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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 24 January 2018

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Leaving the EU: Devolution of Powers

1. **Mike Amesbury** (Weaver Vale) (Lab): What recent discussions he has had with the Scottish Government on the devolution of powers to the Scottish Parliament after the UK leaves the EU. [903398]

The Secretary of State for Scotland (David Mundell): It would be remiss of me not to point out that tomorrow marks the anniversary of the birth of Robert Burns, and I am sure that the whole House would like to join me in wishing well not only to those who are organising and participating in events around the world but to everybody who celebrates the life and legacy of Scotland's great bard.

As my right hon. Friend the Prime Minister has made clear, we are intensifying our discussions with the devolved Administrations on powers returning from the EU. I had a useful discussion with Mike Russell early in the new year, and I am confident that discussions will continue to be productive.

Mike Amesbury: The hon. Member for East Renfrewshire (Paul Masterton) said during the Committee stage of the European Union (Withdrawal) Bill:

"I will not support a Bill that undermines devolution and does not respect the integrity of the Union."—[*Official Report*, 4 December 2017; Vol. 632, c. 733.]

If that is the position of the Scottish Conservatives, why did they vote against the Labour amendment that would have safeguarded devolution?

David Mundell: It is quite easy, in opposition, to pursue stunts and gimmicks, and that is what the Labour amendment was. This Government have made it quite clear that we would agree an amendment to the Bill with the Scottish Government and the Welsh Assembly Government, and that is what we are doing.

Ross Thomson (Aberdeen South) (Con): Figures published today show that trade between Scotland and the rest of the UK is four times more important to Scotland than its trade with the European Union. Does my right hon. Friend therefore agree that, as powers

return from the EU to Scotland, we must ensure that we protect the UK internal market so that businesses in Scotland may continue to flourish?

David Mundell: I absolutely agree with my hon. Friend, and I would point out that those figures were produced by the Scottish Government themselves. Trade within the UK is worth four times as much to Scotland as its trade with the EU. When "Scotland's place in Europe" was published last week, it disappointed me that that fact was not recognised.

Ian Murray (Edinburgh South) (Lab): Will the Secretary of State tell the House what he thinks is wrong with the devolution powers in the European Union (Withdrawal) Bill, and how he would like to see them fixed? Or is it that, in this week of Burns celebrations, he is just the great puddin' o' the chieftain race?

David Mundell: The hon. Gentleman always has an interesting take on events, but I am clear that we want to work with the Scottish Government and the Welsh Assembly Government, and with the Scottish Parliament, whose Finance and Constitution Committee has set out its views on clauses 10 and 11 of the Bill. I want to reach agreement with them, so that the Government will recommend a legislative consent motion.

Bill Grant (Ayr, Carrick and Cumnock) (Con): Does my right hon. Friend agree that Brexit presents an enormous opportunity for the Scottish Parliament to gain even further powers?

David Mundell: It represents not only that opportunity but an opportunity to use those powers. We never hear the Scottish National party talking about how the powers devolved to Scotland after we leave the EU will actually be used. That is the debate we should be having now.

Lesley Laird (Kirkcaldy and Cowdenbeath) (Lab): First, on behalf of the lassies, may I echo the sentiments expressed by the Secretary of State and wish everyone in the House a happy Burns day? In December, I stood at this Dispatch Box and was comforted to hear the Secretary of State commit to bringing forward amendments to the European Union (Withdrawal) Bill on Report. Sadly, he did not keep that commitment. Will he now please tell us why?

David Mundell: The answer is very simple: we could not meet the timescale that we had aspired to. I take responsibility for that. I gave a commitment at the Dispatch Box that we would bring forward amendments on Report, but we were unable to reach agreement with the Scottish Government and the Welsh Assembly Government on those important amendments within the timescale. Significant work is ongoing in that regard, and the commitment to amend the Bill is unchanged. However, it will involve an amendment that can command the support of the Scottish Parliament, not a gimmick amendment.

Lesley Laird: That lack of planning is extremely disappointing, because the Secretary of State, in failing to keep his commitment, has now singlehandedly put the future of the devolution settlement in the hands of the other place. Given his lack of judgment in his

previous commitment, how confident is the Secretary of State that an amendment will come back to this place that all parties will find acceptable?

David Mundell: The hon. Lady is relatively new to this House, but she will know that this Chamber will be able to discuss the amendment, which will be discussed by the Scottish Parliament when we seek its legislative consent. The Scottish Labour party has been all over the place on the EU, and I have no idea how it will vote on a legislative consent motion when it comes to the Scottish Parliament, but I hope that it will be yes.

2. **Dr Philippa Whitford** (Central Ayrshire) (SNP): What recent discussions he has had with (a) Cabinet colleagues and (b) the Scottish Government on devolving powers to Scotland after the UK leaves the EU. [903399]

5. **John Mc Nally** (Falkirk) (SNP): What recent discussions he has had with (a) Cabinet colleagues and (b) the Scottish Government on devolving powers to Scotland after the UK leaves the EU. [903402]

6. **David Linden** (Glasgow East) (SNP): What recent discussions he has had with (a) Cabinet colleagues and (b) the Scottish Government on devolving powers to Scotland after the UK leaves the EU. [903403]

9. **Mhairi Black** (Paisley and Renfrewshire South) (SNP): What recent discussions he has had with (a) Cabinet colleagues and (b) the Scottish Government on devolving powers to Scotland after the UK leaves the EU. [903406]

10. **Deidre Brock** (Edinburgh North and Leith) (SNP): What recent discussions he has had with (a) Cabinet colleagues and (b) the Scottish Government on devolving powers to Scotland after the UK leaves the EU. [903407]

13. **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): What recent discussions he has had with (a) Cabinet colleagues and (b) the Scottish Government on devolving powers to Scotland after the UK leaves the EU. [903410]

14. **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): What recent discussions he has had with (a) Cabinet colleagues and (b) the Scottish Government on devolving powers to Scotland after the UK leaves the EU. [903411]

15. **Martin Docherty-Hughes** (West Dunbartonshire) (SNP): What recent discussions he has had with (a) Cabinet colleagues and (b) the Scottish Government on devolving powers to Scotland after the UK leaves the EU. [903412]

The Secretary of State for Scotland (David Mundell): My answer is “many.”

Dr Whitford: And yet the Secretary of State cannot name one. He failed in his promise to amend clause 11 in this House to avoid undermining the principle of devolution to Scotland and Wales, as not just Scotland’s governing party, but all Scottish MPs will be excluded from the next stage of the debate. Will he tell us now what proposals will be brought forward in the Lords?

David Mundell: I echo the remarks that Michael Russell made yesterday in Holyrood, where he said:

“The Scottish Government... aims to agree amendments to the bill with the UK Government that would allow a legislative consent motion to be brought to the chamber and passed.”—[*Scottish Parliament Official Report*, 23 January 2018; c. 31.]

Mr Russell and, indeed, Mark Drakeford in the Welsh Assembly have not given a running commentary on the negotiations, and I do not intend to do so either.

John Mc Nally: Holyrood’s Finance and Constitution Committee has stated that clause 11, as currently drafted, is incompatible with the devolution settlement in Scotland. Does the Secretary of State agree?

David Mundell: I have committed to amending the Bill—my commitment remains exactly the same—so that it meets the concerns of the Committee set out in its report and so that a majority of Members of the Scottish Parliament can vote for a legislative consent motion in respect of the Bill.

David Linden: The Secretary of State was left looking a bit glauk this morning when the Brexit Secretary said that the Secretary of State had potentially made a promise that he could not keep. Is not the reality here that all the talk from the Tories about giving power back to Scotland is nothing less than a power grab and that that lot—the Scottish Conservatives—are just Lobby fodder?

David Mundell: The pantomime season is over, and the hon. Gentleman’s theatrical tone strikes a discordant note with the tone set yesterday by Michael Russell, the Minister in the Scottish Government responsible for such matters. There was no suggestion of a power grab. The suggestion was that both Governments are engaged in intensive negotiations to agree an amendment to the clause.

Mhairi Black: I appreciate the Secretary of State’s honesty in saying that he ran out of time to get the amendments in, but unfortunately that is not good enough. How can he justify it being okay that Michelle Mone and Alan Sugar will have more of an impact on the Bill than Scotland’s elected Members, some of which sit on the Secretary of State’s side of the House?

David Mundell: From everything that I see and read in Scotland, the hon. Lady has a considerable impact on events in Scotland, and I am sure that her views on the Bill will be well recorded. The amendment will be debated in the House of Lords. I regret that it is being brought forward in the other House, but we simply did not meet the timescale to which we aspired. There will be a further opportunity to debate the amendment in this House, and the Scottish Parliament, which SNP Members say they are concerned about all the time, will also be able to have an extensive debate and vote on the clause.

Deidre Brock: Will the Secretary of State’s colleagues in the House of Lords make the changes he promised us he would make to the Brexit Bill? And will he sit down with the Scottish Government thereafter to discuss what further powers need to be devolved?

David Mundell: I intend to sit down with the Scottish Government next week to discuss progress on amending clause 11. In relation to further devolution, the Smith Commission determined the nature of the settlement,

to which all parties in the Scottish Parliament signed up. This Government do not support changes to the devolution arrangements, as agreed in the Smith Commission.

Drew Hendry: The Secretary of State has failed to answer for his broken promise to this House and to his Tory colleagues in Scotland on clause 11. That means Karren Brady, Sebastian Coe, Joan Bakewell and 26 Church of England bishops now have more say over Scotland's future than Scotland's elected MPs. Will the Secretary of State finally apologise for that sad state of affairs?

David Mundell: I am sure the hon. Gentleman's views and mine on the future of the House of Lords are closer than he would anticipate. I have taken full responsibility for not meeting the timescale I originally set out. We are committed to amending the Bill, and to amending the Bill in agreement with the Scottish Government and the Welsh Assembly Government. I would have thought that that is something even Opposition Members would recognise.

Gavin Newlands: In a rare lucid moment, the hon. Member for Stirling (Stephen Kerr) said

"the Government made a clear commitment to the House on the amendments to clause 11, and I took those commitments at face value. As a Conservative Member, I never want to get to the point where I cannot take commitments given to me...at face value",

and that

"they have let this Chamber down by not delivering on what they promised."—[*Official Report*, 16 January 2018; Vol. 634, c. 819-21.]

Will the Secretary of State apologise to his own colleagues, to this House and, more importantly, to the people of Scotland for letting us all down?

David Mundell: I think the hon. Gentleman seeks to conflate two issues. The commitment to amend the Bill remains unchanged. The Bill will be amended in agreement with the Scottish Government and the Welsh Assembly Government. We failed to meet the timescale to which I aspired, and I take full responsibility for that.

Martin Docherty-Hughes: Resistance to further devolution of powers comes from many quarters, such as the Constitutional Research Council led by the Secretary of State's friend, and prominent Scottish Tory, Richard Cook. As we all know, the CRC funded the Democratic Unionist party's version of hard Brexit in the campaign. Does the Secretary of State now agree that it is time for full disclosure of those funds? If he does not, it undermines the very principles of liberal democracy that he says he stands up for.

David Mundell: That is an entirely separate issue. As you will recognise, Mr Speaker, a whole range of procedures are in place for people who have issues or concerns about the funding of political activity.

Charlie Elphicke (Dover) (Ind): Will the Secretary of State confirm that, when the United Kingdom leaves the European Union, the flag of this nation will remain the Union flag and that no devolved Assembly should try to restrict it from being flown, whether at the white cliffs of Dover, Land's End or John o'Groats?

David Mundell: As my hon. Friend knows, in September 2014 the people of Scotland voted overwhelmingly to remain within the United Kingdom, and the Union Jack is the flag of the United Kingdom. It beggars belief that, at a time when children's hospital wards are being closed, educational standards are falling and Police Scotland is in chaos, the priority of the First Minister of Scotland is flags.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The Secretary of State talks a good game but, unfortunately, delivery does not appear to be his strong point. Speaking of auld acquaintance, it turns out that his key adviser tasked with increasing awareness of devolution across Government is none other than the interim chief executive of Carillion. Given the shambolic handling of clause 11 last week, how does the Secretary of State think that is going?

David Mundell: First, it is not correct to suggest that non-executive directors take policy decisions in relation to Government Departments. Keith Cochrane has done an excellent job as a non-executive director of the Scotland Office, and I pay tribute to him as one of Scotland's most respected businessmen. However, in order not to become a distraction at a time of very important work for the Scotland Office, he has decided to step aside from his responsibilities until the investigation into Carillion and any subsequent inquiries are complete.

Pete Wishart (Perth and North Perthshire) (SNP): May I also wish you a very happy Burns season, Mr Speaker?

The Secretary of State talked of a powers bonanza and could not list one new power. He promised amendments on clause 11 and no such amendments were tabled. Can we now believe another word he says in this House?

David Mundell: I know that the hon. Gentleman does not necessarily have the best of relations with some people in the Scottish Government, but perhaps he could have a word with them about the publication of the frameworks. I am keen that we publish what has been agreed in relation to frameworks, but the current position of the Scottish Government is that that should not be published.

Pete Wishart: The right hon. Gentleman is personally responsible for a breakdown in the relationship between this House and the Scottish Government, and the breakdown in relationships between all the Members of this House. The Brexit Secretary today has suggested that the right hon. Gentleman is the blockage to progress. He has accepted full responsibility for not producing these amendments. Has he now had the time to think about his own position?

David Mundell: Again, the hon. Gentleman strikes a completely different tone from Michael Russell, who has pursued a very professional approach to these matters. They are complicated and difficult matters, and it is important that they are thoroughly debated, discussed and agreed. The reason the Government did not bring forward an amendment at that stage was that no amendment had been agreed with the Scottish Government, but we are committed to delivering that.

Economic Development: Cross-border Co-operation

3. **Kevin Foster** (Torbay) (Con): What plans the Government have to further cross-border co-operation on economic development between Scotland and the rest of the UK. [903400]

The Secretary of State for Scotland (David Mundell): Today's figures from the Scottish Government again show that Scotland's trade with the rest of the UK is worth nearly four times that with the EU. We know that more than half a million Scottish jobs depend on the vital UK internal market, and that people in Scotland want a UK-wide approach to trade. As the UK prepares to leave the EU, it is essential that we ensure that the important UK internal market can continue unimpeded.

Kevin Foster: My right hon. Friend will be aware that the First Minister of Scotland recently said that, "independence must be an option", highlighting once again some people's interest in separation, not governing. Does my right hon. Friend agree that keeping separation on the table makes constructive, co-operative working difficult, and that opportunities will be missed both for Scotland and the UK as a result?

David Mundell: I absolutely agree with my hon. Friend. It has just become absolutely clear that when Nicola Sturgeon and the SNP are asked what they want from Brexit, the answer is another independence referendum.

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): Brexit poses the biggest risk to Scotland's economy. If the Government want to show co-operation with the Scottish Government, does the Secretary of State agree that the sectoral reports that are available to MPs in this place should also be made available to MSPs?

David Mundell: I understood that they had been made available to MSPs. If that is not the case, I will ensure that it is.

Douglas Ross (Moray) (Con): This week, Moray Council discussed the projects that will be included in the ambitious Moray growth deal. The Secretary of State knows of my strong support for the bid, so will he join me in Moray to meet the people involved in the Moray growth deal bid, to show the UK Government's commitment to take these from proposals to projects delivered?

David Mundell: These growth deals and city deals across Scotland are very important to the economy as we prepare to leave the EU. I am excited by the proposals that have been brought forward by stakeholders in Moray and I would be delighted to visit with my hon. Friend.

Christine Jardine (Edinburgh West) (LD): Does the Secretary of State agree that today's export statistics show the importance to Scotland of remaining in both the EU and the UK, despite the SNP's latest attempt to break that link by taking down the flag?

David Mundell: The hon. Lady will expect that I will agree with part of what she said. Of course, as the people of Scotland voted, Scotland must remain in the

UK and benefit from the UK internal market, but the people of the United Kingdom have voted to leave the EU, and we are leaving the EU.

Renewable Energy Sector

4. **Jeff Smith** (Manchester, Withington) (Lab): What discussions he has had with the Secretary of State for Business, Energy and Industrial Strategy on Government funding for the renewable energy sector in Scotland. [903401]

The Minister for Energy and Clean Growth (Claire Perry): Thanks to the investments that we have all made in the future of renewables and the Government policy framework, Scotland's renewable energy is thriving. A quarter of the UK's renewable capacity is based in Scotland because of the climate and the geography. That capacity has more than doubled since the Conservative-led Government came to power in 2010, and we will be going further in bringing forward energy from remote offshore wind projects in the next auction, in 2019.

Jeff Smith: That is not what Scottish Renewables says. It says that, with the exception of offshore wind, growth across all other technologies is low to stagnant. How much funding will be available to Scotland under the Government's clean growth strategy? Has the Minister assessed the impact that it will have in Scotland?

Claire Perry: As I was pleased to set out in the clean growth strategy, we will make almost £560 million available up to 2025 to support all forms of renewable energy. As we have now set out, we will enable offshore wind projects, which are so vital to the remote islands, to bid in that next auction. We want to keep it going; Scotland is doing incredibly well. Last year, renewable energy right across the UK contributed a third of our electricity generation. We are on a renewables road.

City Region Deals

7. **Stephen Kerr** (Stirling) (Con): What recent discussions the Government have had with the Scottish Government on the implementation of city region deals in Scotland. [903404]

The Secretary of State for Scotland (David Mundell): I spoke to the Scottish Government Cabinet Secretary for the Economy, Jobs and Fair Work last week. We will meet again shortly to discuss our joint approach, including how we can deliver for my hon. Friend on the Stirling and Clackmannanshire deal.

Stephen Kerr: Will the Secretary of State confirm to the House that the UK Government are committing new money to the Stirling and Clackmannanshire city region deal, not simply rebadging existing funding? When he next meets the Scottish Government, will he secure a similar commitment from them that they will put new money into the deal and not just rebadge existing funding?

David Mundell: I confirm that the UK Government will definitely put new money into the Stirling and Clackmannanshire deal. That has always been our approach

to such deals, and that is why they have such a transformative effect. I will speak to Keith Brown on the issue my hon. Friend raises, but I know Mr Brown takes a particular interest in that deal.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): All the city region cash that has gone Inverness's way is most welcomed by residents of Inverness. However, other communities in the Highlands such as Wick, Thurso and Tain struggle to see the benefit. It is supposed to be a city region deal. Will the Secretary of State look into why it is not working as it should?

David Mundell: I will of course look into the hon. Gentleman's point, which was also raised with me when I was on Skye. May I use this opportunity to rebut the fake news that Skye is full and not open for business to tourists? It is open for business and a great destination.

Leaving the EU: Economic Opportunities

8. **Tom Pursglove** (Corby) (Con): What recent discussions he has had with businesses in Scotland on the economic opportunities available to them after the UK leaves the EU. [903405]

The Minister for Energy and Clean Growth (Claire Perry): It is always a pleasure to speak to Scottish businesses. In fact, there have been more than 100 such conversations in the past year in my Department. I look forward to meeting many more businesses this Friday, when I travel to Aberdeen as the Government's oil and gas champion, including a visit to the Oil and Gas Technology Centre, which benefited from £180 million as part of the Aberdeen city deal in 2016.

Tom Pursglove: As Corby is the most Scottish town in England, I am well aware that Scotland produces some of the UK's best-known products, including Scotch whisky. What steps is my right hon. Friend taking to ensure that, as we leave the European Union, new opportunities are taken, for the benefit of the whole of the United Kingdom economy?

Claire Perry: I am told that Corby is a great place in England to buy an Irn-Bru and a pie. As we know, whisky is one of the UK's greatest exports. Forty thousand people are employed in the industry, and the value of exports is more than £4 billion. It absolutely stands to benefit from post-Brexit trade opportunities. Both our industrial strategy and—[*Interruption.*]

Mr Speaker: Order. This is rather discourteous. The Minister is giving us a detailed answer, which I think the House should hear.

Claire Perry: I am sure whisky drinkers everywhere will be grateful for that intervention, Mr Speaker.

The industrial strategy sets out other opportunities with industries across the UK to grow their productivity, improve their exports and create high-value jobs. I am pleased to say we are working closely with the Scottish Government to implement the strategy.

Alan Brown (Kilmarnock and Loudoun) (SNP): To mitigate the extreme hard Tory Brexit and create further job opportunities in Scotland, will the Minister commit to speaking to onshore wind developers and allowing them to bid in future contract for difference auctions?

Claire Perry: As the hon. Gentleman knows from conversations around the Dispatch Box, we are keen to bring forward renewable technology at the right price for bill payers and consumers right across the UK. We will continue to offer opportunities for all sorts of renewable businesses to get involved in CfD auctions going forward.

Leaving the EU: Common Frameworks

11. **Paul Masterton** (East Renfrewshire) (Con): What progress the Government have made on ensuring that common frameworks with the Scottish Government are in place when the UK leaves the EU. [903408]

The Secretary of State for Scotland (David Mundell): The UK, Scottish and Welsh Governments agreed the principles that will guide how we approach common frameworks in future at the Joint Ministerial Committee on EU Negotiations on 16 October. Those principles have facilitated constructive engagement at official level, and we expect to make significant further progress in the coming months, including publishing our analysis.

Paul Masterton: During those constructive discussions, has the Secretary of State received any indication from the Scottish Government about how they intend to use the plethora of new powers that they will receive?

David Mundell: As I said in response to a previous question, we have heard nothing from the Scottish National party or the Scottish Government about how they intend to use the new powers that will be available after we leave the EU. Let us have a debate about using powers for Scotland's benefit, not about process.

Hospital Car Parking Charges

12. **Robert Halfon** (Harlow) (Con): Whether he has had discussions with the Scottish Government on their abolition of hospital car parking charges. [903409]

The Secretary of State for Scotland (David Mundell): I have not had discussions with the Scottish Government regarding hospital car parking charges. The policy falls wholly within their area of devolved competence.

Robert Halfon: The vast majority of national health service hospitals in Scotland do not charge for car parking. Will my right hon. Friend initiate discussions with the Secretary of State for Health and Social Care to explore the options for extending that to England?

David Mundell: I am sure that my colleague the Secretary of State for Health and Social Care will have heard my right hon. Friend's comments.

PRIME MINISTER

The Prime Minister was asked—
Engagements

Q1. [903508] **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): If she will list her official engagements for Wednesday 24 January.

The Prime Minister (Mrs Theresa May): I am sure that Members throughout the House will wish to join me in marking Holocaust Memorial Day this Saturday and in remembering all those who endured such appalling suffering in the holocaust.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today. Later, I will travel to Switzerland to attend the World Economic Forum and—who knows?—I might even bump into the shadow Chancellor while I am there.

