the post office? That would entail a significant amount of initial investment, since not every post office is currently configured to undertake such functions and staff are certainly not adequately resourced. However, increasing banking provision in local post offices could offer one way of ensuring that communities and businesses in rural areas continue to be able to access essential banking services. A lot needs to be done if that is to work, and it needs to be done urgently.

3.53 pm

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): What we see here is a bank that has acted in a buccaneering way, with no impact assessment at all, no community responsibility and no thought of how it might affect communities. The community I am talking about is an island community, and one of their first thoughts was of the Cashline machine. Islanders on the island of Barra have to take a five-hour ferry to Oban and then either take a few hours' drive to Gairloch or another ferry to Tobermory on the island of Mull to access a Cashline machine. Their next thought was, of course, going to South Uist, which would involve at best a half-day trip at a cost of about £20 or £30 return to access maybe £50 from the Cashline machine.

Luckily, on day one RBS, after telling us it had done thorough diligence and been very thoughtful, had to reverse its position after a few tweets about what it was doing on the Cashline machine—so little was the thought that RBS had put into the buccaneering, high-handed, reckless hatchet-man job. It does not care about the communities it has served for so long, and it is showing them no loyalty whatsoever. As a customer of RBS—the only bank on the island of Barra—it is absolutely sickening to find that it is turning its back and walking away, and that it does not care.

I argue that the way RBS is going about this at the moment is such that the patriotic move would be to move money out of the Royal Bank. It can drop the name “Scotland” for the way it is treating people all over rural Scotland at the moment. Whether in East Lothian, Stirling, Inveraray or even Wales, the way RBS is going about this is in no way decent, moral or nice. It is a bunch of people on corporate welfare, with £16 million in bonuses a year. Now, £16 million in bonuses a year would pay for the salaries of the staff at the branch in Castlebay, Barra, for 266 years. That is the level of greed we see from those people—it is not just greed, but cowardice and irresponsibility.

I invited Ross McEwan to come to Barra, and I got a letter from Les Matheson, which said:

“Thank you for inviting Ross McEwan and Hollie Voyce to visit the Isle of Barra. As the CEO for Personal and Business Banking I regularly visit our branches across Scotland to meet customers and staff, and I can confirm I will be visiting Castlebay in the New Year.”

He came in on a flight in the morning and went in the afternoon. How do I know? Because I happened to visit the branch with a banking issue on Friday afternoon, to be told by the staff, “Did you know you missed

Les Matheson coming to Barra?” It was an act of utter cowardice. None of them have yet come to face the community at all.

Before I come to the end of my speech, I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing the debate and say to him, “Very well done indeed.” I was trying to do the same myself. I hope that some of us will give thought to demonstrations outside the headquarters of the Royal Bank of Scotland if it continues in this way. My hon. Friend the Member for Argyll and Bute (Brendan O’Hara) pointed out that George Osborne, when he was Chancellor, sought consent for Stephen Hester’s appointment. I have to ask the Minister: this time, with the devastating blows that are hitting Conservative, Labour, Scottish National party, Liberal and everyone else’s constituencies, was consent sought?

I know the Minister is a principled man. He is in a new job, and such a job in the Treasury is a great test of principles. We will have to see who is in charge here. Is the bank owned by the Government, or do the bankers own the Government? Who is telling who where to jump? Who is pulling the strings? What is happening? The Government cannot play Pontius Pilate. With the Bannockburn closure, I am left to think that we will have to send the Royal Bank and its greedy corporate welfare home to think again.

3.57 pm

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): It is a pleasure to serve under your leadership, Mr Gapes. I am also grateful to my hon. Friend the Member for East Lothian (Martin Whitfield).

I will say a few words in this important debate. I have shared my concerns with many colleagues, who have highlighted their grave concerns today about the proposed RBS branch closures. That is particularly important to me because three RBS branches in my constituency have been identified for closure: one in Chryston, one in Bellshill and one in Tannochside—my own bank. I wrote to Ross McEwan on 12 December on behalf of my constituents and I am still awaiting a reply. I urge other colleagues to do the same. I would also like to place on record my support for the approach taken by Unite the union, which has pledged to work not only to save jobs but to save the constituents who depend on those banks. That is an approach that I support 100%.

I know that time is brief, so I will say a few words about high streets. Communities and high streets up and down our country are at breaking point. We have seen small independent shops closing due to the rise in rates. As my hon. Friend the Member for East Lothian has noted, we have seen Royal Mail privatised and post offices up and down the United Kingdom closed, and now we have RBS doing the exact same thing in Scotland. As a member of the Communication Workers Union and someone who has travelled up and down the UK fighting post office closures, I find it an absolute disgrace that the banks are now trying to use the post office as an excuse on availability when post offices have been closed and closed. My CWU members would have loved that bankers’ bailout money—it being Scotland, I should repeat that: I did say “bankers”.