Stephen Metcalfe: Mr Speaker, as you and my right hon. Friend the Prime Minister will know, last week saw the successful launch of the Year of Engineering campaign, which is aimed at changing the perception of engineering and inspiring the next generation of engineers. I know that the Prime Minister is personally committed to the campaign, so may I invite her to join me and 80,000 young people at this year's Big Bang fair, to reinforce the message that engineering is a great career that is open to everyone, regardless of their background, ethnicity and gender?

The Prime Minister: My hon. Friend makes an important point. The issue of engineering, and particularly the need for more women to see engineering as a career, is something that I have promoted for many years now. Engineers are vital to our economy, which is why we want to see everyone, whatever their background—this is about not only gender but background and ethnicity—having a chance to build a good career in engineering. The Year of Engineering gives us a great opportunity to work together with business to do exactly that. If my diary allows, I would be happy to attend the fair to which my hon. Friend referred.

Jeremy Corbyn (Islington North) (Lab): I join the Prime Minister in commemorating Holocaust Memorial Day. Many Members will be signing the book of remembrance and attending the event tomorrow. We have to teach all generations that the descent into Nazism and the holocaust must never, ever be repeated anywhere on this planet.

Does the Prime Minister agree with the Foreign Secretary that the national health service needs an extra £5 billion?

The Prime Minister: As I recall, the right hon. Gentleman was in the Chamber for the autumn Budget speech delivered by my right hon. Friend the Chancellor of the Exchequer, in which he announced that we will be putting £6 billion more into the national health service.

Jeremy Corbyn: The only problem with that is that it was £2.8 billion, spread like thin gruel over two years. Two weeks ago, the Prime Minister told the House that “it is indeed the case that the NHS was better prepared this winter than ever before.”—[*Official Report*, 10 January 2018; Vol. 634, c. 315.]

Sixty-eight senior A&E doctors have written to the Prime Minister about what they describe as

“very serious concerns we have for the safety of our patients.”

They say that patients being treated in corridors are “dying prematurely”. Who should the public believe—the Prime Minister or A&E doctors?

The Prime Minister: It is right that the NHS was better prepared for this winter than it ever has been before. We saw 3,000 more beds being brought into use over the winter period; we saw the use of the 111 call system leading to a significant reduction in the number of call-outs and the number of people having to go into hospital; and we saw the changes made in accident and emergency, with GP streamlining, helping to ensure that people who did not need to go into hospital did not go into hospital. Overall, we saw 2.8 million more people last year visiting accident and emergency than did so in 2010. Our NHS is indeed providing for patients. There are winter pressures; we were prepared for those winter pressures. We will ensure, as we have done every year under this Conservative Government, that the NHS receives more funding.

Jeremy Corbyn: Since 2010, we have lost 14,000 NHS beds. The King's Fund, the Health Foundation and the Nuffield Trust all agree that the NHS needs another £4 billion. In December, the month just gone, NHS England recorded its worst ever A&E performances, with more patients than ever waiting more than four hours. Now the UK Statistics Authority says that the numbers may be worse because the figures have been fiddled. Can the Prime Minister tell the House when figures calculated in line with previous years will be published?

The Prime Minister: I have to say to the right hon. Gentleman that the NHS is open in publishing a whole variety of figures in relation to its targets. We are putting more money into the NHS, year in and year out, and we are continuing to do that. If he wants to talk about figures and about targets being missed, yes, the latest figures show that, in England, 497 people were waiting more than 12 hours, but the latest figures also show that, under the Labour Government in Wales, 3,741 people were waiting more than 12 hours.

Jeremy Corbyn: The Prime Minister is responsible for the underfunding of the Welsh Government and the needs of Wales. Despite that, the overall Welsh Labour Government health budget has grown by 5% in 2016-17. It is Labour Wales that has a problem of underfunding from a Conservative Government based in Westminster. So far this winter, 100,000 patients have been forced to wait more than 30 minutes in the back of an ambulance in NHS England, for which she is responsible, yet still she refuses to give the NHS the money that it needs. Can she tell us how many more patients will face life-threatening waits in the back of ambulances this winter?

The Prime Minister: I say to the right hon. Gentleman that of course we want to ensure that people are not waiting in those ambulances, but the only answer that he ever comes up with is on the question of money. The question—[*Interruption.*] No, the question is this: why are there some hospitals where the percentage of patients waiting more than 30 minutes is zero and other hospitals where the percentage of patients waiting more than 30 minutes is considerably higher? If he wants to talk about funding, perhaps we should look at what the Labour party promised at the last general election last year. [*Interruption.*] It is all very well shadow Ministers

shouting about the comparison of money. The point is that, at the last election, the Institute for Fiscal Studies said this:

“Labour and the Conservatives are pretty much on the same page...there’s not much to choose between them in terms of the money they’ll put into the NHS.”

Jeremy Corbyn: A Labour Government would not be underfunding the NHS. A Labour Government would not be privatising the NHS. A Labour Government would not be underfunding social care. A Labour Government would be committed to an NHS free at the point of use as a human right.

According to a whistleblower, as many as—[*Interruption.*] Hang on, hang on. According to a whistleblower, as many as 80 patients were harmed or died following significant ambulance delays over a three-week period this winter. This is a very serious situation, and the Prime Minister must be aware of it. What investigation is the Department of Health carrying out into these deeply alarming reports?

The Prime Minister: When we hear reports of that sort, of course they are very alarming. That is why the Department of Health makes sure that investigations take place. That may be undertaken by the Department of Health or by the particular trust involved—the ambulance trust or the hospital. These issues are properly investigated, because we do not want to see this happening; we do want to see people being properly cared for. If there are lessons to be learned, then they will be learned, because our support for our NHS is about providing it with the funding, the doctors, the nurses, the treatments and the capabilities that it needs in order to be able to deliver for patients. That is why we are backing the NHS with more funding. It is why we are ensuring that it gets the best treatments; survival rates for cancer are higher than they have ever been before. It is why we are ensuring that we have better joined-up services across the NHS and social care so that people who do not need to go into hospital are able to be cared for at home. And it is why we are ensuring that we are reducing waste in the NHS so that taxpayers’ money is spent as effectively as may be on patient care. That is a plan for the NHS, but it is a plan that puts patients first.

Jeremy Corbyn: The Prime Minister must be aware of ambulances backed up in hospital car parks, with nurses treating patients in the back of ambulances. Ambulance drivers and paramedics desperate to get on to deal with the next patient cannot leave because the patient they are dealing with at that moment cannot get into the A&E department. It has been reported that a man froze to death waiting 16 hours for an ambulance. Last week, a gentleman called Chris wrote to me, saying:

“My friend’s 93 year old father waited 4 hours for an ambulance after a fall.”

These are not isolated cases; they are common parlance all over the country. It needs money, it needs support, and it needs it now.

The Prime Minister is frankly in denial about the state of the NHS. Even the absent Foreign Secretary recognises it, but the Prime Minister is not listening. People using the NHS can see from their own experience that it is being starved of resources. People are dying unnecessarily in the back of ambulances and in hospital

corridors. GP numbers are down, nurses are leaving, the NHS is in crisis—[*Interruption.*] Tory MPs might not like it, but I ask this question of the Prime Minister: when is she going to face up to the reality and take action to save the NHS from death by a thousand cuts?

The Prime Minister: There is only one part of the NHS that has seen a cut in its funding—the NHS in Wales under a Labour Government. This is a Government backing the NHS plan, putting more money into the NHS, recruiting more doctors and nurses, and seeing new treatments come on board which ensure that people are getting the best treatment that they need, because this is a Government who recognise the priorities of the British people: to ensure that our NHS remains a world-class healthcare system—indeed, the best healthcare system in the world—to build the homes that people need, and to make sure that our kids are in good schools. This is a Government who are building a country that works for everyone, and a country in which people can look to the future with optimism and hope.

Q8. [903516] **Chris Green** (Bolton West) (Con): The British people need to be confident in the integrity of our voting system, so what is my right hon. Friend doing to follow up on Sir Eric Pickles’ report, “Securing the ballot”, to minimise voter fraud, whether for referendums, general elections or local elections?

The Prime Minister: May I congratulate my hon. Friend on a very good council by-election result in Hulton, where the Conservatives took a seat from the Labour party?

My hon. Friend raises an important issue about strengthening our electoral process and enhancing the confidence people have in our democratic processes. We are shortly going to be running pilot schemes in five local authorities to identify the best way to implement voter ID and nationality checks. Tower Hamlets, Slough and Peterborough are going to be piloting measures to improve the integrity of the postal and proxy vote process. Our democracy matters, but it is important that people can have true confidence in it.

Ian Blackford (Ross, Skye and Lochaber) (SNP): May I wish you a happy Burns day for tomorrow, Mr Speaker?

May I associate myself with the remarks of the Prime Minister about Holocaust Memorial Day? We should never forget the horrible tragedies and the price that people had to pay. However, we should also remember the genocide that has happened in many territories since that time as well, and we all must work to eradicate that scourge from our society.

Earlier this week, the Royal Bank of Scotland chief executive officer, Ross McEwan, admitted—in a leaked memo—that closing 22 local branches would be “painful” for customers. Thirteen towns in Scotland are to lose their last bank. Prime Minister, I will give you one other opportunity: as the majority shareholder, will you meet RBS and make the case to keep the bank branches open?

The Prime Minister: The right hon. Gentleman has asked me this question on a number of occasions, and I have made the point in response to every one of those

questions—and the answer is not going to change today—that these are commercial decisions for the banks involved. We do have a duty as a Government: we look at how the market is working for people, and that is why we established the access to banking standard that commits banks to carry out a certain number of steps before closing a branch. It is also why we welcome the fact that the Post Office has reached an agreement with the banks that will allow more customers than ever before to use post office services, so about 99% of personal customers are able to carry out their day-to-day banking at a post office as a result of that new agreement. That is the Government making sure that people are covered by the services they need.

Ian Blackford: I would simply say to the Prime Minister that we own RBS: it is time that you took your own responsibilities. By closing these branches and replacing some with mobile banking vans, which do not provide disability access, the Royal Bank of Scotland appears to be in breach of the UK Equality Act 2010. Wheelchair user Sandra Borthwick has described her experience of banking outside as “degrading”. Does the Prime Minister agree that RBS has a legal responsibility to offer equality of services to disabled customers, and will she hold RBS to account on this issue?

The Prime Minister: I say to the right hon. Gentleman that, of course, we all want to see that all customers are able to access the services that they need—that is, both customers who are disabled and customers who live in remote areas. As I have said to him, this is a commercial decision that has been taken by the Royal Bank of Scotland. Banks are closing branches—other banks are closing branches—because what they see is actually less use being made of those branches. As the right hon. Gentleman has been talking about matters financial, I am sorry that he was not able to stand up and welcome the fact that today’s trade figures for Scotland show that their biggest export market remains the rest of the United Kingdom.

Mr Speaker: I call Damian Green.

Hon. Members: Hear, hear!

Q11. [903519] **Damian Green** (Ashford) (Con): Thank you—it is a lot easier asking them than answering them.

It is vital for long-term prosperity that the Government maintain infrastructure investment. With this in mind, and especially as proposals for new bridges are currently fashionable, may I ask the Prime Minister to commit the Government to a very practical idea, which is an early start on the lower Thames crossing between Kent and Essex? This would create up to 5,000 jobs, relieve pressure on the motorway network and provide a significant boost to the economy of the whole eastern side of England.

The Prime Minister: My right hon. Friend is right in drawing attention to the impact of infrastructure when it is developed in various parts of the UK. On the specific point of the lower Thames crossing, I know that is going to unlock opportunities and economic growth for the region and the country, and will offer better connections, new connections and better journeys. It is, of course, part of the biggest investment in England’s road network in a generation.

As my right hon. Friend knows, Highways England has announced the preferred route; it did that last year. I recognise this has raised some concerns in affected constituencies, but may I assure him and other Members that there are going to be further opportunities, for both those who support these proposals and those who do not, to give their views and to have their say? But he is absolutely right: new infrastructure developments such as this can make a huge impact not only on jobs during the development of that infrastructure, but on the economy, locally and nationally.

Q2. [903509] **Kirsty Blackman** (Aberdeen North) (SNP): Outside a customs union with the EU, many UK businesses would face, in the Brexit Secretary’s own words,

“complex and punitive ‘rules of origin’ tariffs”.

Given the Prime Minister’s aim for frictionless trade post-Brexit, will she confirm whether she intends to pursue a customs union with the EU?

The Prime Minister: I have said this on many occasions and I am very happy to repeat it: leaving the European Union means that we will be leaving the single market. We will no longer be members of the single market or the customs union. We want to be able to sign and implement trade deals with other parts of the world, as part of an independent trade policy. We are looking forward to the negotiations for a bespoke deal—a comprehensive free trade agreement—between the UK and the European Union for the future. We will be looking for as tariff-free and frictionless a trade agreement as possible.

Q12. [903520] **Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): Many Members on both sides of the House, myself included, have expressed concern about the future of our national defences. Of course, the fact is that this Government will always take the right long-term decisions to protect our national security, so will my right hon. Friend assuage those concerns and assure the House that this approach will continue?

The Prime Minister: My hon. Friend has raised a very important subject. In July the Government initiated the national security capability review, in support of the ongoing implementation of the 2015 national security strategy and strategic defence and security review, to ensure that we do indeed have the capabilities, and the investment in those capabilities, that we need in our national security, and that that investment and those capabilities are as effective and joined up as possible.

I agreed the high-level findings of the review with ministerial colleagues at the National Security Council, and I have directed that the work should be finalised, with a view to publishing a report in late spring. It has been a significant piece of work and it will help to ensure that we have the right capabilities. As part of that, we recognise that more work is needed on defence and on modernising defence. We want to ensure that the defence budget is being spent intelligently and efficiently, and that we are investing in the capabilities we need to keep our nation safe. My right hon. Friend the Defence Secretary will update the House in due course.

Q3. [903510] **Vicky Foxcroft** (Lewisham, Deptford) (Lab): It is a tragedy that in the past year knife crime has risen by 26%. The Youth Violence Commission is conducting the first national youth survey of experiences of trauma and violence. Will the Prime Minister meet me to discuss the root causes of youth violence and how we can find solutions?

The Prime Minister: This is an important issue and obviously we need to look at it. Although, as the hon. Lady will know, crimes traditionally measured by the independent crime survey have dropped by well over one third since 2010, we need to consider the root causes of violence—particularly among young people, and especially knife crimes. The nature of crime is changing; it is important that we remain adaptable and resilient, but we need to understand that. I am sure that my right hon. Friend the Home Secretary will be happy to meet the hon. Lady to talk about youth violence and the causes of youth violence.

Q14. [903522] **Peter Aldous** (Waveney) (Con): On 28 December, the East of England Ambulance Service attended an address in Lowestoft at which a man was sadly confirmed as having died. This followed on from a call the previous afternoon from the police regarding the same person, who it appears was left outside overnight in what were inhospitable weather conditions. I have now spoken to the person who made the initial call to the emergency services and I have serious concerns as to how the matter was handled, including why the case came to light only in the past few days.

Will the Prime Minister endorse my request to the East of England Ambulance Service and Suffolk police to instigate immediately a full and independent inquiry to establish exactly what happened and to then put in place measures to ensure that such a tragic event does not happen again?

The Prime Minister: I share my hon. Friend's concerns about this event and the tragedy that happened. First, we should recognise that all those who deliver our ambulance services work hard and regularly go above and beyond the call of duty to ensure our safety, but concerns have been raised about the provision of services in the East of England Ambulance Service trust, including, obviously, this very, very worrying, tragic case.

As I said earlier in response to the Leader of the Opposition, we take these cases very seriously—any claims that patient safety has been put at risk are taken seriously. The Department of Health and Social Care has received assurances that these reports are being investigated by the trust, in conjunction with its commissioners, as a serious incident. This is also an issue that my hon. Friend the Minister of State for Health has discussed with the chief executives of NHS England and NHS Improvement.

Q4. [903511] **Ms Karen Buck** (Westminster North) (Lab): Three million people live in homes that are unfit, posing a threat to their health and safety. Not only is that hell for tenants but it costs the cash-strapped national health service billions. Last week, the House gave a Second Reading to my Homes (Fitness for Human Habitation and Liability for Housing Standards) Bill, which will give tenants new legal rights to act against the worst landlords. I was grateful for the support of the Government as well as the backing of the Opposition. Time for

private Members' Bills is inevitably limited, and tenants cannot wait. Will the Prime Minister assure me that she will do all that she can to make sure that that important and now consensual Bill will make rapid progress and become law?

The Prime Minister: The hon. Lady raises an important matter. Over the past six or seven years a significant number of homes have met the decent homes standard, but the conditions in which people live is an important concern, and I will ask the Leader of the House to look at the issue that she has raised about her Bill.

Trudy Harrison (Copeland) (Con): Cumbria is celebrated internationally for its lakes and mountains, and it is known for nuclear excellence. This afternoon, Parliament hosts "A Taste of Cumbria", showcasing our fine food and drink. May I extend a warm invitation to you, Mr Speaker, and to the Prime Minister, to pop along and join us to sample some of our finest fare?

The Prime Minister: I am afraid that my diary does not permit me to attend "A Taste of Cumbria" this afternoon, but if I can drop my hon. Friend a hint, I understand that there was a taste of Lincolnshire event recently, and my hon. Friend the Member for Louth and Horncastle (Victoria Atkins) sent me some Lincolnshire products after the events. I am not hinting at anything, but—

Mr Speaker: I'll pop along!

Q5. [903513] **Sarah Jones** (Croydon Central) (Lab): This morning, thousands of people across the country heard my friend and former boss, Baroness Tessa Jowell, talk for the first time since she was diagnosed with a high-grade brain tumour. As ever, it was a joy to hear her utter relentless positivity and complete commitment to changing the world. In a speech in the other place tomorrow, she will call for improved cancer diagnosis and treatment. Will the Prime Minister and the Health Secretary meet Tessa, me and health experts to discuss how to improve outcomes to meet Tessa's goal and ultimately save lives?

The Prime Minister: The whole House was saddened to hear of Baroness Jowell's diagnosis, but I am sure it was encouraged by the positive approach that she has taken. My right hon. Friend the Home Secretary says that Baroness Jowell's speech this morning was very moving. I am sure that everyone across the whole House sends her their very best wishes.

Cancer treatment is a priority for the Government, and we want to make sure that the best treatments are provided. We will consider investing in anything that improves that. We have accepted 96 recommendations in the NHS cancer strategy, but we need constantly to look at this. My right hon. Friend the Health Secretary is happy to meet the hon. Member for Croydon Central (Sarah Jones) and Baroness Jowell.

Mr Speaker: Tessa Jowell has been an outstanding public servant. I hope that the House understands if I say that in my 20 years here I have never met a more courteous or gracious Member of Parliament.

Several hon. Members rose—

Mr Speaker: I call Mr John Hayes.

Hon. Members: Hear, hear!

Mr John Hayes (South Holland and The Deepings) (Con): I am only just beginning, Mr Speaker.

The Prime Minister will know of the devastation, debt and despair caused by fixed-odds betting terminals, which are now widespread—a far cry from the charm of the bingo hall, the pools coupon or the style of the sport of kings. Given the fact that there is a review, will she meet me and others to discuss how the maximum bet on those terminals can be reduced, and will she take the chance simultaneously to plan a crackdown on online gambling sites that target young children? The stakes are too high to gamble with our children's futures.

The Prime Minister: We are clear that the fixed odds betting terminals stakes will be cut to make sure that we have a safe and sustainable industry where vulnerable people and children are protected. As I suspect my right hon. Friend knows, the consultation that the Department for Digital, Culture, Media and Sport launched on this closed yesterday, so a final decision will be made in due course. He will know, with regard to the specific point about children—this is important—that there are in place controls to prevent children and young people from accessing online gambling. The Gambling Commission has asked the Responsible Gambling Strategy Board to examine the wider relationship between children and gambling. I think it is important, as we take these decisions, that we all recognise the potential threats and dangers, but that we ensure that we have the best information possible in order to be able to act.

Q6. [903514] **Julie Elliott** (Sunderland Central) (Lab): Amber Rose Cliff, my 25-year-old constituent, lost her battle with cervical cancer and died in January last year. Amber went to her GP around 30 times with symptoms and repeatedly asked for a smear test, but she was refused. She got the test only when she paid to have it done privately, and sadly, the cancer had spread by that point. Will the Prime Minister support Amber's family in their campaign to introduce Amber's law, which would change the regulations so that women under 25 could access a smear test on the national health service when they were symptomatic?

The Prime Minister: I send my condolences—I am sure the whole House does—to Amber's family on this terrible thing that has happened. Look, the smear test is hugely important. Sadly, what we see, even for those women who qualify today to have the smear test, is that too many women do not take it up. I know that it is not a comfortable thing to do, because I have it, as others do, but it is so important for women's health. I first want to encourage women to actually have the smear test. Secondly, the hon. Lady raised an issue about the availability of that test. I will ask my right hon. Friend the Secretary of State for Health to look at this issue. It is a question that has been raised before for those who are under the age of 25. Of course, action has been taken in terms of the vaccine that has been introduced for teenagers. There have been some questions about that—I have had people in my constituency raising questions about it. We need to address this issue in every way possible, so we will look at the question of

the age qualification for the smear test. My overall message is, please, those who are called for a smear test, go and have it.

David Evennett (Bexleyheath and Crayford) (Con): Will my right hon. Friend join me in congratulating Bexley rugby club on its 60th anniversary and agree with me that the pursuit of sport is good for health and wellbeing?

The Prime Minister: I am happy to endorse what my right hon. Friend says about sport, and indeed to join him in congratulating Bexley rugby club on this significant anniversary. I am sure that over all those years it has given many young people and others an introduction to the joy of sport and the way that sport can be both good for the community and for society, and for the individuals, so I am happy to endorse his claim.

Q7. [903515] **Tracy Brabin** (Batley and Spen) (Lab/Co-op): This week, I have been approached by a constituent, Emma-Jane Best, who is a single mum, and up until December, was a teacher. She has been told that she is going to have to wait over six weeks for a universal credit payment and has been denied a hardship loan. This means that she is living on £20 a week child benefit and the charity of food banks. Will the Prime Minister tell us, is that how universal credit is supposed to work, and does she regret Emma-Jane's son now joining the nearly 9,000 children living in poverty in Batley and Spen?

The Prime Minister: As the hon. Lady will know, we made changes to the operation of universal credit, which were announced in the Budget, including changes that mean that the availability of advance payments has increased and that the size of those advance payments has increased. But I am sure, if she would like to write in with the details of the case, that we can look at it and make sure that it is properly considered.