The closures are a recipe for disaster and show little respect for many of our constituents, who do not have access to a computer at home and do not have internet

banking. They show little respect for the people who need a bank for their affairs, especially the small businesses I met in Chryston that are concerned about their local bank shutting. It is the only bank in town, and the local shops do not know where to go or how safe the staff will be putting money away for banks and the rest of it. For those who live in rural communities as we do, banks are so important to the high street.

After eight years of Tory austerity and the same from the SNP in Holyrood, many of my constituents are living by their pay packet, week to week. If these banks shut, all we are going to see is an improvement in ATMs, which will replace the banks. With austerity and the cuts just now, my constituents live by their money week to week. They will go to the bank and be charged £2 to lift £10. That is not on, and that is what I am fighting against for my constituents.

It has been noted that 1,000 banks have shut. That means more job losses. I am a member of the Scottish Affairs Committee, and we have invited RBS representatives down next week. I will be taking these issues forward with them. I pay tribute to my hon. Friend the Member for East Lothian and thank you, Mr Gapes, for your time.

4 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I begin by thanking the hon. Member for East Lothian (Martin Whitfield) for securing this debate. In the clamour to get this debate, he was the first one out of the trap.

I am very pleased to take part in this debate, but I wish it was not necessary. The latest round of closures has been characterised, as we have heard today in so many words, by a lack of consultation and an arrogant disregard for the majority shareholders involved: the taxpayer and the consumer. I find myself in the most unusual position—I hope it happens many times in the future—of agreeing with the hon. Member for Stirling (Stephen Kerr). He is absolutely correct to say that these closures will have a disproportionate impact on some of the most vulnerable members of our communities.

This debate is very timely. In Scotland another 62 branch closures have been announced. Of course, RBS vowed in the distant past not to close the last bank in town, but it seems that the PR experts who came up with that for RBS have now been completely disregarded, because the bank is rather ashamed of having made that vow. There has been no consultation, and as we heard from the hon. Member for East Lothian, there has been a tick-box mentality as these banks shut up shop and turn their backs on our towns without a backward glance.

Thirteen communities in Scotland will be left without a bank at all following the recently announced closures. It is incumbent on me as the Member for North Ayrshire and Arran to point out that in my constituency, the latest round of closures brings the number of towns without a bank up to seven. The towns of Dalry, Stevenston, West Kilbride, Ardrossan and Beith no longer have a bank, and now we can add Kilbirnie and Kilwinning to that list. I honestly do not think that any constituency in the UK has been hit so hard or so cruelly. Indeed, the banks are stampeding out of Ayrshire at an alarming and staggering rate, and RBS is leading the way.

I cannot overstate the sense of anger and betrayal felt by the communities affected right across the United Kingdom, as we have heard today. This is a bank that was bailed out by the taxpayer to secure its survival. Let us not forget that its survival was under threat because of its own mismanagement and incompetence. We, the taxpayers, stepped up to save this bank, and we still own 73% of it. What we have heard today about these closures is a very bitter pill to swallow indeed.

The UK Government retain all legislative and regulatory powers in terms of financial services, so they do indeed have the authority to call a halt to this devastating round of closures. If they choose to do that, it means that banks, stakeholders and the UK and Scottish Governments can consider how best to take account of the obligation to banking customers and our communities. Whatever the banks may say, they have an obligation to our communities—they have a service obligation, a financial obligation and, I would argue, a moral obligation. Like my hon. Friend the Member for Argyll and Bute (Brendan O'Hara), I will present a petition to Parliament on this issue, to allow my constituents' voices to be heard.

Let us be clear about what these bank closures mean. They mean that the affected communities no longer have access to day-to-day essential banking services. It means that my constituents in Kilbirnie must undertake a round trip of 18.8 miles to access their new so-called local bank, many of them relying on public transport to do so. It means RBS customers in Saltcoats are being directed to the next RBS, which is a round trip of 12.8 miles, and Kilwinning customers are being asked to undertake a round trip of 6.8 miles to visit their new local branch.

All of that is before we even get to the impact on local businesses, which increasingly lack access to night safes. If local businesses cannot bank their takings at the end of the business day, they must incur an extra insurance charge for keeping the cash overnight, with all the security implications of that. These small businesses are the backbone and lifeblood of our communities and our economy. Without a local high street bank, their very futures become more precarious as well.

Make no mistake: to leave a town with no bank is financial and social exclusion. I am really fed up of hearing that people now bank online and that branches are no longer needed. I accept, as everyone today has, that some people are changing the way they bank, and good luck to them. However, many people do not bank online, for a variety of reasons. We heard from the hon. Member for East Lothian that digital exclusion is a significant factor, but it is not the only factor. I do not bank online. I choose not to bank online, and I will not be bullied into banking online by any bank. We are being bullied and forced to bank online because we are not behaving in the way the banks would like us to.

Mobile banks, which RBS constantly brings up to placate the towns that it is abandoning, do not assuage customer concerns, because they are unreliable and not disability compliant. The Prime Minister said in the Chamber that branch closures were operational matters for the banks, but that is really not good enough as we face what can only be called a high street banking crisis. Banks have shown and are showing increasingly that they have no sense of service to our communities. It is time for the UK Government to establish and enforce a guaranteed minimum level of service provision for essential

[Patricia Gibson]

banking services that recognises the importance of continued access to banking for our local communities. I have put it to several banks, as they seek to abandon our towns, that an option they might want to look at is reducing their opening hours. The fact is that they want to shed the asset. They want to close up shop without a backward glance. They are not interested in what our towns need.

As for the UK Government arguing that these are operational decisions, there is a precedent, as my hon. Friend the Member for Argyll and Bute set out, for a publicly owned bank seeking Government consent as its majority shareholder. The previous Chancellor, George Osborne, confirmed that point during his time as Chancellor. His consent was sought by RBS over the departure of the previous CEO, Stephen Hester. That means the UK Government right now could reject any new RBS branch closures in locations where no appropriate face-to-face alternatives are in place. They should require RBS to ensure that practical and sustainable alternative banking services are put in place before any closures are signed off. Otherwise, the road we are going down will lead to the end of high street banking.

The UK Government have both the legislative and regulatory power and responsibility for banking and financial services. Given that banks are riding roughshod over communities with no sense of service or their responsibility for leaving customers high and dry, it is now time for a guaranteed minimum level of service provision for essential banking services to be put in place. I urge the Minister to listen carefully to the very real anger and sense of betrayal that these closures have given rise to, and to use all the means at his disposal to have these decisions revisited. Otherwise, every high street bank we still have will not remain for much longer.

4.9 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I begin by congratulating my hon. Friend the Member for East Lothian (Martin Whitfield) on securing this debate on a topic that is clearly of such central importance to many Members. I also congratulate him on his speech, which I mean not just with the usual courtesy. I thought it was an excellent introduction and a fair assessment of the situation the UK faces, and particularly Scotland.

This debate is the first in which I face the new City Minister. I warmly welcome him to his new role. He will find the shadow Treasury team always available with reasonable suggestions for a fairer and more prosperous Britain. I look forward to spending a great deal of time with him on statutory instrument Committees over the next few years.

I often think that banks have one thing in common with those of us who are politicians—with Members of Parliament in this place. People often say that they are not keen on politicians but that they feel quite affectionate towards their local MP. Similarly, many people do not feel particularly affectionate towards the banks, but do have quite a lot of regard for their local branch. We can see in this debate the strength of feeling that changes to the high street banking presence have generated.

The British banking industry is vital to our national economic infrastructure and is a sector that we should be able to be proud of. It is clearly important because of the revenue that it generates for the Treasury. UK-domiciled banks contributed an estimated £35 billion in tax in 2017 and they also employ 1.5% of the entire UK workforce.

Angus Brendan MacNeil: On that point, will the hon. Gentleman give way?

Jonathan Reynolds: I give way to the hon. Member for Na h-Eileanan an Iar.

Angus Brendan MacNeil: Well done—perfect pronunciation as well. The UK has a problem with productivity. Does the hon. Gentleman agree that this move means that people will have to spend many hours moving about the country to get to the banks, which were much closer at one time, not on their core activity? It is a destroyer of productivity. On that basis alone, the UK Government should call them to heel.

Jonathan Reynolds: That is a very reasonable point. Hon. Members such as my hon. Friend the Member for Bishop Auckland (Helen Goodman) and the hon. Member for North Ayrshire and Arran (Patricia Gibson) have shared stories of the round trips, the incredible journeys, that people have to make because of the lack of a banking presence locally. I thought that my constituency was quite badly affected, but the stories that I have heard today show just how widespread the problem has been.

The lending that banks provide is essential to financing growth in the economy, for both individuals and small and medium-sized enterprises. Many British people who are in credit benefit from free banking and 24/7 access to their money through a variety of channels and new technologies. However—and it is a big however—the memory of the British public is not so short that they do not recall the immense damage wrought on the country in 2008 by the financial crisis, which started in the banking sector. We should not underestimate the profound impact that those events have had on public trust in both retail and business banking.

Bailing out the banks, as the Government of the time did, was, without question, the right move. I often say that it would be more accurate to describe that as the Government bailing out the public from the consequences of what the banks had done, rather than straightforwardly bailing out the banks. However, those actions, which in some cases brought establishments into public ownership, clearly reiterated that the relationship between the banks and the public should be reciprocal. The fact that taxpayers' money was made available to banks reinforces that financial institutions are of central importance to our economy's wellbeing.