Maggie Throup (Erewash) (Con): The latest figures from the Office for National Statistics show that the Government are making further progress in reducing the deficit. Does my right hon. Friend agree that it would be reckless to change course now in favour of a policy of renationalisation, which would burden taxpayers such as those in Erewash with an estimated bill of over £170 billion?

The Prime Minister: My hon. Friend raises an important point. It has not been easy reducing the deficit in the way we have. We had to deal with the biggest deficit in our peacetime history, which was left to us by the Labour party, but by decisions the Government—*[Interruption.]* Yes, yes. Labour might not like hearing that, but it is what happened. It is by the hard work of the British people and by decisions the Government have taken that we have been able to reduce the deficit. Adding to it an extra £170 billion to meet the ideological desires of the Leader of the Opposition would saddle people up and down this country with higher debt, and ordinary people would pay the price.

Q9. [903517] **Deidre Brock** (Edinburgh North and Leith) (SNP): Will the Prime Minister instruct the Department for Work and Pensions to release the details of benefits

claimants with disabilities who took their own lives after their claims were turned down or their payments stopped without notice or significantly reduced?

The Prime Minister: The DWP does not give details of individuals with whom it deals, and that is absolutely right; what it does is ensure we have a welfare system that provides support to those who need it and increasingly encourages those who can to get into the workplace, because we continue to believe that work is the best route out of poverty.

Nicky Morgan (Loughborough) (Con): In a December press release, the Bank of England described the UK's financial system as both "a national asset" and "a global public good". Does my right hon. Friend think it unreasonable that the UK financial services sector, which pays billions of pounds in taxes, wants to hear the Government's ambition to ensure that the City of London remains a global pre-eminent financial centre, in the same way they set out their ambition for other sectors last summer?

The Prime Minister: I have said in this Chamber and outside that we retain the ambition of ensuring the City of London remains a global financial centre, and that is indeed what we are working on. I was very pleased to welcome a number of senior representatives from the financial services sector to No. 10 Downing Street only a few weeks ago and to sit down and talk to them about how to do exactly that. London's place as a financial centre for the world is not just a benefit to the UK; it is a benefit to the global financial system and to the EU.

Q10. [903518] Mr Tanmanjeet Singh Dhesi (Slough) (Lab): It is wonderful that while others are talking about building walls we in Britain are talking about building bridges—connecting communities, despite Brexit—but let me reassure our American friends that the Mexicans, no, the French, will be paying for it, because our NHS needs to be properly funded first. Rather than building an airy-fairy 22-mile-long bridge over the English channel or a £50 billion Boris airport in the Thames estuary, however, will the Prime Minister confirm when the western rail link, the 6 km rail track to Heathrow from my constituency, which will connect Wales, the south and the west directly to Heathrow, will finally be built? Or will we be subjected to further sluggish studies and consultations?

The Prime Minister: I believe that there is very strong cross-party support for the western rail link for Heathrow. The hon. Gentleman has expressed his support, and my right hon. Friend the Member for Newbury (Richard Benyon) has also been supporting it. It would reduce journey times for passengers in the south-west and could support the Thames valley economy as well. I myself, as a Thames valley MP, have looked into it previously. Development funding has been committed for the project and the Department for Transport will provide further detail on the timing in due course.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate the Prime Minister and the parties in Northern Ireland on the resumption today of talks at Stormont. What more can be done to ensure that the Executive are restored and the nightmare of direct rule avoided?

The Prime Minister: My hon. Friend is absolutely right. The people of Northern Ireland need strong devolved government and political leadership, and cannot continue to have their public services suffer from the lack of an Executive and Ministers to make key policy and budget decisions. We are determined to re-establish a fully functioning, inclusive devolved Administration that works for everyone in Northern Ireland. We believe that a basis for a deal exists, and that is why, as he has said, today my right hon. Friend the Northern Ireland Secretary has started a set of political talks to restore the Executive. I believe that this is very important, and I would strongly encourage all parties to come together and focus on the job of restoring devolved government in Northern Ireland.

Q13. [903521] Chi Onwurah (Newcastle upon Tyne Central) (Lab): Over Christmas, Toon Aid and Newcastle United football fans raised more than £50,000 for the West End food bank in my constituency—which you are soon to visit, Mr Speaker—helping to feed people like John, who, despite having chronic obstructive pulmonary disease, arthritis, dyspepsia, prostatism, type 2 diabetes and anxiety and depression, was sanctioned for not trying hard enough to find work. Will the Prime Minister congratulate the people of Newcastle on their generosity, and will she explain why it was necessary?

The Prime Minister: I applaud all those who have given their time voluntarily and raised money through their activities across the board. The hon. Lady has given a specific example of the work of people in Newcastle. I commend people who raise money for causes, but, as she knows, I cannot discuss an individual case at the Dispatch Box. I think it important for us to have a system that works properly and fairly, and I am sure that if she wishes to raise the individual case with the Secretary of State for Work and Pensions, it will be looked into.

Heidi Allen (South Cambridgeshire) (Con): The Prime Minister will know that the welcome introduction of the national minimum wage has created an as yet unresolved difficulty for the care sector, specifically relating to 24-hour care for those with significant learning difficulties. The issue is connected with sleep-in shifts and money owed to Her Majesty's Revenue and Customs. Will she agree to meet me, and a number of concerned colleagues, so that we can discuss how we can best find a way out of the impasse?

The Prime Minister: My hon. Friend has raised an important issue that is of concern to a number of organisations and Members of Parliament, and I should be happy to meet her to discuss it. The Cabinet Office has been working with the relevant Department—now called the Department of Health and Social Care—to try to resolve it, and measures have been taken to defer the implementation of certain aspects. However, we continue to work on it, and are happy to look into it further.

John Woodcock (Barrow and Furness) (Lab/Co-op): No one has been charged over Poppi Worthington's death, although the 13-month-old was probably anally penetrated in the hours before her death at home. Poppi was not known to social services, despite a staggeringly

troubled family history. Will the Prime Minister respond to our cross-party calls for a public inquiry, so that we can learn lessons from this and make children safer throughout the country?

The Prime Minister: Everyone in the country who is aware of the horrific abuse that was carried out has been shocked and appalled by it, and, obviously, by the tragic circumstances of Poppi's death. I am sure that all Members will join me in offering condolences.

I understand that the Crown Prosecution Service has announced that it is considering the coroner's decision in liaison with the Cumbria constabulary. I think it right for us to allow that process to continue and to await the outcome before deciding whether any further action is needed. However, I assure the hon. Gentleman that I—along with, I think, all other Members—am well apprised of the significance of the issue and how appalling this tragedy was, and of the need for us to ensure not only that there is justice but that lessons are learnt.

Presidents Club Charity Dinner

12.45 pm

Jess Phillips (Birmingham, Yardley) (Lab) (*Urgent Question*): To ask the Secretary of State for Education if he thinks that it is appropriate that David Meller remain a non-executive director in the Department for Education following the revelations about the men only Presidents Club dinner.

The Minister for Apprenticeships and Skills (Anne Milton): Mr Speaker, I am sure you have seen the papers this morning. It has been reported that last Thursday, the Presidents Club—this is the first time I have heard of the club—[*Interruption.*] I am just saying, I had not heard of it before. This club hosted a charity dinner to raise money for causes such as Great Ormond Street Hospital in London. I understand from reports that there are allegations of inappropriate and lewd behaviour at this event.

It is quite extraordinary to me that, in the 21st century, allegations of this kind are still emerging. Women have the right to feel safe wherever they work, and the type of behaviour alleged to have occurred is completely unacceptable. I have recently taken on ministerial responsibility for the board of the Department for Education and was previously Minister for Women. As hon. Members will know, David Meller has been a non-executive board member in the Department for Education and chair of the apprenticeship delivery board. The Government expect board members to adhere to the code of conduct for board members of public bodies, which clearly states that they should adhere to the seven principles of public life.

David Meller is stepping down as a non-executive board member for the Department for Education and as a member of the apprenticeship delivery board. I know that my right hon. Friend the Secretary of State is absolutely clear that that is the right thing to do. In case right hon. and hon. Members or you, Mr Speaker, are in any doubt, the event was absolutely nothing to do with the Department for Education.

Jess Phillips: I thank the Minister and welcome David Meller standing down. The undercover report in the *Financial Times* about the event organised by the charitable trust that David Meller chairs tells more than just an alarming story. I notice that the organisation wants to put the blame on the individual members, but what actually happened is that women were bought as bait for men—rich men—not a mile from where we stand, as if that is acceptable behaviour. It is totally unacceptable.

The Department for Education recently published a response to the Women and Equalities Committee report on sexual harassment in schools, saying:

“The scale and impact of sexual harassment and sexual violence in schools set out by the inquiry shines a light on a worrying picture: sexual harassment and abuse of girls being accepted as part of daily life...and a prevailing culture in schools which seemingly condones sexual harassment as being ‘just banter’. It is clear that action is needed”.

Those are the words of the Department. Does the Minister think that one of the junior Ministers in that Department attending that event is appropriate? Did that Minister—the Minister for children and families—raise concerns with the Department about David Meller and

his conduct after he realised what was going on at the event? What is the Department going to do to make sure that a message is sent that this “lads culture” has no place in our Department for Education and it has no place in our country?

Anne Milton: My hon. Friend raises a number of important issues, not least sexual abuse and harassment in schools, and that is where the sort of culture that ends up at a dinner like last night’s starts. Unless we get it right in schools, it will simply feed through to the rest. The Department for Education is clear that this is unacceptable right from the word go. All Departments and public bodies need to ensure that this sort of behaviour is not going on anywhere; it cannot be tolerated. This is not just about forcing people to do the right thing; it is about changing attitudes. The reports of women being bought and sold are extraordinary. I contributed to a WhatsApp group this morning and said that words failed me. I am quite old—I was born in 1955—and as I have said at the Dispatch Box before, I thought that things had changed. However, it is absolutely clear that things have not changed. I think that there is an association between wealthy people and this sort of behaviour, and we have to send a clear message that it is unacceptable.

Ms Nadine Dorries (Mid Bedfordshire) (Con): As a mother of three young women who are the same age as the hostesses who attended this function, I can only describe my initial response as emotional and like a lioness. I immediately put myself in the position of it having been one of my daughters. That must be the reaction of every woman and every mother across the country—[HON. MEMBERS: “And fathers!”] And fathers, too. My apologies. I am a single parent; I never think of fathers. I support the Minister in her response. It was not just Conservative men at that dinner; they were from all political denominations. The problem is with the dinner itself, and the fact that there are men who attend those dinners and think that that is appropriate. One of the prizes on the brochure was plastic surgery to “add spice to your wife”.

It is appalling that this continues, and I support the Minister in her response. We all have a duty to ensure that these dinners never happen again.

Anne Milton: My hon. Friend is a lioness in so many ways. I also speak as the mother of a daughter, and this can become very personal. I have also been the Deputy Chief Whip, and to some extent had duties and responsibilities towards women in the House. This is an issue on which women across the House combine. We have to send out a clear message that this is unacceptable. People need to know where the line is, because there is a line. This is about changing attitudes.

Angela Rayner (Ashton-under-Lyne) (Lab): I thank my hon. Friend the Member for Birmingham, Yardley (Jess Phillips) for securing this urgent question. I welcome the new Secretary of State to his place and thank the Minister for her comments today. I hope that the Secretary of State is as disappointed as I am that a board member and a Minister in his Department attended an event that described itself as

“the most un-PC event of the year”.

[Angela Rayner]

Let us be clear about what that meant. It meant an event where women were invited not as guests but as objects for rich and powerful men. They had to act as hostesses and were forced to wear revealing clothes. A number have reported that they were groped and sexually harassed. Will the Secretary of State make it clear that, like me, he believes those women and that the reported events were totally unacceptable?

I welcome the Minister's comment that organising this kind of event should not be acceptable for any official, let alone a member of the board of the Department. I also welcome the fact that David Meller is standing down. He should not have any other role in education. Will the Secretary of State also investigate the attendance at the event of the Minister for children? Can he confirm reports that the Minister attended previous events and was invited personally by David Meller this year? His Department is responsible for safeguarding millions of children, for caring for thousands of victims of child sexual exploitation and abuse, for tackling sexual harassment and violence in our schools, colleges and universities and for educating another generation of girls and boys. Is it not time that it started leading by example?

Anne Milton: I will lead by example. I have spoken to the Secretary of State this morning, and I know that he is equally appalled by the reports of this event. I have also spoken to my fellow Minister in the Department. He did not stay at the event long—[*Interruption.*]

Mr Speaker: Order.

Anne Milton: I know that my hon. Friend the Minister found the event extremely uncomfortable. He left, and he was truly shocked by the reports that have emerged. As my hon. Friend the Member for Mid Bedfordshire (Ms Dorries) said, this is an event that is attended by men of various party political allegiances—[*Interruption.*] Sadly, they do not know any better, and that is the tragedy—[*Interruption.*] That is the tragedy. Opposition Members are right to feel appalled. Believe you me, I also feel appalled. It is a tragedy that they do not know where the line should be and that they attended these events.

Maria Caulfield (Lewes) (Con): I congratulate the Minister on the clarity and swiftness of her response—[*Interruption.*]

Mr Speaker: Order.

Maria Caulfield: In this centenary year of suffrage, is this not an opportunity for all female parliamentarians to unite and send a clear message on behalf of all women in this country that this behaviour is no longer acceptable?

Anne Milton: My hon. Friend is absolutely right. In this centenary year, there is an important opportunity for women not just in this House but around the country—but particularly here—to join together and send out the message that this has to change. If there are men who do not understand what precisely it is that needs to change, they can come and talk to me and I will tell them.

Carol Monaghan (Glasgow North West) (SNP): Obviously, the Minister has been fairly robust in the comments she has made so far, but she said that those men “do not know where the line should be”. This event was billed as

“the most un-PC event of the year”,

so they clearly do know where the line should be, and they decided to cross it. We have heard reports of toilets being monitored and of women who were lingering too long in them being called out and led back to the ballroom. That is not sexism; that is slavery. It is appalling. I was a teacher for 20 years, and I had occasion to deal with sexism, but never on this scale or to this degree. Back in October, the previous Secretary of State for Education said that

“sexist...language must have no place in our society, and parliamentarians of all parties have a duty to stamp out this sort of behaviour wherever we encounter it”.

We might think that everyone agreed with that statement, but we need to ask ourselves whether the current Secretary of State and the Government really do agree with it. This comes at the start of what we were told would be a radical shake-up of the culture of sexual harassment—

Mr Speaker: Order. I recognise the extreme sensitivity of this subject, and I respect the hon. Lady and want to hear what she has to say, but she has now exceeded her time. She has given us a real sense of her anger, and I ask her now to put her question, please.

Carol Monaghan: Thank you, Mr Speaker. I will put a couple of questions. First, what message does this send to our young people, and how are we giving our teachers the ability to fight sexism when the Government are appointing such people to prominent roles? I also ask the Minister, what screening is being carried out of people who are being appointed to all Departments?

Anne Milton: I thank the hon. Lady, but I would just like to say that I do not think my attitude towards this issue and many others affecting women could be described as “fairly robust”. I am extremely robust and extremely radical. She made a point about where the line should be drawn. I have not seen how the event was billed, but the people who attended it clearly did not know where the line was. We need to make it clear where it is—[*Interruption.*] If Opposition Members would listen for a minute, I would just like to say that this is not about this Government. I will answer the points about due diligence and governance, but this is an issue for women that goes right across the political spectrum. This is not just about this Government or Conservative Members; this happens everywhere. If hon. Members do not think that it happens everywhere, they will be in for shock. The Government do understand, and there is no doubt that measures will be put in place so that proper due diligence is done. We cannot do that just once, however; we have to look at people's behaviour continually. We cannot just do it as a one-off and leave it at that.

Vicky Ford (Chelmsford) (Con): I thank the Minister for her strong condemnation of this event. Does she share my disgust for the women who put themselves in a position of leadership and groomed and pimped the young ladies involved? Does she agree that their actions are also abhorrent?

Anne Milton: I thank my hon. Friend for raising that related but important issue. There were women in leadership roles who painted these women, and it does not fall far short of payment for sex. It is shocking that such women were probably encouraging other women into these sort of jobs.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Is the Minister aware that, according to the *Financial Times*, the Presidents Club actually includes the following disclaimer in its corporate literature for the event? It states:

“The Presidents Club shall accept no responsibility and shall not be held liable for any actions of its members, staff or event attendees that amount to harassment.”

The fact that it tried to include that disclaimer in the first place shows how shocking things are. It was trying to disclaim any responsibility for what happened. The organisers chose to make it a men-only event. They chose to treat the hostesses in this way, making them parade across the stage in front of the men, making them wear black skimpy outfits and specifying the colour of their underwear. They chose to ask them to drink before the event. Does the Minister agree that all the organisers, including the Presidents Club and all the private companies involved in organising the event, should be investigated for breaches of the law and charity rules?

Anne Milton: The right hon. Lady is obviously very angry about this, and her report—[*Interruption.*] Mr Speaker, do I look like somebody who is not angry? Do I look like somebody who is in any way excusing this sort of behaviour? I am not. I am absolutely shocked by the Presidents Club. If the organisers were trying to deny responsibility in their literature, perhaps they will wake up at the end of this urgent question and realise that they now do have some responsibility. Things are now out in the public domain, and Members’ contributions today will have added to that. It is shocking, but do not cry at me; I feel as appalled as all Opposition Members.

Justine Greening (Putney) (Con): I thank my right hon. Friend for her statement today. She has done absolutely the right thing. I share everybody’s anger, disgust and, frankly, astonishment that an event of this nature can even have taken place. Does she think that possibly one of the best things that we could do is to ensure that every single person at that dinner who runs a big business in our country damn well gets their gender pay gap data published?

Anne Milton: I thank my right hon. Friend for that question. Never miss an opportunity, I say, to mention the gender pay gap. She is absolutely right that every single business and organisation that attended that dinner should report that data at least by the end of this week.

Ms Angela Eagle (Wallasey) (Lab): The Fawcett Society recently published a report stating that violence and harassment against women was endemic in our country, with two thirds of women over 16 reporting that they have suffered sexual harassment. Does the Minister note that the employment contracts and notes for the women attending the event as hostesses asked them to be “tall, thin and pretty” and that they had to deal with what was expected to be harassment? That is surely against the law. Will she look at employment law protections

and make it certain that the law is enforced, that the Equality and Human Rights Commission looks at the event and that we get some protection for vulnerable women?

Anne Milton: The hon. Lady makes an important point, and I will certainly ensure that the situation is looked at with regard to employment law. I commend the Fawcett Society, which does brilliant cross-party work to further women’s rights and women’s political representation. But clearly—[*Interruption.*] The hon. Lady asks me from a sedentary position whether these women were self-employed. I do not know anything about the Presidents Club—[*Interruption.*] Let me finish. I know nothing about the Presidents Club, but we will clearly look into it, particularly if there is a suggestion that the law was broken. If any hon. Member knows of something that they think should be investigated, it would probably be helpful if they used me as a conduit and sent me their emails. I will investigate and ensure that, if any law has been broken, the full force of the law will come down on those who have broken it.

Several hon. Members *rose*—

Mr Speaker: Order. I selected this urgent question because I regard it as a matter of the utmost importance, and I would like to accommodate every colleague who wants to contribute. I ask colleagues to bear in mind that there is a ten-minute rule motion to follow and two Opposition day debates, the first of which is particularly heavily subscribed. If we can have brief questions and brief replies, that would be helpful, but I do want colleagues to be heard.

Lucy Allan (Telford) (Con): I warmly welcome the Minister’s response and the resignation of the individual concerned. Does the Minister agree that there is much cross-party work that we could do to ensure that such events have no place in our society and that such behaviour is condemned?

Anne Milton: “Cross-party” is absolutely the phrase to use, and perhaps that work will start from today.

Jo Swinson (East Dunbartonshire) (LD): The outstanding journalism of Madison Marriage at the *Financial Times* shines a spotlight on a real problem in our society. Some men, especially the rich and powerful, feel entitled to women, view their bodies as playthings and think that the lecherous pawing and groping of women is acceptable behaviour. That a charity is prepared to facilitate that behaviour as long as wealthy men are opening their chequebooks beggars belief. I am glad that David Meller has stepped down from the board of the Department for Education—perhaps he was encouraged to do so—but does the Minister agree that the Charity Commission urgently needs to investigate the failure of the trustees of this charity to discharge their duties to protect health and safety and the reputation of the charity?

Anne Milton: The hon. Lady mentions rich entitled men, but I will also mention powerful entitled men because this is not just about the rich. I gather that Great Ormond Street Hospital is not going to take the money that was raised by the event, which is a start, and I also gather that the hon. Lady has raised her point with the Charity Commission.

Rachel Maclean (Redditch) (Con): I thank the Minister for her robust response, which is unequivocally supported by Conservative Members. The businesses involved need to be hit in the pocket. What more can the Minister do to send out a clear message that this culture is unacceptable and to damage their profits?

Anne Milton: Today's contributions from all around the House should send an important message to businesses that such behaviour is unacceptable, but this does not just happen at big charity events. We have heard about sexual abuse and harassment in this House but, believe you me, it is also going on in the workplaces of businesses up and down the country.

Lucy Powell (Manchester Central) (Lab/Co-op): I suggest to the Minister that this is more than a collective misjudgment; it is a deliberate sticking up of two fingers to those who are perceived to be part of the PC culture. One way in which her Department could root out this behaviour is to expedite the introduction of compulsory personal, social, health and economic education in our schools, so that at least the next generation of men will know that it is totally unacceptable.

Anne Milton: Sex and relationships education is now compulsory. The hon. Lady raises an important point that the hon. Member for Birmingham, Yardley (Jess Phillips) also raised. What really matters is that we breed a new generation of young people who understand where the boundaries lie. What has gone so terribly wrong that we have bred young men—I suggest that a lot of people at the event were perhaps 20 or maybe even 30 years younger than me—who think that this sort of thing is acceptable?

Paula Sherriff (Dewsbury) (Lab): I thank the Minister for her considered response. However, it is frankly not good enough to say that the Minister for children and families stayed a short time, which is a very subjective term—it might be an hour to some and three hours to others. Can she advise whether that same Minister reported back after he had seen, at worst, illegal or, at best, unsavoury activities during that event?

Anne Milton: The hon. Lady will have to take me as vouching for the Minister for children and families. I know he felt deeply uncomfortable. I would be surprised if he had seen all the publicity material for the event, but I know he felt very, very uncomfortable. The hon. Lady will have to believe me that, from his demeanour this morning, the Minister for children and families was truly shocked.