Banking is unlike other industries, in that dealing with people's money gives banks a unique and special responsibility. That brings with it, rightly, higher expectations about conduct, culture and putting the customer first. As a country, we have in the past 10 years legislated for a considerable increase in bank regulation, much of which, we hope, will prevent us from ever having to witness events like those of 2008 again. I recognise that in tandem with that many banks have made efforts to

bring about cultural change internally, to overhaul systems and processes and to show that they take their role in the economy seriously.

However, there is clearly still so much to be done in rebuilding the relationship between the banking sector and the public. A YouGov study released in March 2017 showed that just 36% of British consumers trust banks to work in their customers' best interests. Last year, I was at Mansion House for one of the industry body dinners, where the chief executive of one of the big banking representatives said that its research showed that just 13% of SMEs felt that they could trust their bank to do the right thing for their business. That is no good for the banks or for us as politicians and it is certainly no good for the businesses that feel that way.

Now is the time for banks to demonstrate that they have learned from the past and to recompense for past failings. This is not just about a banking presence on the high street. The historic events involving things such as RBS's Global Restructuring Group are a case in point. Serious mistakes, errors of judgment and, we have to say, in some cases, criminal activity took place, with appalling consequences for some businesses in this country. It is not enough that the requisite cultural change has taken place to prevent such events from happening again; rather, the banks must show that every effort has been made to rectify that behaviour, show that complaints are taken seriously and, crucially, show that changes are in place to ensure that customers can never again be exploited in that way.

That underpinned Labour's decision to table an amendment to the Finance Bill calling for a reversal of reductions in the bank levy. The cut in the bank levy is in effect a tax giveaway to the big banks and is worth £1 billion in 2018 alone. Given that that comes at the same time as the Government's baffling decision to sell off RBS shares at a huge loss just as the bank returns to profitability and after the taxpayer has paid the fines for past behaviour—

Angus Brendan MacNeil: Given the state of flux in UK politics, it is perfectly possible that within a year the hon. Gentleman could be sitting in the Minister's seat. What would he do about all these branch closures if he were?

Jonathan Reynolds: First, I am very grateful to the hon. Gentleman for suggesting that such a promotion might be possible. It is not something we can take for granted, but I will specifically address the RBS branch closures later in my speech. I want to make the point at this stage that rightly, and for a variety of reasons, the British public are questioning the return that they have got for their investment in the banking sector.

Much of this debate has been about branch closures. I think that everyone in the debate has admitted that we are in a time when the banking sector is undergoing considerable technological change. The exciting bit of that is the potential to deploy some of the advances for the benefit of those people who have had trouble interacting with the traditional banking system. It always confounds me that this country can play host to the most successful and most global financial sector in the world, yet at the same time we have such high levels of financial exclusion. More than 1.5 million people remain entirely unbanked. In many cases, how the traditional banking system has worked has compounded the problems rather than seeking to solve them.

I want to see new technology give us new ways to address financial exclusion, rather than being used as an excuse to push more people towards the excluded position. There is no doubt that the reports that the sector itself is looking into show how low-cost, flexible and accessible services can be provided to people who are excluded. Doreming, for example, allows individuals to shop without access to a bank account. We want to work with both the banking sector and regulators to ensure that such initiatives can access a level playing field, with the right safeguards for those who use them. When I talk to people in the financial sector, they show huge enthusiasm and passion for using their expertise to make the sector world leading and to address some of these issues. However, 10 years on from the financial crisis, rather than having that moment of reflection and seeing what new opportunities we could use to tackle financial exclusion, debates such as this, about the sense that banking is being removed from more and more people, seem to dominate.

It is crucial that we use technology to benefit all consumers, rather than creating a pared down, automated banking sector that leaves vulnerable customers without the support they need or that gives us a situation akin to what we see in the energy market, where a small group of savvy consumers get quite good deals, but at the cost of a larger group of people subsidising them and getting quite a poor deal.

Specifically on branch closures, there is no doubt that the branch network has been shrinking at an accelerating rate. In December 2016, Which? reported that more than 1,000 branches of major banks had closed between January 2015 and January 2017, with nearly 500 more set to be axed in 2017. We have seen from recent announcements by the Yorkshire Building Society and, more dramatically, by RBS, which plans to close 259 branches, just how much that is accelerating. As I said, this has affected my own constituency: Mossley, Slatybridge and Hyde have all seen branch closures. But frankly, the scale of some of the stories that hon. Members have shared today has been quite shocking. I want to say clearly that we believe the scale of the closures is disproportionate and unwarranted and should be reconsidered. In 2015, the big four high street banks made profits of more than £11 billion from their retail businesses, which own and operate the high street networks.