Lady Hermon (North Down) (Ind): I was profoundly shocked by the reports of what happened at the event organised by the Presidents Club, and I am pleased that the Minister has given such a robust condemnation of the event. Although she has been very loyal to her ministerial colleague, who reportedly did not stay for any long period of time, it is also reported that the same hon. Gentleman attended the Presidents Club event on a previous occasion. I have no idea whether that is true, but that is what has been reported. If that is the case, should he not consider his position?

Anne Milton: I have no idea whether the Minister for children and families has attended the event before, but I know that senior Members on both sides of the House

have attended this event. Let us hope that this urgent question draws a line in the sand and demonstrates to hon. Members that they should think twice about attending any event like this ever again.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): With 64% of teachers in mixed secondary schools telling UK Feminista that they hear sexist language on a weekly basis, what message does the Minister think the attendance of the new Minister for children and families at this event sends to those teachers who are trying to combat sexism in their classrooms? And what action, not words, will the Department take to address it?

Anne Milton: I know the Secretary of State will want to look at all aspects of this, not least the due diligence. The hon. Lady is right, but hearing sexist language in the playground and in schools is just the tip of the iceberg. The stories of sexual abuse, rape and harassment happening in some of our schools are shocking.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): In light of the fact that a departmental non-executive director and a Minister attended this despicable event, does the Minister agree that it may be time for a review of the ministerial code of conduct and of the seven principles of public life to ensure that they reflect the commitment to the standards of equality and decency that we expect from our public servants? That will set an example and send a message to society as a whole.

Anne Milton: My right hon. Friend the Leader of the House is looking at a number of issues, and I believe the code of conduct is being reviewed. The tragedy is that we should not need a code of conduct, but we clearly do. It is a tragedy that we need it. Why do people need to be told to behave appropriately? Why do they need to be told not to use sexist or racist language? Why do they need to be told where the boundaries are? People clearly do, and that is the sadness of it. I am robust and angry, but a little bit of me is also extremely sad.

Diana Johnson (Kingston upon Hull North) (Lab): As a former Education Minister, I know jolly well that civil servants brief Ministers on what events are in their diary and give them information. I have a lot of time for the Minister. Can she find out exactly what was said to the Minister for children and families about attending the event last week?

Anne Milton: The Minister for children and families did not attend in any official capacity. I understand that he attended not as a Minister, but as a private individual.

Alison Thewliss (Glasgow Central) (SNP): The *Financial Times* reports that lot four of the charity auction last week included lunch with the Foreign Secretary. Has the Minister spoken to him? Does she know whether the lunch is still going ahead? What message does it send out to the world that our Foreign Secretary endorses such an event?

Anne Milton: I make it absolutely clear that the Foreign Secretary knew nothing of his inclusion in any auction, and he in no way endorsed the event.

Helen Goodman (Bishop Auckland) (Lab): It is absolutely clear from the *Financial Times* report that the women were employed to be harassed. They were forced to sign a disclaimer beforehand that they were not given time to read. Whatever the Minister's personal views, will she take away the message from this House that we do not have confidence in the Minister for children and families, who attended the event and who is meant to be in charge of child protection?

Anne Milton: Yes, I think they were employed to be a great deal more than harassed. We will look at all aspects of this in relation to employment law. As my hon. Friend the Member for Chelmsford (Vicky Ford) said earlier, this brings into sharp light the women leaders—the people who run the businesses that employed these young women. We need to look at it all, and we will take robust action. Have no fear about that.

Layla Moran (Oxford West and Abingdon) (LD): As a former teacher, I woke up this morning thinking, "What on earth will my former students be thinking this morning about the state of the world?" It is absolutely disgusting. I press the Minister on the point already made about bringing sex and relationships education into schools for the upcoming academic year. Sex and relationships education has never been more needed. Please can we have it sooner rather than later?

Anne Milton: We have an ongoing call for evidence. *[Interruption.]* I think it is extremely important to hear the views of young people themselves, because they are very aware of what sort of relationship and sex education is needed. There is no doubt that the Department will make sure these guidelines are out as soon as possible, because there is clearly an urgent need. It is absolutely right that we hear the views of young people on how they feel this should be delivered.

Liz McInnes (Heywood and Middleton) (Lab): What talks does the Minister intend to have with the *Financial Times*? This was not a one-off incident, and the *Financial Times* must have had some suspicions that something like this was going to happen. How many times has it happened before?

Anne Milton: That is a very good question. It is important to talk to journalists about this event and about whether they know of any others, how they found out about it, et cetera, particularly if we want to pursue the issues that have been raised about a possible breach of employment law.

Melanie Onn (Great Grimsby) (Lab): It seems to me that the Minister for children and families has attended this event and failed to report his concerns about its nature. Will the right hon. Lady please inquire with him as to why he did not submit a report, and will she urge him to do so even at this late stage?

Anne Milton: The Minister for children and families submitted a report to me first thing this morning, at the earliest opportunity.

Sarah Jones (Croydon Central) (Lab): The Minister talks about the importance of talking to young people. I am sure that all Members here spend time talking to young people, and I have been shocked, in my six months of being an MP, at the young girls who have an expectation that it is normal to sleep with their boyfriend's friends, carry their boyfriend's knives and behave in a certain way; and language is so important, as well as words. If it transpires that the Minister did not report his concerns, and that he attended the event on previous occasions, it is obvious that he needs to resign. Our women, our young girls are too important to be getting this kind of message from our leaders and to think that it is acceptable.

Anne Milton: Language is critical because language says more than the words that are said, because it describes underlying attitudes. With relationship and sex education in schools, I think we can make young people understand what attitudes lie behind the words that they use.

Christian Matheson (City of Chester) (Lab): These were crimes against women, but I hope the Minister will also agree that these were crimes against a decent society, and that plenty of men share my bewilderment and revulsion at what has gone on. In response to my hon. Friend the Member for Wallasey (Ms Eagle) the Minister offered to be a conduit, so would she possibly be a conduit to Home Office Ministers, who might then refer the matter on to the Metropolitan police for consideration of crimes such as indecent exposure and sexual assault?

Anne Milton: I welcome the hon. Gentleman's contribution, because it is important that we all recognise that men can be very powerful agents for change, at all levels, concerning the abuse of women. The appropriate authorities will look at all of this. Obviously, today's exchanges in the Chamber will be read by Home Office Ministers, and I know they will take this matter very seriously; I give the hon. Gentleman my assurance of that.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): What can I say? It is an absolutely appalling event. It objectified women, undermines the steps we have taken towards equality and perpetuates fundamentally abuse in society. When it comes to the Minister, I have to say I believe it is absolutely incongruous to be working seriously on sexual harassment in Parliament and beyond whilst attending this type of event.

Anne Milton: I will finish where I started, and that is to say that I share the hon. Lady's views. Words absolutely failed me when I heard reports of this event.

Points of Order

1.22 pm

Several hon. Members *rose*—

Mr Speaker: A slew of points of order. I call Tonia Antoniazzi.

Tonia Antoniazzi (Gower) (Lab): On a point of order, Mr Speaker. I seek your guidance on how to impress upon the Prime Minister her duty to respond to the First Minister Carwyn Jones's offer of financial help for the Swansea Bay tidal lagoon.

Mr Speaker: The hon. Lady has transmitted her opinion on this matter through the attempted route of a bogus, albeit mildly ingenious, point of order. I dare say the Prime Minister will learn of what the hon. Lady has said, and it is up to the Prime Minister to decide by what means, and when, to respond.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): On a point of order, Mr Speaker. Pursuant to the urgent question that was tabled by my hon. Friend the Member for Birmingham, Yardley (Jess Phillips), the Minister for Apprenticeships and Skills has answered very competently on the issues for the Department, but a number of issues are still outstanding regarding the conduct of the Under-Secretary of State for Education, the hon. Member for Stratford-on-Avon (Nadhim Zahawi), and it would be wrong for the right hon. Lady to try to answer on that. Will you suggest to me, Mr Speaker, how we may be able to get those answers about the Minister's personal conduct in relation to this event, and how that may be tabled in this House so that we can all see whether he is fit for office?

Mr Speaker: It is open to the hon. Gentleman to table questions. The Minister, very fairly, pointed out that the Under-Secretary of State had not attended in an official capacity. However, the Under-Secretary of State is a Minister, and it is perfectly within the wit and sagacity of the hon. Gentleman to table questions to him. That is one route open to him. If he wants to raise the matter in other ways, I am sure he can consult his colleagues and decide whether, and if so how, to do so.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): On a point of order, Mr Speaker. Yesterday evening, it was confirmed by No. 10 that Defence would be coming out with a national capability review, and that there would be a statement in the House today from the Defence Secretary. We were told this morning in the armed forces debate in Westminster Hall that there would be no such statement. It now appears to be back on. Can you help us cut through the Government confusion and confirm whether or not there will be a statement today on the armed forces defence cuts?

Mr Speaker: I have received no notification of any ministerial statement on that matter taking place today. Whether there is a plan for a written ministerial statement, by which I would be surprised, I do not know, but I can certainly confirm that I have received no indication at all that there is to be an oral statement, and if there were to be an oral statement today, I think I can safely say that I would now be aware of it. But one of those to whom I look for worldly wisdom and procedural sagacity

is enthusiastically waving a paper at me, though sadly, from the hon. Gentleman's point of view, on this occasion—perhaps correctly—the inscribed word consists of two letters, of which the first is N and the second of which is O.

What I would say further to the hon. Gentleman—I do not scoff at the issue he has raised, which is an issue of great importance to Members in all parts of the House—is that I am sure other Members will be pursuing this matter. The right hon. Member for New Forest East (Dr Lewis), who chairs the Defence Committee, is extremely well known to me, and he is as persistent a colleague as I know and takes a great interest in this matter. I rather imagine that if he is discontented about it, or simply in eager pursuit of ministerial answers, he will seek to ensure that the attention of the House is focused on it. So I think the hon. Gentleman will not be alone or isolated in his interest, and in his determination that this matter be aired sooner rather than later.

Ronnie Cowan (Inverclyde) (SNP): On a point of order, Mr Speaker. During a Westminster Hall debate I led last Wednesday, on drug consumption rooms, the Minister made some comments that must be queried for their validity. First, the Minister said:

“In terms of Spain, the evidence I am given by those who sit behind me is that there is one room open in Catalonia for one hour a day from Monday to Friday.”

However, according to the House of Commons Library briefing that I was given, the European Monitoring Centre for Drugs and Drug Addiction stated that in February 2017 there were 13 in seven cities in Spain. The Minister also said:

“Canada has kept its provider, Insite, not because of the evidence that the services provided by Insite work, but because the users of Insite brought two court actions”—[*Official Report*, 17 January 2018; Vol. 634, c. 406-407.]

However, the Canadian Supreme Court said that

“during its eight years of operation, Insite has been proven to save lives with no discernible negative impact on the public safety and health objectives of Canada”.

Plainly, the Minister was inadvertently misrepresenting the facts on these two issues. Could you, Mr Speaker, indicate how I could get the Minister to set the record straight?

Mr Speaker: I am grateful to the hon. Gentleman for his courtesy in giving me notice of this point of order. He will not, I imagine, be astonished to hear that I do not regard this as a point of order for the Chair, and I will happily explain why.

Each Member of this House is responsible for his or her contributions to debates, and these contributions are frequently open to interpretation and differences of opinion. In the spirit of transparency, I will say to the hon. Gentleman that I have heard detailed representations from the Minister concerned. The Minister is satisfied in her own mind that she has not misled anyone. There is obviously a genuine difference of opinion about this matter. The hon. Gentleman has expressed himself with his usual eloquence and alacrity, but I know that he will not expect me to adjudicate on this matter between him and the hon. Lady. We will leave it there for now, but he has ventilated his concern with some force.

If there are no further points of order, perhaps we can now move to the 10-minute rule motion.

Multi-employer Pension Schemes

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

1.28 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): I beg to move,

That leave be given to bring in a Bill to make provision about multi-employer pension schemes, including provision for the protection of unincorporated businesses, such as plumbing businesses, from certain multi-employer pension scheme liabilities; and for connected purposes.

I must first declare an interest. My dad was a plumber and he currently receives a pension from the Plumbing and Mechanical Services (UK) Industry Pension Scheme, hereafter known as “the scheme”. That is a multi-employer pension scheme, which has potential debt issues that arise from Government legislation, and it is my desire to correct some wrongs via this proposed ten-minute rule Bill.

Let me be clear: my dad receiving a pension from the scheme is completely separate from my motives in advancing this Bill, and indeed when I first became aware of the issues, I did not know the source of his pension. However, that actually allows me to see the rationale behind the existing legislation and the flaws in it from both an employee’s and an employer’s perspective.

Workers like my dad, working in all kinds of weather, up roofs and under floors, and doing overtime at weekends and nights to get more money, deserve to be able to retire on a decent pension. They have worked hard for that all their lives, and some have worked too hard to be able to enjoy a long, happy retirement. That was why the existing scheme was set up in 1975.

The scheme is run by a trustee company, controlled by three organisations: the Scottish and Northern Ireland Plumbing Employers’ Federation, the Association of Plumbing and Heating Contractors and Unite the union. The nominated directors or trustees represent both employers and employees. The issue that concerns them all is legislation that stems mainly from the Pensions Act 1995, which came into being some 20 years after the scheme got up and running. That legislation was well meant, aiming to ensure that multi-employer schemes remain solvent and able to pay pensions due to former employees. Nobody can argue against that sound principle, but the legislation also incorporated the law of unintended consequences.

From 1995 until further changes in 2005, the fund was assessed on a minimum funding basis. When valued like that, the scheme was deemed to be fully funded, so any employer leaving the scheme did so without detriment to the overall scheme and employers remaining in the scheme. However, in 2005 the assessment of such schemes was altered to a buy-out basis: if the scheme were to close down, what would be the estimated cost for an insurance company to pick up the liabilities in the form of annuities? That is where the problems began.

That process can be up to three times more expensive in its valuations, and it has been applied retrospectively, so companies that previously left the scheme in good faith and did not have to pay any shortfall—because there was not one—are now deemed to have created a debt for the scheme. That debt cannot be recovered, so it is passed on to the remaining employers. The same applies to companies that become insolvent. Those

accrued debts are known as orphan liabilities. Any company that now leaves the scheme triggers a section 75 debt, which attributes orphan liabilities into the mix.

Besides leaving the scheme, there are other ways of triggering a section 75 debt, such as no longer having an employee enrolled in the scheme, a change in ownership and changing from unincorporated status. In fact, some employers have inadvertently triggered the section 75 debt process through such actions, not realising what the outcome would be.

Although an accurate way of assessing a debt share under section 75 rules has yet to be formally agreed, estimates to date provide ridiculous sums of several hundred thousand pounds—and, in some cases, more than £1 million. That is completely unsustainable and, if put into practice, will bankrupt several individuals. That in turn will create a domino effect, increasing debts on remaining scheme members until the whole thing collapses. Jobs and apprenticeships will be lost, and individuals’ and families’ lives will be completely ruined.

I mentioned my dad as a hard-working employee. Employers are also hard-working, with many doing manual work while running their own companies, working hard to create an asset that they can either sell or pass on as a legacy to a family member. Yet, because of the debt issue, those companies are now effectively worthless and cannot be sold. That happened to a company in my constituency, which closed down before Christmas because a buyer could not be found. I also know an employer who works with his son. He is approaching 70, but he still has to work—he cannot retire and pass the company on, because of the debt issue. Those are responsible employers, trying to do the right thing by their employees. It is ironic that the Government have now made it compulsory for all companies to enrol their employees into a pension fund, yet the guys who did that many years ago now feel penalised for having done so.

It feels like Governments have buried their heads in the sand, but it does not have to be that way. My hon. Friend the Member for Perth and North Perthshire (Pete Wishart) raised such concerns in a Westminster Hall debate in October 2016, and the then Pensions Minister pledged to do work on the issue. Of course, Pensions Ministers come and go, and now others have to pick up the baton.

A couple of weeks ago, the hon. Member for Angus (Kirstene Hair) brought about an Adjournment debate on this issue, and she was willing to sponsor the Bill. She raised several possible solutions, which appeared to be dismissed by the Minister. I intend to return to some of those and rebut the Minister’s answers.

As I come to solutions, let us remember that, using conservative estimates, the last actuarial valuation in 2014 said the scheme was fully-funded, based on technical provisions. It therefore makes sense to move away from the buy-out assessment, which is not implemented even if an employer makes a debt contribution. If an employer pays a debt, in theory that still does not protect its own workers, because the money goes into the general pot. That said, the reality is that allowing a change to the method of evaluation will allow the scheme to continue to function and honour its payouts.

Another ask is that orphaned liabilities are taken out of debt calculations. Why should current employers pay for historic debts applied retrospectively? Additionally,

[Alan Brown]

the Pension Protection Fund should be the guarantor of last resort for orphaned liabilities. It is hoped that such a guarantee would not be instigated, but it is the correct measure. We are currently in the crazy position of Carillion having created a pensions black hole while paying top staff handsomely, with the PPF picking up the slack. However, the Government are unwilling to do the same for the plumbing pensions. Carillion will make more firms insolvent, putting further liabilities on to the pension scheme, yet the Government are stepping in to help the Carillion pensioners but not the plumbers.

I also suggest that if the PPF has to step in for orphaned debts, in reality the whole scheme will have failed anyway. The Minister stated that using the PPF in such a way would be unfair to payers of the PPF levy. However, the plumbing pension fund is in fact a levy payer, so that argument falls down there.

We must also put legislation in place to allow unincorporated businesses to change, to protect them from unlimited liability. They must be able to incorporate without triggering a section 75 debt. The Minister claimed that that is possible under existing legislation, but it is not as straightforward as he made out. A number of exemptions act as barriers, with the main one being the funding test from the flexible apportionment arrangement. They must be removed, and my Bill aims to do that. The Minister needs to understand that that option is available only to employers currently participating in the scheme and not those who have left or are no longer trading. That is why the other measures I have outlined are also critical.

As the Government have changed legislation to ensure that all employees are required to have some form of pension, we have a duty to remove any anomalies from existing schemes that employers have paid into in good faith. It is an act of folly to allow a fully funded scheme to collapse, risking jobs, succession planning and even family homes. That is why I will pursue the Bill, which has the support of six political parties. I will also happily take any recommendations from the Government's White Paper in due course.

It has been argued that the plumbers' pension scheme cannot be treated differently. I would say it is unique, and it must be treated differently if need be. I will pursue this to the bitter end.

Question put and agreed to.

Ordered,

That Alan Brown, Pete Wishart, Deidre Brock, Patricia Gibson, Gavin Newlands, Jim Shannon, Mr Alistair Carmichael, Mr Jim Cunningham, Sir Peter Bottomley, Peter Aldous, Stephen Kerr and Hywel Williams present the Bill.

Alan Brown accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 15 June, and to be printed (Bill 156).

Opposition Day

[8TH ALLOTTED DAY]

Refugees and Human Rights

1.39 pm

Emily Thornberry (Islington South and Finsbury) (Lab): I beg to move,

That this House believes that conflict resolution, climate change and the protection of human rights should be at the heart of UK foreign policy and that effective action should be taken to alleviate the refugee crisis and calls on the Government to lead international efforts through the United Nations and other international organisations to ensure that human rights are protected and upheld around the world.

We always welcome the wisdom of the Minister of State, Department for International Development, the right hon. Member for North East Bedfordshire (Alistair Burt) on these issues, but it is a great shame that although the Foreign Secretary has had time over the past week to act as Chancellor, as Health Secretary, and even as underwater construction engineer, he is not able to do his day job today. We hope that wherever he is heading on his travels, he is accorded rather more of a hearing than the Cabinet gave him yesterday.

The motion might be familiar to some, as it mirrors the words Labour used in our manifesto last June, in which we set out how we would tackle the causes of the refugee crisis—because some of us believe in our election promises. There is one more difference between our manifesto and the Government's. No, it is not that ours was costed, nor that it was popular: it is that not a single one of the 25 countries that I will talk about in this speech was mentioned even once in the international section of the Tory manifesto last June—with, of course, one glaring exception: the United States.

We may differ in our attitudes towards the American leadership, but I am sure that Conservative Members would agree with me on some of the great figures of America's past. It is fitting that this debate takes place 25 years to the day since we lost Supreme Court Justice Thurgood Marshall, who, over six decades, helped to dismantle legal discrimination in America and to put human rights at the heart of its jurisprudence. It is worth remembering that his legendary legal career almost never began. As a young man, he only persuaded his grandmother to let him study law on the condition that he also learned to cook. She thought that that was a better guarantee of long-term employment. I wish someone had given me that advice—not that I would have changed my career, but I would at least be able to cook a proper roast dinner, like my nan could.

Among the many other great pieces of advice that Thurgood Marshall left the world are these words, which stand at the core of this debate:

“The measure of a country's greatness is its ability to retain compassion in times of crisis.”

That measure is similar to the Leader of the Opposition's when he said in Geneva last month that the refugee crisis is one of

“the biggest moral tests of our time”.

Let us be clear: as a country, our greatness is currently being tested, but not all will agree with Justice Marshall or the Leader of the Opposition about the right answer. There will be those who say that amid grave economic

uncertainty and domestic pressures, we need to focus on our own finances and public services, not on showing compassion to those in need elsewhere; there will be those who say that if we need global alliances to help to preserve trade and investment, that must come ahead of other considerations, including human rights; and there will be those who say that we have enough on our plate trying to manage Brexit, and that the rest of the world's problems can be left to the rest of the world. But they could not be more wrong.

Our global leadership is needed now more than ever, not least because the five challenges that currently leave 65 million people in our world internally displaced or as refugees are getting only worse. Those challenges are: first, the state-led violence faced by minority groups in places such as Myanmar; secondly, the seemingly intractable wars in Yemen, Syria and elsewhere; thirdly, the cycles of division and violence in which Israel, Palestine and others are trapped; fourthly, the political instability that faces post-conflict countries such as Lebanon; and fifthly, the ever more stark realities of climate change.

Those five challenges may vary, but they all lead to one crisis: millions of vulnerable civilians, many of them children, left in desperate humanitarian need, either trapped, praying that relief and protection will come to them, or fleeing in the hope that they will find it elsewhere. Make no mistake: in the coming years those challenges will test the limit of our resources, the depths of our compassion, the strength of our global leadership and, ultimately, the greatness of our country.