Research conducted by the Social Market Foundation in 2016 found that a strong consumer appetite remains for a physical presence when banking. Nearly two thirds of consumers would prefer to talk to someone face to face when making a big decision, and nearly half of those who had visited a branch in the previous 12 months said that that was for reassurance and support with more complicated transactions. The report found that 11% of the population—nearly 7 million people—use no other banking service than their local high street branch and that those people are overwhelmingly older and less affluent. Another study found that lending to small businesses in the postcode area actually fell following a local branch closure—that has to be of concern.

If you bear with me, Mr Gapes, I will conclude in a moment, but I want to say specifically that Labour's answer to this problem is to propose a change in the law regulating banks, so that no closure can take place without appropriate local consultation—not a tick-box exercise—and without Financial Conduct Authority approval.

[Jonathan Reynolds]

A future Labour Government would obligate banks to undertake a consultation with all customers and to ensure they involve representatives of the relevant local council. The branch would be mandated to publish details of the reason for closure and include the relevant financial calculations showing the revenues and costs of each branch affected. The share of central costs such as accounting systems, IT, cyber-security and personnel allocated would have to be separately identified, especially as many of these costs are relatively fixed and are not proportionate to the number of branches in the network.

I thought the suggestion from my hon. Friend the Member for Bishop Auckland is absolutely the right one and I have considered it for some time, that is, how, when branches leave the high street, the sector can come together to provide a joint solution. Those of us who use online banking recognise that there will parts of our lives in the future when we might no longer be able to do that—whether because of dementia or Alzheimer’s—and we need a solution.

In conclusion, Britain has a world-leading and robust banking system, but the banks must work with all of us, as policy makers, to tackle problems such as the lack of investment in this country and financial exclusion, and crucially to make sure that we move away from a country mired in personal debt to one with robust savings. Only when they are able to do that and show that their branch networks are part of that, will they be able to restore some of the faith that was lost in the sector 10 years ago.

4.21 pm

The Economic Secretary to the Treasury (John Glen):

It is a pleasure to serve under your chairmanship, Mr Gapes. I thank the hon. Member for East Lothian (Martin Whitfield) and my hon. Friend the Member for Stirling (Stephen Kerr) for securing this debate. I recognise the 10 passionate speeches we have had from the Back Benches and acknowledge the Backbench Business Committee for allowing the debate. I am glad that we can discuss such an important topic as I represent the Government for the first time as Economic Secretary to the Treasury.

It is clear—we all agree—that banks play an important role in our communities and that their services make a valuable everyday difference to millions of individuals, consumers and businesses. I will try to respond to some of the points made and set out some of the areas where I think there are some positives, before I conclude.

Banks exist to help us achieve our goals in life: a rung on the housing ladder, starting a new business, paying in that first pay cheque or saving for that first family holiday. We have heard a lot about the closure of physical branches and I feel that frustration, which has been expressed in my own constituency mailbag this week with the closure of Lloyds bank in Wilton, just outside Salisbury.

I acknowledge the frustration that so many hon. Members have expressed and that their constituents have passed on to them. It is frustrating and disappointing. The closures represent inconvenience and interruption in the pattern of local daily life. It also feels like a greater challenge in a community’s identity—a point made by a number of colleagues this afternoon—particularly in areas where local amenities are limited.

That can sometimes be part of a wider changing profile for the high streets and there are a number of challenges that need to be overcome.

I understand hon. Members’ concerns about the announcement that RBS and other banks have made in recent months, and it is right and natural for those who represent the community to ask why those closures must take place. However, I need to be clear at the outset, before I can look at some of the mitigating measures, that these are, despite what we might hope, commercial decisions for each bank to take without Government intervention.

Brendan O’Hara: Will the Minister confirm that the Government can intervene if they wish to but have chosen not to do so?

John Glen: I will come in a moment to express where the intervention can take place and where that responsibility lies, but first I want to refer to some of the cases made in the debate.

The hon. Member for East Lothian referred to a bank branch closure where the nearest branch is 12 miles away, but there is a Lloyds bank within walking distance. I also want to refer to the point—[*Interruption.*] It is important that I try to respond to some of the points made, so let me progress. He and another hon. Member made the point about cash deposits at post offices. All post offices can take cash deposits up to £2,000, which covers 95% of transactions, but arrangements can be made by a bank with a post office should customers wish regularly to deposit more.

My hon. Friend the Member for Ochil and South Perthshire (Luke Graham) intervened and talked about the branch in Alloa. There is a Yorkshire Building Society bank within walking distance. In Kinross, there is a TSB within walking distance. I would encourage constituents to vote with their feet. I may be destroying shareholder value in RBS and therefore the Government, but we should make clear where there are alternatives, because they do exist. The hon. Member for Argyll and Bute (Brendan O’Hara) referred to closures in his constituency—I think it was Campbeltown. There is a Halifax branch within walking distance. In Rothesay, there is a TSB within walking distance—[*Interruption.*] I can concede—I am not going to give way, I have very limited time.

Mike Gapes (in the Chair): Order. I would be grateful if Members did not shout. We have limited time and the Minister should be allowed to respond without being shouted at.

John Glen: Thank you, Mr Gapes. If I am going to get through and give some detail, I need to press on. The point I am making is that, in a number of cases, alternatives are available. I want to make that clear—it needs to be made clear by us to our constituents.

The hon. Member for Bishop Auckland (Helen Goodman) and another hon. Member made a constructive suggestion about shared premises. That is obviously a decision for individual banks to consider, but through the office that I hold I would encourage the industry to think creatively about how banks can continue to serve their customers and minimise the impact of bank closures. Those are certainly conversations that I will take forward in my engagement with the industry.

Let me get back to the script, as it were, and try to make some progress so that I can address some of the issues that have been raised.

Angus Brendan MacNeil: Before the Minister goes on, will he give way?

John Glen: I will not, if the hon. Gentleman does not mind. I realise that his constituency is perhaps unique in the United Kingdom, and I acknowledge that those alternatives are not going to be available in every circumstance, but that was not my purpose in making that point. What I am trying to say is that there are alternatives and we should be talking about them.

The responsibility of banks is to consider the impact of closures on a community and to mitigate that wherever possible, but as we have heard today, and as the title of the debate suggests, banks are much more than just bricks and mortar. Their contribution to our economies and communities does and should go much wider: providing basic bank accounts to those who need them; providing the mortgages that help young people to get their first step on the housing ladder; and offering financial education.

I will now set out some of the ways in which banks are developing and evolving. Like all businesses, they must adapt to changing customer behaviour. The industry estimates that branch visits have fallen by roughly a third since 2011, just seven years ago. Three times out of five, when customers need to make a payment or otherwise interact with their current account, they use a mobile to do it. It is easier and quicker than it has ever been before to manage our money in that way. We are much less likely to use a physical branch on a regular basis, and that has driven some of these decisions. The banks' branch networks are changing to reflect that, and I suspect that trend will continue.

Earlier this year, we saw the implementation of open banking, a new initiative that will transform how we are able to manage our finances, unlocking new opportunities for businesses and consumers. Good-quality broadband is important to ensure that these innovations do not

leave anyone behind. That is why the Government are taking action to support access to these new digital services. The new universal service obligation on high-speed broadband will give everyone in the UK access to speeds of at least 10 megabits per second by 2020, which should play a big role in enabling some more of these services.

We are supporting customers who still need or want to bank in person. The Government support the industry's access to banking standard, which commits to providing a minimum of three months' notice. Some banks are giving longer periods—I believe that RBS was giving six months' notice of closures in December. I note the observations of some Members on the inadequacy of that process, to which the banks will need to respond, but there is a practical way that we can shape the banks' approach in a local area. The access to banking standard is overseen by the independent Lending Standards Board. It will monitor how banks, including RBS, fulfil their obligations to their customers under the standard, and it is responsible for enforcement.

The Government have supported improved face-to-face banking services at the post office, which is a critical element. The post office network is in good health, and the number of branches grew significantly in 2017 for the second year running. As a courtesy, I need to make way for the hon. Member for East Lothian to respond to the debate.

4.29 pm

Martin Whitfield: I am grateful to the Minister. In the short time we have left, I express my thanks to the hon. Member for Stirling (Stephen Kerr) for being the first co-sponsor for this debate. We have had an interesting debate—

Mike Gapes (in the Chair): Order.

4.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Thursday 11 January 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Energy Policy

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The UK has benefited from its membership of the European Atomic Energy Community since joining the EU and Euratom in 1973. The Government's ambition is to maintain as many of these benefits as possible through a close and effective association with Euratom in the future, after the UK withdraws from Euratom, at the same time as withdrawing from the EU, on 29 March 2019. Our plans are designed to be robust so as to be prepared for a number of different scenarios including the unlikely outcome that there is no future agreement at all. Our No. 1 priority is continuity for the nuclear sector.

Since the 1950s, when the UK launched the world's first nuclear power station, this country has been a leading civil nuclear country on the international stage, with deep nuclear research and nuclear decommissioning expertise, and with nuclear power playing a vital part in our electricity generation mix. It is vitally important that our departure from the EU does not jeopardise this success, and it is in the interests of both the EU and the UK that our relationship should continue to be as close as possible. We recognise and understand the concerns that the nuclear industry has raised. We agree it is essential that projects and investment are not adversely affected by the UK's withdrawal from the EU, and can continue to operate with certainty.

To achieve this outcome, the Government's strategy is twofold: through negotiations with the European Commission we will seek a close association with Euratom and to include Euratom in any implementation period negotiated as part of our wider exit discussions; and at the same time, to put in place all the necessary measures to ensure that the UK could operate as an independent and responsible nuclear state from day one.