Tony Lloyd (Rochdale) (Lab): My right hon. Friend is making an excellent speech. Does she agree that one of the really big tests relates to our international agencies, particularly the United Nations, and the political paralysis that results from the lack of commitment from Russia, China and the United States? We have to get that commitment back. If we are going to lead, Britain has to make the United Nations central to the solution to the problems my right hon. Friend is outlining.

Emily Thornberry: I agree entirely with my hon. Friend. I will develop those arguments later and look forward to listening to his speech, if he gets an opportunity to be heard.

Gareth Thomas (Harrow West) (Lab/Co-op): Further to the point made by my hon. Friend the Member for Rochdale (Tony Lloyd), will my right hon. Friend take this opportunity to praise the work of the International Organization for Migration, a key UN agency leading the effort to provide solutions to the refugee crisis? Will she also take this opportunity to urge the Government, and particularly the Department for International Development, to increase funding for that key UN agency?

Emily Thornberry: Particularly given its current role in Bangladesh, because of the distress of the Rohingya refugees, it is clearly important to put renewed focus on that organisation. It is also unfortunate that the United Nations High Commissioner for Refugees is not given a greater role in Bangladesh.

In my speech, I shall talk about each of those five challenges and the countries they affect—countries where

the humanitarian crisis is clear and the need for global leadership is clear, but where, at present, the Government's response is anything but.

Sir Desmond Swayne (New Forest West) (Con): I have not heard much in what the right hon. Lady has said with which I disagree. The difficulty as I see it is how we use the UN when Russia and China block any attempt to move forward. Of course, Russia and China are also known for using international aid as, effectively, a loss-leader for their exports, rather than in the way we use it.

Emily Thornberry: The right hon. Gentleman advises the House simply to give up. We do not give up. We must work in a multilateral way, within the United Nations, and fight our corner. We should be a force for good. We should not allow the difficulties that we face make us say that it is all too hard and that we should simply walk away.

Let me make some progress. There no shortage of state persecution in our world, whether it is done by states such as Russia and Iran, which the Government rightly criticise, or those such as Egypt, Saudi Arabia and the Philippines, whose abuses they choose to ignore. As we saw in Darfur exactly 15 years ago, when the state turns an entire group of people—even the children and the elderly—into military targets, it leaves families with an impossible choice: they must risk their lives by staying put, or risk their lives by fleeing. That is exactly what we have seen in Myanmar.

No one present needs any reminding of the horrors and hardship that the Rohingya have faced ever since the attacks in August. No one needs any telling of the desperate humanitarian situation in the camps on the Bangladesh border. No one needs any warning of the dangers of the proposed repatriation of the Rohingya. What we need to know is what action our Government are actually taking—not just to alleviate the situation, but to resolve it.

Dr David Drew (Stroud) (Lab/Co-op): My right hon. Friend will, like me, be disappointed to hear that the situation in Darfur is worse today than it was 15 years ago. There is more conflict there but, because of other conflicts in the world, it has sadly gone off the front pages. Will she do what she can to help the bedevilled people of Sudan and South Sudan, who have known nothing but conflict for the past 40 years?

Emily Thornberry: My hon. Friend, having visited the region himself, is a great expert in that area. He echoes many of the things that the shadow Minister for Africa, my hon. Friend the Member for Heywood and Middleton (Liz McInnes), has been telling us. My hon. Friend the Member for Edmonton (Kate Osamor) will sum up the debate, focusing particularly on the humanitarian situation in Africa.

We know that Myanmar simply will not act without external pressure—not on consent for repatriation, and not on the guarantees the Rohingya need regarding their future security, citizenship and economic viability. Will the Minister, finally, use our role as the UN penholder on this issue to submit a Security Council resolution to ensure legally binding guarantees on and international monitoring of all these issues? Until we get those guarantees, will he urge India and Japan to withdraw their offer to fund the planned repatriation?

[Emily Thornberry]

As we work for the future protection of the Rohingya, we cannot forget those who have already suffered and died, so let me ask the Minister this as well: is it still the case that only two of the Government's 70 experts on international sexual violence have so far been deployed in the region, despite the vast scale of crimes that have occurred? Will he make it clear that Myanmar must allow the UN special rapporteur on human rights to carry out her investigation unobstructed, or Myanmar risks once more being a pariah state and being pushed out into the cold?

The second challenge is about the countries locked in intractable conflicts, leaving millions of innocent civilians internally displaced or as refugees. I turn to Yemen. More than 5,000 children have now been killed or injured since the war began—five children every single day. Hundreds of children are now suffering with malnutrition, cholera and diphtheria. I learned only recently what diphtheria really meant. For me, it was just about my children being injected when they were young. Diphtheria is called the strangling disease: it strangles babies. It is now stalking Yemen, and 2 million children are now receiving no schooling at all.

UNICEF usually says that such and such percentage of children require support, but last week it was clear that almost every single child in Yemen now needs humanitarian aid. Resolving this situation could not be more urgent. In that context, I do not know whether the Minister was present for the Foreign Secretary's recent Cabinet presentation on the Yemen conflict, but, according to *The Mail on Sunday*, his opening line was, "We have got to do something about the Saudi war on Yemen". Well, that is what we have been telling the Government for two years now, so thank goodness they are finally listening, even if they do so only in private.

I hope that the Minister will admit another private truth today. He says that there is no military solution in Yemen—the UN says it and even Rex Tillerson says it—but the truth is that that is not what the Saudis believe. Just a few weeks ago, exiled President Hadi said that the current Saudi military offensive would

"put an end to the Houthis coup"

and that, as a result, there was no purpose in peace talks. In other words, the war will continue until the Saudis secure victory, no matter how long it takes and no matter what the cost. That is unacceptable. If the Government genuinely want to do something to end the Saudi war, I suggest that, as with Myanmar, they take the following steps: pull their finger out, get their pen out and do their job. They should do the job that they have been given by the United Nations and submit a resolution demanding an immediate ceasefire and the resumption of peace talks. Will the Government follow the lead of Germany and Norway and suspend arms sales for use in this conflict pending the result of a full independent investigation of alleged war crimes?

In Syria, the humanitarian situation is equally dire. The need for peace is just as great, and we face the same impasse in moving towards a political solution. From Astana to Sochi, and from Geneva to Vienna, we have rival peace processes with no agreed set of participants and no agreed set of goals or acceptable outcomes. As long as that impasse continues, the only incentive on all sides is to maximise territorial gains whatever the costs.

We see that Assad's typically criminal assault on Idlib and eastern Ghouta is already triggering a fresh wave of displaced civilians. What we also see is the US plan for an open-ended military presence to stabilise so-called liberated areas near the Turkish border alongside a new 30,000 strong Kurdish army, which was idiotically named by the Americans as the Syrian border force. Therefore, while we condemn Turkey's response in invading the border area and assaulting the Afrin enclave, we must ask the US how it thought Turkey was likely to respond. It is a hugely dangerous development, and it takes me back to what I said at this Dispatch Box some 15 months ago, which is that a long-term political solution in Syria must be predicated on the de-escalation of overseas forces, not a move to their permanent presence.

I have these questions for the Minister. First, what steps is he taking to resolve the impasse over peace talks? In particular, is he determined now automatically to reject any positive outcome from next week's congress in Sochi? Secondly, can he tell us whether there are any UK personnel—military or otherwise—involved either in training the new Kurdish border force or in America's proposed "stabilisation activities" in Northern Syria? Finally, as the violence escalates in Idlib and Rojava, what preparations are the Government making for a fresh wave of Syrian refugees fleeing towards Turkey and the Aegean sea?

The third challenge concerns countries caught in a cycle of entrenched division and sporadic violence, leaving millions of civilians trapped in poverty and deprivation. My hon. Friend the shadow International Development Secretary will talk later about the grave situations in Somalia and South Sudan.

Let me focus in particular on the millions of Palestinian refugees spread across Gaza, the west bank, Jordan, Lebanon and Syria. For almost 70 years, the United Nations Relief and Works Agency has supported those refugees and their descendants. UNRWA's budget last year was \$760 million. We could fund its work for the next 220 years with the cost of just one "Boris bridge" across the channel, and it would be a far better use of the money.

Thanks to UNRWA, 500,000 Palestinian children receive schooling every day and millions more receive healthcare. Last week, Donald Trump cut their funding by \$65 million. I am reluctant to quote his Tweet, but he said:

"we pay the Palestinians...MILLIONS...and get no appreciation or respect."

Young children will be denied education and medicine all because poor Donald Trump does not think that he gets enough "appreciation or respect". How utterly pathetic!

Richard Burden (Birmingham, Northfield) (Lab): I completely endorse my right hon. Friend's point. It is simply not acceptable for the United States President to give vent to his petulance by attacking the vital services that 5 million Palestinian refugees need. Does she also agree that we need to step up to the plate now and to bring forward or to increase the UK's contribution to UNRWA, to buy some short-term respite for the organisation? There should also be an international conference to ensure that there is a long-term solution and long-term funding for that organisation.

Emily Thornberry: My hon. Friend is a mind reader: that is exactly what I was about to suggest.

The concern is that this money could trigger a domino effect. Given that most of UNRWA's costs are local staff salaries, cuts would mean severance payments and severance payments would mean further cuts, and the vicious cycle goes on. UNRWA could face a Catch-22 situation in which it cannot afford to maintain its services, but risks bankruptcy if it cuts them, which would be a devastating scenario for Palestinian families. It is a humanitarian crisis in the making—we know that—entirely caused by the egomania of the American President.

Although we would all welcome today a commitment of extra money from the UK—I hope that that is what we will hear—we know that short-term fixes by individual countries will not ultimately solve the problem. What we need, as my hon. Friend the Member for Birmingham, Northfield (Richard Burden) has said, is a long-term and multilateral solution to this shortfall. May I urge the Government today to lead that international effort and consider initiating a special funding conference, such as that held for humanitarian emergencies—the difference in this case being that we must not wait for that emergency to strike before acting? If it is not to be us, who will do it?

The fourth challenge concerns those countries trying to recover from major conflict whose stability and peace must be nurtured, lest they again collapse. We think of Afghanistan, Iraq and the Democratic Republic of the Congo. More recently, we think of Libya, about which the shadow International Development Secretary will again speak later.

I want to focus today on Lebanon, which, for decades, has lurched from devastating conflict to chronic instability. Its peace must be preserved as it becomes the latest battleground for regional control between Iran and Saudi Arabia. In November, Lebanese Prime Minister Hariri was invited to take a camping trip in Saudi Arabia with Crown Prince Salman. When he arrived, he was roughed up by Saudi guards and forced to read a televised statement announcing his resignation. He had to beg for a suit so that he did not resign in a T-shirt and jeans. If Riyadh's plan was to provoke instability and civil conflict inside Lebanon, that certainly backfired, because instead it triggered a wave of support for Hariri that allowed him to return and withdraw his resignation.

But if that was a bullet dodged, we must still ask, "Why was it fired?", because Lebanon cannot afford another war that would risk dragging in Israel, along with Iran, and create a fresh humanitarian crisis in a country that is already cracking under the weight of 1.5 million refugees from the war in Syria and hundreds of thousands more from Palestine. Does the Minister know what on earth Crown Prince Salman was playing at in November? Will he urge the Saudis not to do anything more, whether political interference or financial penalties, that weakens or destabilises Lebanon further? Will he also urge Israel to recognise that any short-term urge it has to damage Hezbollah must be outweighed by the long-term damage that another regional war would do?

The fifth and final challenge concerns countries affected by climate change. Of course that means all of us, but the sad truth is that some of the poorest countries that

have contributed the least to global carbon emissions will be those hardest hit by the changes that we have created. Their physical infrastructure is the least well prepared to cope with flooding, droughts and other extreme weather events, because their economies are the least well adapted to cope with long-term changes such as erosion or pollution of farmland. One example is the Mekong delta in Vietnam, which is the traditional home of the country's agriculture and is now plagued by rising sea levels and incursion of saltwater. Livelihoods that have lasted centuries are being wiped out. Over the past 10 years, a net 1 million people have left the delta—twice the national average of migration from rural areas.

That is climate change in action, and a pattern that is being repeated across the world. If we cannot reverse these trends, regions that are currently just in trouble will in due course become uninhabitable. The carbon targets we meet in this country will matter nothing in the grand scheme of things unless we show global leadership in helping the rest of the world, including the United States of America, to face up to the challenge of climate change. Will the Minister tell us, first, where in the Government's list of overseas funding priorities is helping poorer countries adapt to climate change? Secondly, when Rex Tillerson visited London on Monday, was any effort made to persuade the United States to recommit to the Paris agreement, or was that considered simply a waste of time? Sadly, I think that we know the answer to the second question, because we are stuck with a President who does not give a fig about the problems and the future that the world is facing.

I spoke at the outset about the Thurgood Marshall anniversary, which allows us to celebrate the life of a great human rights hero.

Lady Hermon (North Down) (Ind): May I ask the right hon. Lady to put on the record a tribute to the BBC journalists and other reporters around the world who highlight to us, with great sensitivity and great honesty, the appalling conflicts, the famines, the plight of refugees, and the cruelty experienced by Christians and other minorities? Will she also pay tribute to those journalists who have given their lives in reporting these issues around the world, and perhaps urge the Minister to do something at the UN to protect them?

Emily Thornberry: The hon. Lady is quite right. Unfortunately, far too many journalists around the world are killed for reporting abuses of human rights. I join her in paying tribute to them.

I was talking about Thurgood Marshall's anniversary, which gives us an opportunity to celebrate the life of this great human rights hero. In three days' time, we are going to mark another anniversary. Unfortunately, there is no such cause for celebration, but it is central to our discussion. On Saturday, it will be a year since our Prime Minister held hands with Donald Trump just hours before he signed the executive order banning Muslim refugees from America. That was an act devoid of compassion by a President incapable of shame, and the start of a long and painful year of similar acts on the global stage.

We have now reached the stage where Donald Trump can describe the countries of the continent of Africa, including 19 of our Commonwealth cousins, as "shitholes"—and there is not a peep of protest from

[Emily Thornberry]

our Government. Instead, they continue to insist that Her Majesty the Queen, the head of the Commonwealth, must welcome him into her home. Perhaps next time the Foreign Secretary talks about “supine invertebrate jellies” he should take a good look at himself in the mirror.

However, Donald Trump’s behaviour has had one important consequence that goes to the heart of the motion. Last week, a Gallup poll revealed that in the past year global approval of American leadership had fallen to 18%, the lowest in the history of the survey. That leaves a massive void waiting to be filled by a country—so what about us? What about a country such as ours? Are we prepared to take the lead internationally on conflict resolution, climate change, human rights and the refugee crisis? Are we prepared not just to wring our hands about the suffering of the Rohingya, the Yemeni people and the Palestinian refugees, but to do something—to take a global lead—to end that suffering? Are we prepared to stand up to Donald Trump and tell him clearly that he is not just wrong on UN funding cuts, climate change and refugees, but simply unfit to govern? That is the action we need to take, that is the policy the Labour party stands on and that is the message that this motion sends. I commend it to the House.

2.6 pm

The Minister for the Middle East (Alistair Burt): I thank the right hon. Member for Islington South and Finsbury (Emily Thornberry) for tabling the motion, the text of which the Government have at their own heart as well. Much of what she said is agreeable with. There were a number of issues that she did not raise, and I am happy to do so. There were also a number of things that we would query, and I am happy to respond.

May I begin with an apology? A change in whipping later on enables me to leave immediately after I have spoken to take up an opportunity to see the Foreign Minister of Morocco. If I left any later, I would not be able to do that. If the House would accept, and Mr Speaker would accept, that I can slip away—

Jeremy Corbyn (Islington North) (Lab): Only if you talk about Western Sahara.

Alistair Burt: Western Sahara is always part of our discussions with friends in north Africa. Having met the right hon. Gentleman over many years, in all sorts of capacities, to discuss common interests in the area, I can assure him that he will not be disappointed in relation to that complex issue.

I thank the right hon. Member for Islington South and Finsbury for reminding us of her manifesto, which came a good second in the general election, if I remember correctly. I am pleased to say that a number of issues raised are of great interest to us.

If the right hon. Lady wants to find a force for good, which she began with, I invite her to come to the United Nations General Assembly week in September. I would like her to see how the United Kingdom is seen, treated and spoken of in that Assembly, because of our commitment to development and to human rights, and because of the things that we stand up for. There is not a room that a Minister goes into where we do not find that. That is no praise for a Minister, because it is

due to policy followed over a number of years by successive Governments, and the hard work done by our officials.

The sense that people have of the United Kingdom, certainly under this Government, is that these are issues on which we not only make a substantial contribution—it was this Government who were determined to put the target of 0.7% of gross national income into law—but give leadership. If the right hon. Lady really wants to be reminded that the United Kingdom is a force for good, rather than using it as a debating point, she should go to UNGA in September, see how we are treated and ask whether that Assembly thinks that we are force for good. She will get the answer that yes, we are. However, that is something we have to live up to. That is what these debates are about, and that is what the Government are determined to do.

Within her first weeks in the job, my right hon. Friend the International Development Secretary travelled to Cox’s Bazar. There she met a young mother—one of more than 650,000 Rohingya refugees who have arrived in Bangladesh since August. Her name is Yasmin. Yasmin had fled Burma with her new-born baby, after her village was burned down and her brother murdered. On their journey, she and her baby were thrown over the side of a smuggler’s boat so that her son’s crying did not alert the Burmese soldiers. They arrived in a giant, crowded camp only for her son to contract cholera.

Yasmin is just one of the 65 million people around the world—the right hon. Lady mentioned them—who have been forcibly displaced. She is like those I have met in refugee camps in Syria, Lebanon and Jordan, and like those a number of colleagues have met, because the whole House takes an interest in this issue and many colleagues have visited people in such circumstances. This number of 65 million is equivalent to the size of the UK population, and it has almost doubled in the past 20 years. Each is a life uprooted, a family torn apart and a future uncertain.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): The Minister will be aware that on 16 March a private Member’s Bill on family reunification is coming up, which is supported by the Red Cross, Oxfam, the Refugee Council, Amnesty and the UNHCR. Will his Government be supportive of it, bearing in mind that the rehabilitation of refugees is often helped when children can bring in adult parents or parents can bring in adult children so that families can be reunited?

Alistair Burt: I have not seen the content of the Bill, so I cannot give a response on that. I will, if I may, say something about children and family reunification a little later.

Human rights matter because they aim to protect the innate dignity of every human being. They promote freedom and non-discrimination, fairness and opportunity, but all too often it is the absence of those rights that drives people such as Yasmin from their homes. The right hon. Member for Islington South and Finsbury is right that the series of challenges now facing the world in relation to the number of people moving is immense and probably more complex than ever before. It is no longer the case that refugees move simply because some natural disaster has forced them from A to B, nor is such movement simply the result of some worldwide conflict, which is what drove refugees post-1918 and

post-1945. There is a series of issues in play, from demographics to lack of opportunity and individual conflicts.

In a sense, the movement back from the post-1945 world order, with the challenge to rules-based organisations, is compounding that in that we cannot find answers. My right hon. Friend the Member for New Forest West (Sir Desmond Swayne) asked about what the UN should do given that if there is a veto in the Security Council, no action is taken. That has been demonstrated to be even more significant in recent times because of the conflict in Syria, but it can be raised in relation to other places. These are challenges the complexity of which we probably have not faced in our time, and they set the baseline against which we will all be judged.

Jeremy Lefroy (Stafford) (Con): Does my right hon. Friend agree that regional organisations such as the African Union, not just the United Nations, have an incredibly important role to play? If we think of the peacekeeping work that AU forces have done in Mogadishu and elsewhere on the continent, we see what they can do. However, they still need to do a great deal more, and perhaps we can support such work when UN action is not possible or is lacking.

Alistair Burt: I am grateful to my hon. Friend for his intervention, because he knows a great deal about the region and what he says is certainly true. The problem of the failure to deliver of those charged with these responsibilities in the past means that new opportunities have to be taken if we are not to leave more people in the circumstances that we have described. This is the way the world works: if an avenue to peace and the resolution of conflict is closed by the actions of some, we must look to open up new ones to prevent such a problem.

Turning to the some of the key challenges we face, I want to talk about conflict and the impact it can have. I assure the House that the UK Government remain committed to doing all we can to address the root causes of conflict and crises, and to redouble the efforts to find peace. I will address the particular areas that the right hon. Member for Islington South and Finsbury mentioned.

As my right hon. Friend the Foreign Secretary said last month, not only is standing up for human rights the right thing, but it helps to create a safer, more prosperous and progressive world for us all. This is what global Britain stands for. Promoting, championing and defending human rights is integral to our work. Similarly, the UK's leadership in tackling a changing climate and protecting the world's natural resources is vital for global prosperity and poverty reduction.

Anna McMorrin (Cardiff North) (Lab): Just last week, the UK Committee on Climate Change warned that we were on track to miss our international targets on reducing emissions. Unless this Government take urgent action, the effects of climate change will be felt more acutely in developing countries, causing them even more hardship and suffering. Will the Minister seek to discuss this internally and take action?

Alistair Burt: My right hon. Friend the Minister for Asia and the Pacific wants to refer to climate change in his winding-up speech, but our determination on climate change has, again, provided a sense of leadership. We

have played an influential role in reaching international climate change agreements, including the Paris accord, and we are among the world's leading providers of climate finance. We are committed to the Paris agreement limits, which aim to limit global temperature rises to less than 2°C. Wherever there are areas in which we can continue to improve, we shall do so, but on climate change leadership, the United Kingdom's position is very clear.

On international humanitarian rights, I reiterate the UK's commitment to international humanitarian, human rights and refugee law. As a signatory to the 1951 refugee convention and its additional protocol, the UK has a long tradition of providing assistance and protection to those who need it most. We are the first G7 nation to have enshrined in law our commitment to spend 0.7% of GNI on aid, and that aid provides a lifeline to millions.

The first change I want to put to the House is that refugee crises are increasingly counted in decades, not months and years, and the humanitarian system is overstretched. This is why the UK is now leading a global shift to longer-term approaches to refugee assistance and protection. It is one that restores dignity to refugees and offers them a more viable future where they are, and one that ensures sustainable jobs, livelihoods and access to essential services both for refugees and the communities that host them. We aim to embed this approach in the UN global compact on refugees due to be adopted later this year.

Gareth Thomas: One graphic reminder of the global refugee crisis is the plight of refugees, particularly unaccompanied minors, in Calais. Will the Foreign Office Minister encourage the Home Office to deal more quickly with cases such as that of the 14-year-old brother of one of my constituents, who is still waiting for the Home Office to respond to his application to come and rejoin his brother, my constituent, under the Dublin III convention? If I write to the Minister, will he take up the case with the Home Office for me?