Our strategy is therefore based on the following principles:

- to aim for continuity with current relevant Euratom arrangements;
- to ensure that the UK maintains its leading role in European nuclear research;
- to ensure the nuclear industry in the UK has the necessary skilled workforce covering decommissioning, ongoing operation of existing facilities and new build projects; and
- to ensure that on 29 March 2019 the UK has the necessary measures in place to ensure that the nuclear industry can continue to operate.

The Government have made good progress on separation issues in the last few months as part of phase one of negotiations with the EU. Negotiations have covered a set of legal and technical issues related to nuclear material and waste, and safeguards obligations and equipment. The next phase of discussions will focus on the UK's future relationship with Euratom. We believe that it is of mutual benefit for both the UK and the EU to have a close association with Euratom and to ensure

a future safeguards regime that will be equivalent in effectiveness and coverage to that currently provided by Euratom, including consideration of any potential role for Euratom in helping to establish the UK's own domestic safeguards regime.

The UK's specific objectives in respect of the future relationship are to seek:

- a close association with the Euratom Research and Training Programme, including the Joint European Torus (JET) and the International Thermonuclear Experimental Reactor (ITER) projects;
- continuity of open trade arrangements for nuclear goods and products to ensure the nuclear industry is able to continue to trade across EU borders without disruption; and
- maintaining close and effective cooperation with Euratom on nuclear safety.

We understand the importance to businesses and communities, including those in the nuclear sector, of being able to access the workforce they need. Proposals for our future immigration system will be set out shortly and we will ensure that those businesses and communities, and Parliament have the opportunity to contribute their views before making any decisions about the future system.

Whatever the outcome of the negotiations with the EU, it is vital that Government pursue all options for providing certainty for the civil nuclear industry that it will be able to continue its operations, including that the UK has a safeguards regime that meets international standards by the end of March 2019 and that necessary international agreements are in place. Such elements are not dependent on the EU negotiations and the UK Government are well advanced in delivering this plan.

The UK is: establishing a legislative and regulatory framework for a domestic safeguards regime—the Nuclear Safeguards Bill will, subject to the will of Parliament, provide legal powers for the Secretary of State to establish a domestic regime which the Office for Nuclear Regulation will regulate; negotiating bilateral safeguards agreements with the International Atomic Energy Agency; and putting in place bilateral Nuclear Co-operation Agreements with key third countries.

As set out by the Prime Minister, the UK Government are proposing a time-limited implementation period where we continue to have access to one another's markets on current terms and take part in existing security measures. This implementation period would cover Euratom too. The exact nature of the period will be subject to forthcoming negotiations including on the issues outlined in this statement.

As discussions with the EU move onto the important issue of the future relationship, I shall report back every three months about overall progress on Euratom, covering the EU negotiations and other important matters covered in this statement, by way of further written statements to keep Parliament updated.

[HCWS399]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

25-year Environment Plan

The Secretary of State for Environment, Food and Rural Affairs (Michael Gove): It is this Government's ambition to leave our environment in a better state than

we found it. We have made significant progress but there is much more to be done. The 25-year environment plan that we have published today outlines the steps we propose to take to achieve our ambition.

Environment is—at its roots—another word for nature, for the planet that sustains us, the life on earth that inspires wonder and reverence, the places dear to us we wish to protect and preserve. We value those landscapes and coastlines as goods in themselves, places of beauty which nurture and support all forms of wildlife.

Respecting nature's intrinsic value, and the value of all life, is critical to our mission. For this reason we safeguard cherished landscapes from economic exploitation, protect the welfare of sentient animals and strive to preserve endangered woodland and plant life, not to mention the greening of our urban environments.

But we also draw from the planet all the raw materials we need to live—food, water, air and energy for growth. So protecting and enhancing the environment, as this plan lays out, is about more than respecting nature. It is critical if the next generation is to flourish, with abundant natural resources to draw on, that we look after our and their inheritance wisely. We need to replenish depleted soil, plant trees, support wetlands and peatlands, rid seas and rivers of rubbish, reduce greenhouse gas emissions, cleanse the air of pollutants, develop cleaner, sustainable energy and protect threatened species and habitats.

Previous Governments, here and in other nations, have made welcome strides and driven environmental improvement. Yet as this 25-year plan makes clear, there is much more still to do. We must tread more lightly on our planet, using resources more wisely and radically reducing the waste we generate. Waste is choking our oceans and despoiling our landscapes as well as contributing to greenhouse gas emissions and scarring habitats. The success of the 5p plastic bag charge in reducing the use of carrier bags by 85% shows the difference which Government action can make, and demonstrates that protecting our environment is a job for each one of us. The plan outlines ways to reduce the use of plastics that contribute to pollution, and broader steps to encourage recycling and the more thoughtful use of resources. Over the lifetime of this plan, we want to eliminate all avoidable plastic waste.