Alistair Burt: The hon. Gentleman should keep in direct contact with the Home Office in relation to that case. In 2016, the UK transferred more than 900 unaccompanied asylum-seeking children from Europe to the UK, including more than 750 from France as part of the UK's support for the Calais camp clearance. I have some figures to give later about the 49,000 children who have been settled in the United Kingdom since 2010, including a number in the category that the hon. Gentleman has raised. However, processes have to be gone through, and I am quite sure that the Home Office intends to carry out its resettlement work as swiftly as possible. We have resettled a substantial number—that number is often not appreciated by the public at large—and I will talk more about that in a moment.

Tim Farron (Westmorland and Lonsdale) (LD): When we are talking about the dignity of people seeking asylum, is it worth considering, and will the Government consider looking again at, the current rules denying asylum seekers in this country the right and the ability to work during the year, or perhaps even longer, when they are seeking asylum? Would that not save the taxpayer a lot of money and put an end to much of the indignity—and, frankly, the destitution—that exists in our asylum-seeking community?

Alistair Burt: I have spoken for 12 minutes already, and I could speak for a lot longer. If I was to go into asylum support and the benefit system, I would be at the Dispatch Box for a lot longer. If the hon. Gentleman will allow me, that matter has been taken up by the Department—it is a complex issue, as he knows very well—and I do not intend to go into it now.

For people contemplating the perilous voyage to Europe, our long-term focus has been on improving conditions where they are, so that they may decide to take up opportunities locally, rather than to undertake dangerous journeys. At the same time, we are taking steps to assist vulnerable people who are already on the move. I share the deep concern and alarm expressed by Members of the House about modern-day slavery. That was not a key part of the speech of the right hon. Member for Islington South and Finsbury, simply because one cannot cover everything. The conditions migrants face in Libya—we have seen them most recently in the CNN reports on modern slavery and slave auctions—have been appalling, and they have reminded us how acute the crisis is.

We welcome the Libyan authorities' commitment to investigation. I met the Libyan Deputy Foreign Minister recently to discuss the issue. I assure the House that the Government are doing all they can to go after the criminal gangs and networks of traffickers who profit from this human misery. The Royal Navy has destroyed 173 smuggling boats and saved more than 12,500 lives since Operation Sophia began, and Border Force vessels have provided vital search and rescue support, rescuing more than 4,500 people to date.

We are protecting the most vulnerable people on transit routes, including through a new £75 million migration programme focused on the route from west Africa via the Sahel to Libya. So far, our programmes have enabled 1,400 migrants to voluntarily return from Libya and reintegrate successfully into their home countries, while providing much-needed emergency interventions for more than 20,000.

The hon. Member for Harrow West (Gareth Thomas) mentioned the International Organisation for Migration. I met Bill Swing, the charismatic director of IOM who will, sadly, complete his final term later this year and who has done so much to manifest the qualities of that organisation. We had a conversation about what we are all doing in relation to that process from west Africa through to Libya. If we are to challenge these gangs, we have to tackle every part of the process, as well as think more directly about what we can do about them when they reach Libya. It is important to cut off and prevent the process. We discussed the different ideas that different agencies are contemplating and already doing. This is a serious issue to which the House will return.

Lady Hermon: Before the Minister leaves the issue of Libya, I am sure he will agree with me that the most fundamental right of all is the right to life. There are people in the United Kingdom who suffered grievously as a result of Gaddafi-sponsored IRA Semtex bombs. Will the Minister assure me that, as well as the other human rights crises in the Mediterranean, that human rights issue, which affects people right across the United Kingdom, is still discussed with the Libyan Government?

Alistair Burt: I assure the hon. Lady that that is indeed the case, and we have discussed it with MPs from the area as well. It is absolutely not a matter to be forgotten. The Foreign Secretary and I have already met colleagues to discuss it. It was part of the conversations I had with the Libyan Government when I was previously in office, and there is still the opportunity to discuss it further. We can try to get to an agreement to find some accommodation that recognises the part played by the Gaddafi regime in the violence, but also to find a solution that brings people together, because both the Libyan people and the people of the United Kingdom, including Northern Ireland, suffered grievously from the attacks. Something that binds people together as a result might be the most effective answer. It is very much still on all our minds.

I will say a little on the issue of children, which the right hon. Member for Islington South and Finsbury did not focus on but I want to raise it. [*Interruption.*] Okay, a little bit more—the right hon. Lady cannot cover everything and that was not a criticism.

Emily Thornberry: Aren't children in Yemen dependent on aid?

Alistair Burt: Yes. I never had the right hon. Lady down as being thin-skinned. I do not want to get into that too much.

The UK has contributed significantly to hosting, supporting and protecting vulnerable children. We are the largest contributor to the Education Cannot Wait initiative, the first global movement and fund dedicated to education in emergencies. That builds on our extensive work in the Syria region through the No Lost Generation initiative.

In the year ending September 2017, the UK granted asylum or another form of leave to almost 9,000 children—in that year alone—and has done so for more than 49,000 children since 2010. We have committed to transferring 480 unaccompanied children to the UK from France, Greece and Italy under section 67 of the Immigration Act 2016, and last week the Home Secretary announced an amendment to the eligibility date to ensure that the most vulnerable unaccompanied children can be transferred to the UK.

We will resettle 3,000 vulnerable refugee children and their families from the middle east and north Africa by 2020. That is in addition to the commitment to resettle 20,000 refugees under the vulnerable persons resettlement scheme. So far, we have welcomed more than 9,300 people through the scheme, half of whom are children.

Angus Brendan MacNeil: I am grateful to the Minister for giving way again; he is being very generous. I praise the fact that children have been resettled in the UK; some might say that the numbers are not what we had hoped for, but, even so, some have been resettled. If some of those children who have been resettled in the UK have an opportunity for family reunification, will the Minister try to take in those other family members and allow them to join those children?

Alistair Burt: I acknowledge the hon. Gentleman's position, but let me say that we of course support the principle of family unity and have several routes for families to be reunited safely. Our family reunion policy allows a spouse or partner and children under the age

of 18 of those granted protection in the UK to join them here if they formed part of the family unit before the sponsor fled their country. Under that policy, we have reunited many refugees with their immediate family and continue to do so. We have, in fact, granted more than 24,000 family reunion visas over the past five years. Family reunification really matters. Of course, colleagues will always argue for more, but that is a substantial figure. I will certainly suggest to colleagues that they look very carefully at the hon. Gentleman's Bill.

Let me speak about one or two of the crises mentioned by the right hon. Member for Islington South and Finsbury. We have committed £1.3 billion to meet the needs of refugees and host communities in the Syria region, and it is here that we have pioneered a more comprehensive approach to refugee assistance, which includes a refugee compact with the Government of Jordan that aims to create 200,000 jobs for refugees.

Of course, resolving the conflict remains the top priority. We are using all our diplomatic tools to call on all parties to protect civilians from harm, to open up humanitarian access and to support UN political talks aimed at ending the conflict. I was in Paris yesterday and met Secretary of State Tillerson in the margins of a meeting to find accountability for those who use chemical weapons in Syria. I met Staffan de Mistura in Geneva just the week before, and of course my right hon. Friend the Foreign Secretary is doing even more at his level.

Syria is incredibly complex. The recent incursion by Turkey into the north of Syria complicates matters still further, but it is a crisis that can be resolved only by further political talks through the Geneva process. Our approach to Sochi is to say that it has a value only if it directs people towards the Geneva process. That is the determination that we and others have made.

We remain deeply concerned by the Rohingya crisis, where people are still crossing the border every day with stories of unimaginable trauma. This is a major humanitarian crisis created by Burma's military. There has been ethnic cleansing and those responsible must be held accountable.

Mrs Anne Main (St Albans) (Con): Does my right hon. Friend, like me, welcome the fact that the proposed repatriation has now been suspended, as announced on Monday? The right hon. Member for Islington South and Finsbury (Emily Thornberry) did not refer to that. I welcome it because absolutely no guarantees have been given on the safety of any returning Rohingya.

Alistair Burt: The honest truth is that people are having to recognise that we are talking about a long-term, protracted refugee stay in Bangladesh. There is no quick return. We cannot ask people to return to a situation after they were expelled with maximum force, violence and horror. Although the agreement between the Governments of Myanmar and Bangladesh to return people over a two-year period is a welcome sign of intent, it cannot possibly have any serious basis unless we know that people are going to be safe. People cannot be returned on any other basis. The honest truth is that we have to be prepared for this to take time. We are pushing not only for the work that we do in Cox's Bazar itself, but for a role for the international community in monitoring any return, with the UNHCR taking the lead.

We are one of the biggest donors to addressing the crisis. We have provided an additional £59 million since August and our aid is making a huge difference on the ground. The first tranche of funding to our partners includes support for emergency shelter for more than 130,000 people and counselling and psychological support for survivors of sexual violence. That is not an add-on to work that is already done. Counselling those women who have been victims of gender-based violence is absolutely crucial. We and other parts of the international community now give much more attention to psychological support for those who have been caught up in it. We are already co-ordinating work on the ground. We do not have as many people there as we would like. It takes time to get people in, but it is a matter of great concern and interest to us.

Anna McMorris: The Bangladesh Welfare Association Cardiff and friends of the Rohingya in Wales are in Cox's Bazar refugee camps, unloading trucks full of food parcels, blankets, baby food and medicines. They have encountered devastating scenes of hardship and heartbreak and have heard first-hand accounts that no one should experience: people losing loved ones, suffering violence and experiencing squalor, overcrowding and deprivation. Some 48,000 babies are due to be born in the refugee camps this year. Does the Minister agree—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. If the hon. Lady wishes to make a speech, there is plenty of time later. The Minister does not have plenty of time.

Alistair Burt: I take the hon. Lady's point. The scale of the crisis is extraordinary. I have not been able to visit the refugee camp, but a number of colleagues have done so, as well as the Secretary of State for International Development. We are not only trying to provide for what is already there but we are planning for the future. We recognise the number of births that are due. In addition, we have taken pre-emptive action on disease. The right hon. Member for Islington South and Finsbury mentioned diphtheria in a different context, and I shall come on to that. I pay tribute to the emergency medical team that was sent by the Department for International Development in December. Two waves went out over the Christmas period to provide support for people suffering from diphtheria and to prepare vaccinations to prevent others from being infected. We have an outstanding record on that. The work that we are doing is looking ahead, as well as looking back.

Stephen Kerr (Stirling) (Con): The Minister has mentioned, as have other speakers, sexual violence in conflict, and the Government have taken a number of initiatives in this area. Can he say whether or not the prevention of sexual violence in conflict will appear on the agenda of the forthcoming Commonwealth Heads of Government meeting in London?

Alistair Burt: As far as I am aware, the agenda for CHOGM is not yet set. I assure my hon. Friend and the House that the horror of violence against women, particularly in areas of conflict with which Commonwealth countries have a connection, is well understood. Without speaking about the agenda, it is a matter of the utmost importance to the United Kingdom, as has been demonstrated a number of times, so I take the point that my hon. Friend is making.

[Alistair Burt]

In looking ahead on Bangladesh, may I make a call for other donors to step up support? We are working closely with the Bangladeshi Government to identify acceptable solutions that protect and respect the rights and freedoms of the Rohingya people, as well as those of their Bangladeshi hosts.

The right hon. Member for Islington South and Finsbury raised three issues: Yemen; the Occupied Palestinian Territories; and Lebanon. Yemen remains a matter of determination for the United Kingdom to seek a political solution. She opined on the opinions and views of Saudi Arabia and those who lead it—that is not a matter for the United Kingdom. We have made it clear publicly that a negotiated solution is the only answer. We support the UN process, and we are working towards that. Owing to the efforts of many, not least my right hon. Friend Secretary of State for International Development, the opening up of Hodeidah port for 30 days, reconfirmed yesterday, has made a significant difference to the passage of food and fuel. Again, that is another complex dispute that involves people from outside who have launched missiles towards Saudi Arabia and others, so achieving a negotiated end is complex, but it is the most important thing, and the United Kingdom is fully determined to do so and is working hard to secure it.

On the United Nations Relief and Works Agency for Palestine Refugees in the Near East, I mentioned during questions last week the fact that United Kingdom support this year is £50 million. I saw the director of UNRWA a month or so ago, before the US decision, and we have expressed concern in relation to that. We support UNRWA; we are working hard through it; and it remains a determination for us. We are talking with others about whether or not there can be further financial support, bearing in mind what the United States has said, but it has only withheld money at this stage. There is still an opportunity for this to be passed through to those who need it, and we sense that the consequences of not having that support at a crucial time are deeply worrying.

Marsha De Cordova (Battersea) (Lab): On that, you are saying that the United States has put it on hold. I hope you will commit to continue to apply pressure on the United States, and in the meantime will you consider increasing our contribution—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I let the hon. Lady do it once, but three times she has called the Minister “you”. Now that we are well into this Parliament, I have to start clamping down. There is a very good reason why we use the third person and not the second person. The hon. Lady has to say, “Will the Minister do this?” She should not say, “Will you do this?” There is nothing wrong with her question, but will she phrase it properly?

Marsha De Cordova: My apologies, Madam Deputy Speaker. Will the Minister do his best to continue to apply pressure on the United States, and will he confirm whether or not we will increase our contributions to UNRWA?

Alistair Burt: In answer to the hon. Lady, the Minister will certainly continue to engage with the United States, despite a number of recent occasions when we have not

been in agreement. We have made our disagreement clear, but the United States remains in many other respects a key partner and donor in some of the greatest crises in the world. I shall indeed take note of what the hon. Lady said, and we are considering with partners how to respond if the money is withdrawn rather than being withheld. Above all, in relation to the Palestinian Territories, the most important thing is not to let the opportunity for the middle east peace process go. No matter what has been said in relation to Jerusalem, that must not derail the ultimate determination to see a negotiated solution between the Palestinians and the state of Israel. The United Kingdom will do as much as it can to bring people together, and when proposals are introduced, we will try to see that that opportunity is not lost.

Richard Burden (Birmingham, Northfield) (Lab) *rose*—

Alistair Burt: There can be no greater friend of Palestinians than the hon. Gentleman who is going to speak.

Richard Burden: I am grateful to the Minister, but will he be more specific in relation to UNRWA? One country has already agreed to bring forward its contributions to UNRWA to get over the short-term financial crisis that it faces. First, will the UK do so, too, or increase its contribution? When can we expect a firm answer on that? Secondly, in talking with other countries, will the Minister agree to an international conference—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I stopped the hon. Member for Cardiff North (Anna McMorrin). The hon. Gentleman cannot make two interventions at once.

Alistair Burt: I gave a response on UNRWA. We are in conversation with others about resources. We are concerned about any withdrawal rather than withholding of funds—that is a matter of great concern. Our contribution this year was £50 million. Other contributions have not yet been assessed, but it is vital that UNRWA's work continues.

Finally—the House has been generous with its time—may I conclude on Lebanon? I have been to Lebanon and have seen the work that DFID is doing there, particularly in relation to education. I met Minister Hamadeh, the Lebanese Education Minister. A number of colleagues may have seen mention this week of the Lebanon education forum. Lebanon, like Jordan, works double shifts to accommodate Syrian refugees in its schools. We have provided substantial support for this process, and our work is orientated towards supporting refugees where they are as much as possible, because that gives them the best chance to return. The stability of Lebanon matters hugely to the United Kingdom. It has come through a difficult time, and it appears that Prime Minister Hariri's position has been strengthened as a result of recent experiences. There are elections to come; the security of Lebanon matters; and it is important that Hezbollah does not increase its influence in relation to that or other regional issues, which was the purpose of a dissociation agreement that was recently signed.

My right hon. Friend the Minister for Asia and the Pacific will respond to the debate, and he will deal with climate change in more detail. I have mentioned violence against women and girls and modern slavery. I could also mention lesbian, gay, bisexual and transgender

rights, which are increasingly important for the United Kingdom to stress—we will continue to do so—and freedom of religion and belief. The hon. Member for North Down (Lady Hermon) is in the Chamber, but her colleague, the hon. Member for Strangford (Jim Shannon), a consistent advocate on this issue in the middle-east region, is not. If he were, he would want to hear again that the UK is determined to make sure that freedom of religion and belief assumes even greater importance.

All our experience in the middle east shows that a lack of tolerance is at the heart of so much and that the lack of tolerance of one faith for another is the breeding ground for so much that can then be exploited. This is not a minor issue of interest only to those who have faith, but a matter of interest to those who understand that this is a region where faith matters so much and impacts so much on everyone and that it has to be much further up our agenda in the west than perhaps it has been. We are determined to do all we can on that.

In conclusion, humanity is measured not by the strength of the strongest, but by the vulnerability of the vulnerable. The Government's vision is of a world where no one is left behind and where all women and men, girls and boys—no matter who or where they are—have equal opportunity to realise their rights, to achieve their full potential and to live in dignity, free from extreme poverty, exclusion, stigma, violence and discrimination. That is central to the UN's global goals and to securing a prosperous world. We are a big-hearted, open-minded and far-sighted nation—all of us—and our foreign policy reflects that.

2.40 pm

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): I welcome the choice of debate and the motion, and I particularly welcome the call for effective action to alleviate the refugee crisis. With 23 million refugees worldwide and more than 40 million displaced internally, this is indeed, as has been said, one of the toughest global challenges of our time. There is no silver bullet to solve it, but Governments working together can achieve a great deal to alleviate the dreadful suffering and misery that it has brought—through efforts on conflict resolution, international aid and crucially, through the provision of safe legal routes for those fleeing persecution.

In my view, the report card on the Government's response is mixed, with significant room for improvement. Let me start on a positive note with the role of the Department for International Development. As the Minister said, there is no doubt that UK aid in countries such as Lebanon has been hugely significant. In that respect the UK is playing its part, and long may that continue. However, it cannot and must not be the case that playing a part through international aid absolves any country of the responsibility of hosting a share of those who have fled persecution. In fairness, I do not think anyone is arguing with that, but on the question of whether the UK has played its part in sheltering its fair share of refugees in response to the crisis, I still believe that the Government have fallen short. Can we and should we be doing more? Undoubtedly, the answer is yes.

From the outset, the Government's approach to resettlement and relocation of refugees and asylum seekers went essentially from strong resistance to extreme

reluctance, only then to find that once the programmes were up and running, they can be genuine successes and make a genuine contribution to the international crisis. A case in point is the Syrian refugee resettlement scheme, which the Minister pointed to. It was introduced by the previous Prime Minister following what can only be described as a summer of resistance from the Home Office. Only after immense public and parliamentary pressure, magnified by the tragic pictures of little Alan Kurdi's body washed up on the beach at Bodrum—who can ever forget them?—did we finally see a hugely welcome announcement that the UK would accept 20,000 vulnerable Syrians by 2020.

No scheme is perfect, but as I think everyone in this Chamber would agree, once up and running it has proved an extraordinary success. Across the UK, we have been very pleased to see more than 9,000 refugees arrive. As part of that, we were delighted to see the 2,000th arrival into Scotland just last month, and our thanks and congratulations go to all involved in making that happen.

Resettlement works and can make a crucial contribution to the task of the UNHCR. I hope that the Government's initial reluctance towards resettlement schemes is now a thing of the past. As the Home Affairs Committee recently recommended, it is important that the Government establish a more general resettlement scheme for the future, echoing calls from the UNHCR, which estimated that 1.19 million people were in need of resettlement globally in 2017. It has asked the UK to aim for 10,000 places each year.

Whereas the Government's report card on resettlement would say, "Solid start but could do better," their record on solidarity with our European neighbours has fallen further short. It is worth remembering that at the outset, the Government even opposed the introduction of the Dubs scheme before being forced to accept a watered-down compromise. Despite that scheme having been significantly watered down, it is another example of one that can work and transform lives, as we saw when the Home Office was eventually pressed into urgent action by the impending demolition of the camps at Calais.

Although the recent change to the cut-off date applied to the Dubs scheme is a step in the right direction, this Parliament should insist on revisiting some other restrictions that the Government have placed on it, including, most obviously, the desperately inadequate "specified number." We should insist on the necessary investment to make it work properly. We should find the children in Greece and Italy, and not make them resort to using people smugglers or travelling to Calais.

It is not only children who need protection, but men, women and children all require safety. Long before the Dubs amendment was tabled during the passage of the Immigration Act 2016, my party argued for UK participation in EU proposals to relocate refugees and asylum seekers from Italy and Greece to other member states. It is to our huge regret that efforts at establishing a relocation scheme have continued to flounder.

As we have heard, what does exist is Dublin III. It is far from perfect, but it is there and must be made to work much more quickly and effectively. The recent agreement that the Government reached with France seeks to significantly reduce the processing times for take-charge requests, and that is very welcome. However, huge problems still exist with accessing the asylum

[Stuart C. McDonald]

system altogether. We should not be waiting for children to come to us, but actively seeking out those who may have grounds for transfer to the UK. Otherwise, it is inevitable that there will be further deaths as young people and children undertake hazardous trips to join family here.

We need to work faster in other countries, too—notably in Greece and Italy, where it can take up to a year for the Dublin process to run its course. If we can do more to fix delays here and to find potential applicants in those countries, we will undoubtedly save men, women and children from hazardous onward journeys, people smugglers and exploitation.

Resettlement, relocation, and Dublin are three examples of safe legal routes that we support that can help to prevent dangerous journeys and alleviate suffering, but let me mention one more: family reunion. Scottish National party Members have repeatedly argued that rights to refugee family reunion in the UK are simply too restrictive. People with family in the UK are clearly the ones who are most likely to try to get here, but by making it virtually impossible for too many categories of family members to qualify for family reunion, including siblings who are over 18, too many are left with no choice but to make dangerous journeys.

Alison Thewliss (Glasgow Central) (SNP): My hon. Friend is making a very good point about family reunion. Does he agree with me and my constituents, including children from St Mungo's Academy and Garnetbank Primary School, who see the absolute logic of being reunited with their family? They do not see the difference between someone being a day under 18 or a day over it—they are their family. Does he agree that we need to do so much more to ensure that those families can stay together? If children at primary school and secondary school can see the logic, why do the Government not see it?

Stuart C. McDonald: I agree, and I urge hon. Members to support the private Member's Bill that has been introduced by my hon. Friend the Member for Na h-Eileanan an Iar (Angus Brendan MacNeil). I very much hope that it is passed. He has support from the Refugee Council, the UNHCR, Amnesty International, the British Red Cross and Oxfam, among others.

Angus Brendan MacNeil: Indeed, the Red Cross, Oxfam, the Refugee Council, Amnesty and the UNHCR have said that having this Bill is their priority. Does my hon. Friend also welcome the warm words that I detected from the Minister regarding this Bill on family reunification—for codifying what is happening and giving people the legal right and assistance from legal aid, which is also in the Bill? That important part of it would enable the rights that hopefully the law would bring. I think the Minister is warm to it, at least.