The Government's clean growth strategy—the sister document to this environment plan—sets out how we will deliver the clean, green growth needed to combat global warming. We will do what is necessary to adapt to the effects of a changing climate, improving the resilience of our infrastructure, housing and natural environment.

Population growth and economic development will mean more demand for housing and this Government are committed to building many more homes. However, we will ensure that we support development and the environment by embedding the principle that new development should result in net environmental gain—with neglected or degraded land returned to health and habitats for wildlife restored or created.

Most of our land is used, however, for agriculture not housing. The new system of support that we will bring in for farmers—true friends of the earth, who recognise that a care for land is crucial to future rural prosperity—will have environmental enhancement at its heart.

We will support farmers to turn over fields to meadows rich in herbs and wildflowers, plant more trees, restore habitats for endangered species, recover soil fertility and attract wildlife back. We will ensure broader landscapes are transformed by connecting habitats into larger corridors for wildlife, as recommended by Sir John Lawton in his official review. Our plan for a new northern forest, to which we are contributing more than £5 million, will be accompanied by a new review of national parks and areas of outstanding natural beauty. Planting more trees provides not just new habitats for wildlife—it also helps reduce carbon dioxide levels and can reduce flood risk. We will work with nature to protect communities from flooding, slowing rivers and creating and sustaining more wetlands to reduce flood risk and offer valuable habitats.

Beyond our coastlines, we must do more to protect the seas around us and marine wildlife. Leaving the EU means taking back control of the waters around these islands. We will develop a fishing policy that ensures seas return to health and fish stocks are replenished. We will also extend the marine protected areas around our coasts so that these stretches of environmentally precious maritime heritage have the best possible protection.

Internationally, we will lead the fight against climate change, invest to prevent wildlife crime, pursue a ban on sales of ivory, and strengthen partnerships to tackle illegal wildlife trade beyond borders, including investigating the feasibility of an anti-poaching taskforce.

We will underpin all this action with a comprehensive set of environmental principles. To ensure strong governance, we will consult on plans to set up a world-leading environmental watchdog, an independent, statutory body, to hold Government to account for upholding environmental standards. We will regularly update this plan to reflect the changing nature of the environment.

While this 25-year environment plan relates only to areas for which Her Majesty's Government are responsible, we will continue to work with the devolved Administrations on our shared goal of protecting our natural heritage.

These actions will, we hope, ensure that this country is recognised as the leading global champion of a greener, healthier, more sustainable future for the next generation.

[HCWS398]

EXITING THE EUROPEAN UNION

European Union (Withdrawal) Bill: Standing Orders

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Steve Baker): I am today placing in the Library of the House the Department's analysis on the application of Standing Order No. 83L in respect of the amendments to the European Union (Withdrawal) Bill made at Commons Committee stage and of the amendments proposed by the Government for Report stage. These amendments do not change the conclusion of the original analysis in the Bill's explanatory notes.

[HCWS400]

INTERNATIONAL TRADE

UK-India Joint Economic and Trade Committee

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): I am pleased to inform the House that I will be co-chairing the twelfth meeting of the UK-India Joint Economic and Trade Committee (JETCO) in London on Thursday 11 January with Shri Suresh Prabhu, Minister for Commerce and Industry.

The UK-India JETCO was established on 13 January 2005 to further develop the India-UK strategic economic partnership. India and the UK already enjoy a strong bilateral relationship, and both sides take a mutual interest in enhancing the competitiveness of the two economies. Bilateral trade between the UK and India has grown over the last ten years and was £15.4 billion in 2016. We also have strong investment links; the UK has been the largest G20 investor in India over the last 10 years and Indian companies operating in the UK account for around 110,000 jobs. At the last UK-India JETCO, in November 2016, I agreed with my co-chair

to establish a Joint Trade Review, a collaborative analytical project, that will evaluate the range of ways we can strengthen the UK-India trade relationship and remove barriers, both at present and as we leave the EU.

The twelfth meeting of the JETCO will be a key opportunity to further strengthen our relationship with an important and close trade and investment partner. The meeting will be supported by business working groups on smart cities and technology, advanced manufacturing and engineering, and will receive an update on the UK-India Joint Trade Review from my officials and the Indian Ministry of Commerce and Industry. We will also welcome increased support from the UK's official export credit agency, UK Export Finance, for trade with India, of up to £4.5 billion. This will provide an additional £2.75 billion in support for UK companies exporting to India and for Indian buyers of UK goods and services, and be available in Indian rupees. The meeting will also be an important milestone towards the Commonwealth Heads of Government Meeting in April, from which we expect to give greater impetus to intra-Commonwealth trade. A joint statement will be released on Thursday 11 January to report on the outcomes of the JETCO.

[HCWS397]

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