Stuart C. McDonald: My hon. Friend makes a series of valuable points. In Scotland a degree of legal aid still is available to support these applications, which are not straightforward, as a recent report from the Red Cross made absolutely clear. Ensuring that those who need legal aid have access to it would be a hugely welcome development.

On another day we will debate our asylum system for those who seek protection once they are here. Suffice it to say that on the SNP Benches, we see massive scope for improvement. Regular reports are critical of asylum casework, with backlogs and under-resourcing contributing to poor decision making. The Compass contracts for housing are little short of a disgrace. Levels of support are shocking, the right to work is ludicrously restricted and the move-on period after a positive asylum decision is a shambles. In Scotland, we recently launched our second refugee integration strategy. The Welsh Government have one and it is now time for this Government to produce one. Talk of a two-tier asylum system must be shelved, as must dangerous talk of seeking to redefine the very concept of what it means to be a refugee.

The crisis is not going away anytime soon. As the motion says, conflict resolution must be central to our foreign policy. I highlight, for example, the Scottish Government initiative to train women from conflict zones around the world on peacekeeping and conflict resolution as the sort of initiative that Governments across these islands can take. And we have barely begun considering what climate change will mean for migratory flows. New Zealand is considering a humanitarian visa category for people displaced by climate change. That is the sort of conversation we will have to have here as well.

Angus Brendan MacNeil: I neglected to say in my initial intervention—it is perhaps worth an intervention on its own—that my private Member's Bill will be considered on 16 March. I encourage Members to be here to support it and constituents watching to write to their MPs to make sure that they are.

Stuart C. McDonald: My hon. Friend is quite right. I hope we see a busy House on that date.

In conclusion, I wish to make one further point. Sometimes in these debates we speak as if hosting refugees is necessarily a hardship for our country. It is important to put it on the record, therefore, that, given the chance, refugees far more often go on to make incredibly positive contributions to their communities and new countries and to bring great joy to their new friends and adopted families.

Stephen Kerr: I endorse what the hon. Gentleman is saying about the response from the refugee families who come and live in our communities, but may I also point out what it does to the communities themselves in rejuvenating a sense of civic responsibility, caring and community, which is vital to our future as a society?

Stuart C. McDonald: I welcome that intervention and agree with it wholeheartedly. These refugees are determined to take advantage of the amazing second chance given to them to live a life free from persecution. We can make that happen—the UN convention on refugees is the framework that allows it to happen. I simply urge the Government to work harder than ever to support that system and to deliver as many opportunities as they can.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. It will be obvious to the House that a great many people wish to speak this afternoon, but there is limited time

because we have another debate afterwards, so I am afraid I have to impose an immediate time limit of four minutes on Back-Bench speeches.

2.51 pm

Mrs Anne Main (St Albans) (Con): Given my role as chair of the all-party group on Bangladesh, I will confine my remarks in this short time to the experience of those fleeing persecution in Burma and living in Cox's Bazar. The right hon. Member for Islington South and Finsbury (Emily Thornberry) seemed to imply that the Government needed to get their finger out, as if this were something that had just happened. I think the House needs a little history lesson. The first major push against the Rohingya was in 1978. Then the Burma Citizenship Act of 1982 left them out of the list of 135 ethnic minority communities, thus denying them their state—so this has been going on for a very long time. In 1992, their political party was also outlawed. I understand that by that point 47 individuals—four of them women—from the Rohingya community had served as MPs in the Burmese Parliament.

This process has, then, been going on for an extremely long time. Those of us who have visited the sites and camps—right hon. and hon. Members from both sides of the House—have seen the atrocious conditions these people are being forced to live in. We would all accept that a basic human right is the freedom to worship as we see fit. The one thing that joins the Rohingya in solidarity with their brothers and sisters in Bangladesh is their religion. Unfortunately—it is a sad story to tell—the Buddhist community is complicit in and accepting of the driving out of the Muslim population that are the Rohingya. Yes, some Hindus have been forced out as well, but overwhelmingly it is the Rohingya, who are Muslims, who are being driven out. It is that link—of humanity and religion—that opens the arms of Bangladesh.

I am pleased that repatriation is no longer being considered, because the memorandum of understanding did not mention the word “Rohingya”. How can there be no voice for the Rohingya at the negotiating table? It is totally unacceptable that the oppressors, who are land-mining the border and driving people out with machine guns, and who have denied these people their rights since 1982, should be divvying up the role of the Rohingya and their future. It is no surprise that there have been marches and resistance on the camps to any talk of repatriation. How can anyone accept being asked to go back to a country where their existence has been denied since 1982? That needs to be dealt with as much as anything.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Does the hon. Lady share my concern at the British Government's involvement in the last census in Burma, which we paid for but which made no mention of the Rohingya? We should be exercising our duty as the census payer to make sure the Rohingya are included.

Mrs Main: It was an international effort, I believe, but the hon. Gentleman is absolutely right. It is unacceptable that they are not on that census. This is not a simple problem, however. I mentioned that there were 135 ethnic communities. That is part of the issue: Burma is a fractured country. It is not a case of just getting our finger out. This could be a very dangerous situation for some of the other groups in the country. I am concerned

that this be dealt with appropriately. My plea, given that they have been shattered for so long, is that somehow the Rohingya be given a voice. I understand that Ata Ullah is not an acceptable voice, as he is leading a resistance group, but there must be someone who can speak up for the Rohingya. They are a “talked about” and “done to” group, and that cannot be right.

I encourage the UNHCR to do all it can, but the reality is that Burma is blocking, and while I can understand Bangladesh's need to solve this crisis, it is not a signatory to the 1952 convention; it is acting out of humanity and love for its fellow Muslims. That said, it is a poor country. It is in receipt of a lot of international aid, but it cannot continue with this on its shoulders. We must keep driving forward to find someone who will sit at the table and say what the Rohingya want to happen, otherwise the rioting and unrest in the camps will continue. The worst thing we can do is insist that people go back to a country where they are denied even their existence.

2.56 pm

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): It is a pleasure to follow the hon. Member for St Albans (Mrs Main). I agree with what she said, particularly on the importance of the Rohingya voice being heard in this debate.

In September 2016, the United Nations General Assembly adopted the New York declaration for refugees and migrants, which seeks a commitment by member states to strengthen and enhance their mechanisms to protect people on the move. It is a significant achievement, but the challenge is to turn words into action. As the International Development Committee report, which we published last week, pointed out, the Rohingya crisis has tested these commitments to destruction.

I echo what others have said today about the Rohingya crisis. One lesson we must surely learn, which is relevant to the excellent motion before us, is that prevention is always best. As the hon. Lady reminded us, this did not come from nowhere: we have known for years about the threat to the Rohingya people. In recent years, there have been early warnings from Human Rights Watch and the Holocaust museum in Washington. I also echo what others have said about repatriation. It cannot be on the agenda in the foreseeable future, and I hope that the Minister will reaffirm that in his closing remarks.

In the case of the Rohingya and others, such as Afghanistan, Libya and Syria, the increasing rhetoric about refugees being expected to return to countries that are simply not safe to return to is deeply concerning. We need to recognise that in many cases people are going to be in these countries for many years. One of the ideas given to the Select Committee was that we learn from the Jordan experience with Syrian refugees and look at whether Bangladesh could adopt a special development zone to provide economic prospects for both the Rohingya refugees and the local population to limit the danger of resentment among local people towards the refugees.

The average time someone can expect to be a refugee is 10 years. Many are refugees for far longer. As my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) said in opening the debate, we have an increasing number of complex and protracted crises. We need to learn from experience elsewhere, and

[Stephen Twigg]

I want to cite again the example of the United Nations Relief and Works Agency for Palestine Refugees. It is vital that its crucial work be maintained, but I want to make a slightly different point. We can learn from it in responding to protracted crises in parts of Africa or the Rohingya crisis, for example. UNWRA's amazing work to support Palestinian refugees in Gaza, the west bank, Syria, Lebanon and Jordan over almost seven decades is something from which we can learn lessons for other crises.

An aspect of this debate that is sometimes overlooked is internal displacement; there are more internally than externally displaced people. The situation may be much harder for an internally displaced person than for a refugee. Syrians who are still in Syria may have a much tougher time than those who make it to Lebanon, Turkey or Jordan. That needs to be a larger part of our focus.

The theme of the global sustainable development goals is "Leave no one behind". Disabled refugees often face some of the biggest challenges. The Select Committee has taken a great deal of evidence on that subject—for example, when we looked into the Syrian refugee crisis during the last Parliament. DFID is about to publish its policy refresher on education, and it is crucial for the educational needs of children who are living as refugees or IDPs to be at the centre of that.

3 pm

Tom Pursglove (Corby) (Con): As ever, it is a pleasure to follow the hon. Member for Liverpool, West Derby (Stephen Twigg), who brings so much experience to debates such as this. I was, however, slightly disappointed by the disingenuous tone of the motion. The Government do work very hard on these matters, and I think we should adopt the "credit where it is due" approach.

I particularly appreciate the opportunity to speak this afternoon, given that when I was a Home Office parliamentary private secretary I was not able to speak about the subject on which I now wish to focus: the Syrian refugee crisis, and the issues that flow from it—because it fell within the Department's responsibilities. I am proud of the holistic approach that the Government have adopted. Since 2012, we have given £2.6 billion to tackle this crisis. That is our largest ever contribution to deal with a humanitarian crisis, the largest contribution made by any country other than the United States, and a larger contribution than that of the rest of the European Union combined. However, I am sometimes rather frustrated when we end up talking so copiously about money. I believe that we should concentrate more on the outcomes and the impact that that money has, which have been very considerable.

We have been right to focus our effort predominantly in the region as part of that holistic approach, because for every person whom we bring to the United Kingdom, we can help 20 in the region; it helps to reduce the needless deaths in the Mediterranean, which none of us wants to see; it helps to keep families together; it assists the fight to stop human traffickers and criminal gangs from exploiting the most vulnerable people in the world; and it keeps the refugees close to home, which means that when the crisis and conflict are over, they will be best able to go back to their countries and help with the rebuilding process.

I, for one, have always argued that countries in the region ought to be doing more to help that process. However, it is also right for us to bring the most vulnerable refugees here. I am pleased that we have a defined route: we take vulnerable people, particularly children, directly from the camps. We are committed to taking 23,000 of those who find themselves in this most desperate of crises. That prevents them from making the perilous journeys that should be made unnecessary. I appreciated the commitment, made last week during President Macron's visit to the United Kingdom, to extend the scope and the criteria that we have been applying, including the date, so that, as part of the wider effort in relation to France, Greece and Italy, we are now in a position to take more of the young people—especially children—who turn up on our continent.

All that ties in with the remarkable charitable effort that we have seen in this country. I can think of examples in my own constituency, such as the clothing and toy collections in Oundle, and the relocation in our town of a refugee family who have been made to feel incredibly welcome and part of our community. I am very proud of that. I am also proud of the fact that the Government have been matching the charitable donations that have been made throughout the crisis. As a country, we have a long history of standing up, being counted and doing the right thing. I believe that our response to this crisis lives up to the expectations and obligations upon us.

3.4 pm

Thangam Debbonaire (Bristol West) (Lab): It is a pleasure to follow the hon. Member for Corby (Tom Pursglove). I rise to support the motion, and I also speak as chair of the all-party parliamentary group on refugees.

Taking a human-rights approach to refugees means treating them as human beings who have rights, but who also have skills and experience. We in the Labour party can be proud of the leading role that we played in the creation of the 1951 United Nations convention on refugees, fulfilling our legal obligations. The current Government have provided financial support for refugees in conflict zones, and that is welcome, but aid and charity, although admirable, are not a human-rights approach. They do not honour fully the spirit or the letter of the 1951 convention, and they deny the humanity of refugees and of ourselves.

The convention made it clear that refugees should be able to provide for themselves and their families by being allowed to seek work, take part in education or start up businesses. It explicitly did not seek to establish a culture of dependency, or structures of confinement or imprisonment. In Uganda, for example, more than 1 million south Sudanese refugees are being helped to get into education or work. There is an economic as well as a legal argument for a human-rights approach. Those refugees are not dependent on aid, are able to keep up the skills that will help them when they return home, and contribute to the local economy. Moreover, they are probably potential customers for our exports.

As well as the legal and economic arguments, however, there is a moral argument. In an ever more closely connected world, we are all neighbours. On this tiny rock in a corner of the universe, we may all need each other one day. I hope that if we in this country were ever to experience the difficulties faced by people in Syria,

with record numbers of civilian deaths from airstrikes, we would receive the help from our neighbours that we should be proud to give to others. Do we want to be seen as the one who is ready to help when tragedy strikes, the one with the emergency food who will also help our neighbours to get back on their feet, or as the one whose doors are closed, whose walls are high, and who does not stretch out a helping, enabling hand? I know which I would like as to be seen as.

Mr Mark Harper (Forest of Dean) (Con) *rose*—

Angus Brendan MacNeil *rose*—

Thangam Debbonaire: I respect the right hon. and hon. Gentlemen, but time is limited.

I hear criticisms of the human-rights approach, and I have read them on social media. People say that when we welcome refugees we are letting in terrorists, and we should beware of the pull factor. For a start, there is no good evidence of a pull factor; there is evidence only of the determination of refugees to support themselves and their families, and to escape to wherever they can best do that. I strongly urge Members to come to the House on 16 March to support the Refugees (Family Reunion) (No. 2) Bill, which will be presented by the hon. Member for Na h-Eileanan an Iar (Angus Brendan MacNeil).

It is important to unpick the argument about terrorism. The 1951 convention makes a clear distinction between refugees and criminals. Being a refugee is not a crime, but being a criminal, or of criminal intent, means that a host country is entitled to restrict or cease its hospitality. However, leaving people trapped, with their movements restricted and their human rights held down, risks turning once desperate people into very angry people—and anger is a breeding ground for those who would recruit followers to ideologies of hate who wish to harm us. So my fifth and final rationale for a human-rights approach to refugees is a national-security one.

On the basis of moral, legal, economic and national-security arguments, and also for the sake of our standing in the world, we urgently need the Government to take a human-rights approach to foreign policy in general and refugees in particular. I think that we in the United Kingdom are proud to be instinctive humanitarians. We all represent people who want us, in Parliament and in Government, to take every opportunity to broker peace, promote human rights and treat refugees as human beings. I urge the Government to support the motion.

3.8 pm

Mr Mark Harper (Forest of Dean) (Con): In the limited time available to me, I want to cover three points.

First, I am proud of the help that we have given to refugees in the region. Like my hon. Friend the Member for Corby (Tom Pursglove), I will focus my remarks on Syria. I also listened carefully to what was said by the hon. Member for Bristol West (Thangam Debbonaire). We have indeed been very generous: we have helped 5 million people to have access to clean water in the region, and our money—the £2.5 billion to which my hon. Friend referred—has helped millions of people there.

The hon. Member for Liverpool, West Derby (Stephen Twigg), the Chairman of the Select Committee, referred to disabled refugees and those in need. I am proud that we are taking people directly from the camps. If we take only refugees who make the dangerous and perilous journeys, we largely take only fit young men, not the more vulnerable and those who need our help. I am pleased that we have chosen the approach we have. In addition, a clear case is made for meeting our international aid obligations so that in crises we are able to be generous, as the hon. Member for Bristol West said, and to help those who need our help, without having to take money from domestic budgets.

I do not think the shadow Secretary of State answered the question put by her hon. Friend the Member for Rochdale (Tony Lloyd) about the United Nations and what we do when a conflict is supported by one of the permanent five members of the Security Council with a veto. One of the features that has made the UN almost useless in dealing with the Syrian conflict is that one of the P5 is an active supporter of the Syrian regime. We have tried hard and the British Government continue to try, but we have to confront what happens when the UN ceases to be useful. George Osborne, the former Member for Tatton, drew attention in a powerful speech in this House in December 2016 to the fact that, although there are costs and risks when we take action, there are costs and risks when we do nothing. One could argue that, on Syria, the decisions this House took—or rather, did not take—on sending a clear signal to the Assad regime have made the crisis worse and made sure that there would be hundreds of thousands—perhaps millions—more refugees, who we will have to deal with.

Finally, I want to say a little about our asylum system. I am disappointed that the hon. Member for Westmorland and Lonsdale (Tim Farron), who expressed great concern about the system, was not concerned enough to trouble himself with the debate or to stay to hear an answer to the point he raised. Despite the fact that not a single Liberal Democrat is in the Chamber, I will answer his question. There is a clear reason why we do not allow asylum seekers to work: if we did, unfortunately, a lot of people would then come to Britain as economic migrants claiming to be asylum seekers.

To pick up on the point made by the hon. Member for Bristol West, when we accept that someone is a refugee, we let them work, we give them education, and we make them welcome in our country. If an asylum system is to command public support, it must be generous and welcome those who are genuinely fleeing persecution. When people are not fleeing persecution—when they do not have that well-founded fear referenced in the 1951 convention—and they are not given the right to stay here, they should leave, and they should do so voluntarily. They should not insist that the taxpayer has to spend a lot of money removing them from the country; instead, they should accept that their case has been listened to and that there was an appeal mechanism. If they are found not to have a case, they should leave. That is how we will command public support.

3.12 pm

Rosie Duffield (Canterbury) (Lab): I think most of us here in the House entered politics to help to ease the suffering of others. We represent our individual

[Rosie Duffield]

constituencies, but as elected representatives of the United Kingdom, we have a wider duty too. It is that sense of wider duty that makes me speak today. I back the motion tabled by my great colleagues, calling upon the Government to stop turning their back on the reality faced by millions of dispossessed, injured, separated and suffering refugees across the world.

As an island nation, we have never really had to face millions fleeing into our country as other nations have and have done throughout history, but although the land we stand on may well be surrounded by sea, we must remember those famous words, “No man”—or woman—“is an island”. For each person who endures suffering and persecution anywhere in the world, we have a duty to help. Being part of mankind is to be just that: kind. As my colleagues have pointed out, there are now more refugees and displaced people around the world than at any time since the second world war. Untold millions have been killed, injured and displaced through recent wars, terrorism, extremism and sometimes unjustified military intervention.

In my constituency of Canterbury, which is one of the closest to Calais and the other refugee camps in France, there are some excellent groups, such as the Kent Refugee Action Network, working with people who arrive in our corner of England. We also have the Whitstable Calais Solidarity campaign and the excellent Refugee Tales, whose volunteers make sure that we hear the lost or forgotten voices of refugees. The young men and women I have met through those organisations often arrived here frightened, lonely and in need of kindness, welcome and care. I am humbled by the wonderful people of Kent who, through organisations such as these, offer their time, resources and expertise to help to settle people into a new place a long way from home. We as a nation are not overburdened by refugees. Refugees should never be seen as a burden. We must remember that more than eight refugees in 10 are being hosted by the world’s poorest countries. What must they think when they look across the seas to this land of relative plenty?

I went to a wonderful photography exhibition last year in Whitstable. The photographs were taken by a very talented constituent of mine, a photographer named Marcus Drinkwater. He spent a month on an Italian rescue boat in the Mediterranean, rescuing refugees from Libya whose boats had often been cast into international waters, without power, by the smugglers. His photographs capture the survivors, and indeed the terror of those crossings—I urge hon. Members to look online to find his work.

Smugglers set off from Libya in the darkest parts of the night. By around 8 am, their boats have reached international waters. The smugglers themselves go back to shore, leaving the boats choking full of people to be found drifting. What I remember most from Marcus’ exhibition is not the facts, but the determination and the terror in the eyes of his refugee subjects. Many of the people he photographed have been refugees since the Darfur crisis—since 2003. They have been without a place to call home for 15 years.

In Libya, the breakdown of effective government means that the rule of law has been absent for years. People escaping from parts of Africa further south are

often captured by slave traders when they get to Libya. There are slave markets in car parks and public areas in Libya now. Young women are forced into prostitution to earn their freedom and their boat fare to Europe. I therefore join with my hon. Friends and colleagues here today in calling upon the Prime Minister and her Government to take more action—to offer more homes to more persecuted peoples and refugees from across the world. I urge the Government to lead international efforts through the United Nations and to allow Britain to set an example that other western nations can follow.

3.16 pm

Bob Stewart (Beckenham) (Con): On 29 October 1992, I was the British United Nations commander in Bosnia. Outside my camp, I saw an increasing flow of people passing. The sentries counted 10,000 before I told them stop. There were women, children, old men, people in suits, people in carts, people in overloaded cars—I even saw a woman pulling a goat along. That sight gave me the main reason why we were in Bosnia: to save lives. I reckon that is a pretty good mission for the Department for International Development.

In the time available, I will mention my escort driver, so that his name is remembered. On 13 January 1993, I gave him instructions to take four women to hospital through the front lines. As he did so, he was shot and killed. The women made it to hospital and were saved. They were refugees. I remind the House of his name because he died doing perhaps the noblest thing anyone can do: saving people’s lives.

The refugees we helped in Bosnia normally stayed in the region, and that is important for refugees, because the chances of their getting home again are in inverse proportion to the distance they travel away from it. That is the reason for having the camps.

Stephen Kerr: Will my hon. and gallant Friend tell us the name of his escort driver?

Bob Stewart: I thank my hon. Friend for his intervention. My escort driver’s name was Lance Corporal Wayne Edwards. Forgive me, I was emotional enough to forget to mention it. When Wayne died, I was there. We tried to save him. I thought he was alive, but he was not. He is commemorated in Bosnia by a bridge called the Lance Corporal Wayne Edwards bridge, and I was lucky enough to be there to open it with his family. I have lost my place, thanks to that intervention!

I shall finish now, because I know that many people want to speak. I have dealt with refugees and displaced persons, and I believe that we have a duty to care about those people and to ensure that they are protected. We have a duty to ensure that they get food, clothing and shelter. I commend the Department for International Development and our Government for ensuring that they also get education in the camps in the middle east, because that is crucial for the young people’s future when, as we hope, they go home. It is crucial that we do our very best to look after people. I commend the Government for trying to keep them near their homes, but if we get refugees here, we have an equal duty to look after them.

3.20 pm

Marsha De Cordova (Battersea) (Lab): It is a pleasure to speak in the debate and to follow the hon. Member for Beckenham (Bob Stewart). I thank him for sharing his story; I think we all felt quite emotional on hearing it. The plight of refugees across the world remains a deeply tragic and often shameful summation of our ability as an international community to create a safe and prosperous environment. The individual circumstances of a conflict that causes displacement, or of the threat posed to vulnerable citizens, can seem insurmountable, given their different causes and effects. The conditions that lead to the movement of people across borders to seek sanctuary will not go away anytime soon. Those conditions include persecution, war, climate change and other complex economic and social factors.

Britain has the power to play a leading role in setting a co-operative, internationalist agenda that puts human rights at its centre. The plight of Syrian refugees is a prime example. The more recent resettlement schemes announced by the Government are to be commended, but we still are trailing in comparison with our European neighbours. It will be almost a decade since the civil war in Syria started by the time the UK is even close to meeting its targets, while an overstretched region handles the crisis from afar.

Angus Brendan MacNeil: Will the hon. Lady give way?

Marsha De Cordova: Time is short, so I will not.

As the Member of Parliament for Battersea, I must mention the work of a previous MP for the area, Lord Alf Dubs, whose tireless campaigning for child refugees will, we hope, finally undo the Government's refusal to change the family reunion rules. Mothers and fathers in the UK are unable to sponsor their adult children to join them here. Refugee children in the UK are forced to live apart from their parents, and refugees are unable to bring elderly relatives to live here with them in safety. In my own borough, I have seen the failure of Conservative Wandsworth Council, which has housed a mere two Syrian refugee families.

I spoke recently in a Westminster Hall debate on the enslavement of black African refugees in Libya. The Minister has spoken in detail on that subject. I must also briefly mention the refugees in Yemen. We are creating that situation ourselves through our arms sales to Saudi Arabia.

I cannot talk about UK foreign policy and refugees without mentioning one of the oldest United Nations refugee missions in existence: the refugee camps in Palestine. I have visited the camps in Bethlehem, part of the occupied west bank, where three generations of displaced Palestinians continue to face statelessness. Now more than ever, it is important that Britain shows itself to be a team player internationally: tolerant, open and a champion of human rights. In an age of division, we cannot look for short-term solutions. We must be principled leaders.

3.24 pm

Paul Scully (Sutton and Cheam) (Con): It is great to have this debate today given that Saturday is Holocaust Memorial Day and that this year marks the 70th anniversary of the universal declaration of human rights.

I came to this place after having stood for election on a platform of local issues, but my eyes have been opened over the past three years through travel and by speaking to other people. There was the woman in a Rohingya camp who had seen her sons murdered and the man who had had the back of his head staved in with a machete that morning. There was the Yazidi Christian who had made a dangerous boat crossing with a 10-day-old child during which the boat had been capsized before the navy cutters came to pluck them out of the water.

I have spoken to a CNN journalist who had risked her life by going undercover to film slave auctions in Libya. I have met Venezuelan opposition politicians who had been beaten up due to their political beliefs, and there are now a reported 140,000 refugees in neighbouring Colombia. I have of course been to Yad Vashem in Jerusalem, where I saw the hall of names of those who died in the Shoah, which really goes to the crux of things when we talk about suffering.

I do not have the time to do justice to the Government's policy on Syria, where we are the second-biggest donor to the camps in neighbouring countries. We are supporting people as close to their homes as possible in anticipation of them being able to return, which they want to do, when it is safe to do so. By doing that, we are able to help hundreds of thousands of people there, including many children, instead of waiting until they attempt a boat crossing.

Angus Brendan MacNeil: Will the hon. Gentleman give way?

Paul Scully: I will not due to the time, and I know that the hon. Gentleman's private Member's Bill is coming up on 16 March.

I do not have enough time to talk fully about the Rohingya. If we use too blunt an instrument in our diplomacy, we risk the country closing off. Ethnic conflict is already intensifying in northern Shan state and Kachin state, where the situation is actually backed by the popular support of the Burmese people, who already do not believe what the western media is telling them about the ongoing atrocities.

I cannot do justice to the speech of my right hon. Friend the Minister for the Middle East, who responded to the recent debate on the petition on the slave trade in Libya. He is making proactive moves to consider the petitioners' demands and to speak to as many people as possible to address the causes, which include the migrant path from sub-Saharan Africa.

The conflict, security and stability fund, which has been allocated more than £1 billion for this year, aims to stabilise areas, but only by sorting out conflict, such as ending the war in Syria and appealing to the Burmese Government to ensure that the commander-in-chief ends the situation for the Rohingya, can we start to tackle some of the ongoing situations in Nigeria and other countries and prevent people from feeling the need to leave. It is through soft power, trade where appropriate, quiet and calm diplomacy in the UN and the Council of Europe, where the UK delegation is working this week, and all manner of other ways of mobilising the international community that we will start to succeed.

3.28 pm

Angela Crawley (Lanark and Hamilton East) (SNP): It is of course a pleasure to speak in this debate. The global refugee crisis is one of the world's greatest challenges. The unthinkable large number of displaced people across the globe—approximately 65 million were recorded in 2016, and I imagine that the figure has only increased—is daunting and obscures the human story behind each man, woman and child who has had to leave their home, and I am sorry that more people are not here to debate this important subject.

With my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry), my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) and the previous Member for Glasgow North East, I travelled to the camps in Calais, and it was without a shadow of a doubt the most heartbreaking experience of my life to witness men, women and children—some of the most vulnerable people imaginable—in destitution, desperation and horrible conditions.

The situation is abhorrent and unnecessary. The Government must accept that they have a vital role to play, and they must play that role on the world stage. It is worth remembering that refugees are often fleeing persecution—persecution often sanctioned by the state—for having certain political or religious beliefs, for belonging to certain social groups, for expressing their identity, such as being part of the lesbian, gay, bisexual and transgender community, or for their ethnicity.

I am proud that Scotland has been able to take many refugees, and we have already made a significant contribution to the UK's Syrian resettlement programme. Scotland met its target by the end of last year, and it has now more than met its target. It is incumbent on all local authorities across the UK to exceed their current ambition and to try to ensure that more people can be resettled in local boroughs in areas that, as we have heard from hon. Members on both sides of the House, have failed to step up to their duty.

Although the motion addresses the international aspects of conflict resolution and tackling climate change, many aspects of domestic policy here in the UK could be improved. I do not stand here simply to beat the drum, but it is worth the Minister accepting that the UK has a role on the global stage and that we are one of the more privileged, fortunate and well-off nations, so we have a responsibility. Both the Scottish Government and the Home Affairs Committee have recommended on many occasions that the move-on period of 28 days is not sufficient and should be extended. I hope that the Minister will give that some consideration.

The refugee crisis goes beyond race, identity, gender, ethnicity, sexual orientation and sexual identity, and I take this opportunity to recognise the staff and services across South Lanarkshire that have played such a vital role in ensuring that the resettlement programme is such a success in my area.

Scotland is doing good work in this area, and we have built a system that has inclusion and fairness at its heart. However, as this is a reserved area, Scotland's progress constantly relies on the asylum policies of the UK Government, so I must ask the Minister to keep in mind the words of today's motion and of this debate. Will he please consider the UK's global role and lead? Many others should then follow.

3.32 pm

Michelle Donelan (Chippenham) (Con): I am grateful for the opportunity to speak in today's debate. The motion calls for the Government to lead international efforts to ensure that human rights are protected and upheld across the world. We have global influence and reach, and we have a moral obligation to ensure that freedom is not just a notion of which people dream but one that they live.

Our freedom of speech, freedom of association and freedom to practise our own religion—we take all those things for granted in this country. I am proud of all this Government's great work, and I believe it is imperative that we improve lives in countries across the world.

We are leading the way, but we need more nations to follow our lead. Today, I will concentrate on the situation that has been endured for five harrowing months by the Rohingya people in Burma. A few months back, I met a group of local Muslims in my constituency who showed me some of the distressing images taken on mobile phones—images that were much worse than those shown in the media, including of a cart full of the severed heads of young men. The images still haunt me today.

I can only begin to imagine what life is like for those who have been forced to flee their home with nothing and for those who have been left behind to continue living out the nightmare in Burma. Ten thousand people have been confirmed dead, but the actual figure could be immeasurably higher. Some 830,000 refugees are estimated to have crossed over to Bangladesh, which is 11 times the number of people in my constituency. Those refugees must be allowed to return to Burma, but only when it is safe, which is far from the current situation.

Currently, 95% of refugees are drinking untreated water, risking cholera; 40% of children are malnourished; and women and children who have suffered rape or assault are forced to continue without the support they need. That is why I am proud that the Secretary of State for International Development did the right thing in prioritising this situation—this humanitarian crisis—and I welcome the £59 million that the UK has committed since August.

We do have a vital role to play, and we are playing it, but we also need to continue to encourage other nations to do more. The UK was the quickest to act, with a third of all aid pledged by November 2017, and we are in fact one of the largest donors, while Bangladesh has opened its doors and is now at breaking point. It is estimated that international funds will run out by February. February is next month. That was why I was delighted that, in response, the UK provided £12 million for urgently needed food. But the reality is that international funds will run out, and our Government have repeatedly pressed the Burmese military to end the inhumane violence and guarantee unrestricted humanitarian access. However, we must also use our international position to demand greater action from our international partners, particularly India and China, to support their neighbour.

The UK cannot turn its back on people suffering, and we must continue to send a clear message. We must not tolerate the humanitarian crisis in Burma, and we must continue to lead the way with aid and action, but other nations must follow our lead, and soon, as money is running out. It has been 70 years since the universal

declaration on human rights, and now we must all honour that declaration, work together to save lives and protect humanitarian rights and freedoms for our fellow humankind.

3.36 pm

Dr Rosena Allin-Khan (Tooting) (Lab): In camps from Calais to Cox's Bazar, there are hundreds upon thousands of people who have fled persecution, violence and disaster. They have not left their homes out of choice; they left their homes, their countries, everything that they know, because they were forced to. Many have suffered beyond our worst nightmares, with children burying their parents and parents burying their children.

I have worked for many years in refugee camps, but as an MP last year, I visited the Zaatari refugee camp on the border of Syria and Jordan. The people I spoke to there had one simple wish: to return home, to the home that they knew and the lives that they had—to return home to who they truly are. So, when the Bangladesh and Myanmar Governments say that plans are in place to return the Rohingya to Myanmar, it may sound like the first move to returning peace to the country, but we in the UK must be very clear that it is not.

Forcibly repatriating the Rohingya to Myanmar would be tantamount to sending them back to their deaths. Who will ensure their protection—the very military who killed their babies, tortured their menfolk, and who have systematically raped the women? The military who forced parents to make the decision whether to go and rescue their children from burning fires or—the ones who are still alive—to run and flee? We cannot once again turn a blind eye to human suffering—to people living in an apartheid state where citizenship is unattainable and where religious persecution has long been the status quo.

The challenge to the international community and to us is clear: how do we create the conditions, not just for the Rohingya, but for all stateless and persecuted minorities, to rebuild their homes without fear of persecution? This country's response to that challenge goes to the essence of who we are as a people. I believe—I know—that British people are kind, courageous, brave and compassionate. Our Government should be acting to live up to that idea of the very best of Britain, but too often they have failed in the courage of their political convictions. Too often they have turned a blind eye.

I welcome the £59 million in aid to support the Rohingya refugees, but that is tantamount to putting a sticking-plaster on a gunshot wound and allowing the shooter to roam free. When will our Government have the courage to take the people who are the perpetrators of these atrocious crimes to the International Criminal Court?

Creating the conditions for refugees to return to their homes will have been achieved only once the fear they have in their hearts has gone. We can really lead the way through fierce, active diplomacy, and our Government must use all their leverage to bring about peaceful resolutions.

Our position on the world stage comes with immense responsibility. I hope that hon. Members across the House will join me in calling on the Government to take a much more active role in bringing the international community together, to provide those across the world

fleeing war, facing danger and suffering in squalid camps not fit for the inhabitation of insects with the dignity and humanity they deserve.

3.40 pm

Julian Knight (Solihull) (Con): It is a great pleasure to follow the hon. Member for Tooting (Dr Allin-Khan), who made an excellent speech. For the past two decades, Great Britain has had an excellent track record of putting its money where its mouth is on human rights and refugees. We are the second biggest contributor to the United Nations and the sixth largest donor to its peacekeeping budget. We operate one of the world's largest conflict resolution funds and we are at the forefront of the global fight against female genital mutilation and modern slavery, not forgetting the seminal work done on eradicating polio.

The international aid budget does have its critics, though. Anyone among us who knocks on doors regularly knows that the country's commitment to 0.7% of GNI is significant. In certain circles, perhaps owing to misinformation from the likes of the UK Independence party, it is seen that any problem could be solved by redirecting that cash. It is politically brave not to have listened to those siren calls over the past seven years, and we should pay tribute to the Government in that regard. I am proud of our commitment.

Well-judged humanitarian interventions help not just to combat immediate suffering but to head off acute crises that may require much more expensive—perhaps even military—responses. The reach of our aid and our help internationally has very positive effects; we have no idea what could have happened if that was not there. Investing in overseas development can build alliances, change attitudes and help to place British values at the heart of a 21st century in which the west will probably not play as dominant a role as it has in past centuries.

I turn to the effects in my constituency. Although Solihull is far from Calais, it has plenty of experience with refugees and asylum seekers. Birmingham airport is nearby—indeed, it is an important employer for the town. We are also home to one of England's 14 immigration reporting centres at Sandford House. I am proud to say that, in my experience, that has elicited only a positive response from local residents, many of whom go out of their way to provide comfort and support to people going through the asylum process.

The leadership of the 0.7% pledge has filtered through into the charity community and also within the black, Asian and minority ethnic community. I am involved with several local charities such as Sewa UK that look for DFID's support in bringing about projects in countries overseas. The challenge is being met and carried on by all groups within our society, and we need to welcome that.

Tracy Brabin (Batley and Spen) (Lab/Co-op): I want to add to the hon. Gentleman's point about what is being done here on the ground. I do not know whether he knows about Freedom from Torture, which I was lucky to volunteer with for a number of years. I worked with torture survivors in a writers' group, where there might be a person whose children had been taken from them by a child soldier alongside another child soldier, eating and working together. Does he agree that

[Tracy Brabin]

asking torture survivors to go through their torture to prove they have been tortured is a problem because it might raise their post-traumatic stress disorder?

Julian Knight: I did not realise that was going to be such a long intervention, but I thank the hon. Lady. I am aware of and really welcome the work that she mentions, and what she does in support of that group is absolutely fantastic.

One group that I wish to mention briefly is Solihull Welcome, a project run by Churches Together in Central Solihull. In the hall of St Augustine's Catholic church, a team of volunteers regularly offer refreshments, friendly conversations, advice and even children's clothes and toys, to people who attend the nearby UK Border Agency centre. I visited one of their sessions recently, and it was really inspiring to see local residents taking such positive, practical action to help those who come through the church's doors.

I should also mention the Reverend Tim Fergusson and his congregation at Olton Baptist church, who offer practical advice, including legal advice. I am happy to say that my office has helped with that work on several occasions, as did my predecessor, because we recognise the good that comes from ensuring that people have a proper hearing. The church has not only been highly engaged in the asylum policy debate but administers practical programmes such as Crossing Points, an allotment project with the aim of helping members of the church to befriend asylum seekers.

Partnerships such as those I have described, involving civil society groups and local government, are vital if the Government are to fulfil their stated ambitions for the resettling of asylum seekers and refugees.

3.45 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): This debate is as relevant and important today as ever. The refugee crisis in the Mediterranean continues apace, with more than 3,000 people estimated to have drowned in 2017 and the number for this year already exceeding 100. On the international stage, we see refugees being attacked by President Trump, Nigel Farage and other notable buffoons like them. People of all ages who are fleeing war and persecution do not deserve to be abused or shamed by us; instead, they deserve and need our help and friendship.

As my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) mentioned, Scotland has managed to adopt a different approach to the treatment of refugees. In fact, the UN has endorsed Scotland's vision for refugee integration in our New Scots strategy and praised the way the Scottish Government have fully involved refugees themselves in crafting our inclusive vision for Scotland. The UK Government should follow the lead of the SNP Scottish Government. That is not my suggestion—although I completely agree with it—but that of the all-party group on refugees.

So far, Scotland has accepted one in five Syrians who have come to the UK through the vulnerable person resettlement programme—that is more than double the share for our population. Scottish councils have been important and willing participants in the UK Government's

VPR scheme. My own local authority, Renfrewshire, has welcomed and resettled 28 families since the scheme started, and more than half of those resettled are children under the age of 18. The families have had the chance to rebuild their lives, with the support of the local authority and other support services. They have been able to resettle successfully and, importantly, they are able to live independently in local communities.

All the children are now settled into school, and many of the adults, young and old, are attending college, doing work experience or have secured employment. A number of the Syrian teenagers have been volunteering in the local community. In return, the local community has been keen to step up to support the families, by themselves volunteering to provide homework clubs, football coaching and fun clubs for the children, along with social groups for the adults. That is just a small example of what can be achieved when refugees are supported properly and the local community gets involved.

Those who look to make the UK their home are economically active and want to make a positive contribution to society. Giving people the opportunity to work helps asylum seekers to settle in the local community and improve their language skills, and it often allows highly-trained professionals to keep practising their profession. It seems entirely nonsensical to leave working-age people, many of whom have valuable skills and are motivated to work, to sit on their hands doing nothing for several years while they wait for a decision on their asylum application. Refugees and asylum seekers can add real value to our country, in both financial and societal terms. We should treat these people appropriately and give them a chance to fully take part in society.

The UK Government could do so much more. I hope that they will support the well-trailed private Member's Bill on family reunion, introduced by my hon. Friend the Member for Na h-Eileanan an Iar (Angus Brendan MacNeil). Many schools in Renfrewshire have been working on a project on refugees and family reunification. This week, I was sent some of the comments of pupils at Bargarran Primary School in Erskine, and I would like the Minister to hear them. Holly says:

"Refugees should have the right to a normal life."

Anna says:

"Please give refugees a family. They still have a right to a family."

From Ryan, we had:

"Every child has a right to be safe and happy."

Ben says:

"Refugees should have the same rights as us."

I could not agree more, and I hope that the Minister was listening.

3.49 pm

Kevin Foster (Torbay) (Con): It is a pleasure to follow my former friend from the Backbench Business Committee, the hon. Member for Paisley and Renfrewshire North (Gavin Newlands). [Interruption.] I am glad to hear that he is still my friend. I welcome this debate. To be fair to the Opposition Front-Bench team, it is welcome that the motion is one on which we can reach relative consensus, while we discuss the many issues that it raises.

When we discuss human rights—the hon. Member for Strangford (Jim Shannon) is in Westminster Hall talking about the freedom of religious belief—it is

important that those of us with a faith of our own stand up for the right of those who do not have a religious faith to hold that belief as well. It is as much a right to say, “Actually, I do not have a religious belief.” as it is to practise one’s faith. Sadly, as we saw when Open Doors published its latest watch list last week, there are still far too many countries where the simple act of professing one’s faith as a Christian can bring death or severe retribution and punishment. The point I make regularly is that it is no coincidence that the regimes where leaders like to put themselves in God’s place are also countries that clamp down on every other form of personal freedom and on human rights.

I wish to focus on conflict resolution, which, rightly, is mentioned in the motion today. It is easy to look at what has gone wrong in the international system—some of the intractable problems with which the UN does not seem able to grapple—and miss the greatest achievement of the UN, which is that the major industrialised powers have not gone to war since 1945. There has not been the same type of major conflict across the globe in which, sadly, our grandfathers and great grandfathers had to fight, and in which those on the home front also had to suffer. That has been achieved by the creation of a clear rules-based system that allows many disputes to be resolved, including working in regional groups such as the African Union and also the western military alliance in the form of NATO. We can think of the role of peacekeeping. Our own forces have spent many decades in Cyprus as part of the mission there. Although there is not yet a permanent solution and there are still long-running and very serious issues to be resolved, our forces are still working effectively to ensure that the fighting and killing in that dispute are now, thankfully, a distant memory.

Importantly, we should see conflict resolution as about not just ending warfare, but being part of long-term rebuilding process, which is where our aid budget comes in. There is little point going into a place where there has been conflict and instability, with whatever has motivated that, and almost enforcing a peace in the hope that everything will turn out all right. It is about making sure that we have a long-term commitment to the area as well.

Let me look now at how things have changed. On Friday, I will be in my constituency with a lady called Isabella Webber, who is a holocaust survivor—one of the last ones still living in Torbay. It is hard to think that, in her lifetime, as she was growing up, she saw a situation in which might was seen to be right. It was a time in which a Government thought that they could legalise genocide and in which its main actors could hide behind the system of international law, and just walk out the door and abandon the situation completely. Thankfully, the Nuremberg tribunals set a new basis for international law, as did the UN Charter and the way in which the main nations of the world have related to each other since then. That is why this motion is welcome. There are still challenges, but we have come a long way in conflict resolution. I welcome the work that the Government and other nations do to make this a reality for so many people today.

3.53 pm

Alex Cunningham (Stockton North) (Lab): I support the motion but I also believe that we have a special role to protect those who seek refuge and support in the

UK. We see many countries in the headlines and in the briefing materials, including northern Africa, Afghanistan, Syria and Myanmar, but others are on the move, too. Some people from those countries are trafficked while others, such as the Palestinians, feel like refugees in their own country as more and more of it is illegally annexed.

Our Government need to be a leading voice in efforts to ensure that human rights are protected and upheld around the world, but I worry that we could be shifted to the margins as we take decisions to work less co-operatively and even to cut back on the resources to play our full role.

While I stand in solidarity with the millions of refugees fleeing conflict and war, and urge this Government to do more to stand up for those refugees, I would also like to see a greater focus on the injustices faced by many refugees and victims who seek help here in the UK. A young woman in my constituency is a victim of sex trafficking and is now a refugee as a result. She had travelled to western Europe hoping to pursue her goal to work as a model—a goal shared by so many young people across the world—but it was not to be. She was abducted by two men, kept captive for two months and raped, and then trafficked to the UK. She found herself in another country that she was not familiar with, where she was once again used as a slave for sex—right here in the UK, where it is our responsibility. Yet when she escaped, the British authorities refused her the status of a trafficked victim until my team set them right and she started to get more of the support that she needed.

That young woman now suffers from post-traumatic stress disorder and is seeking refugee status. One would think that any compassionate Government would do everything they possibly could to help somebody like that through such a horrific ordeal, yet her case has been refused on the grounds that her home country is judged to be able to provide protection against the persecution of its own nationals. This is not good enough. The Home Office has ignored our arguments that she believes that her own father will kill her should she return home, and that the trafficking organisation has the ability to find and recapture her. Not only that, but she has faced numerous barriers when fighting for the right to stay in the UK. It took 15 months for the Home Office to reach its decision, which means that my constituent has been unable to settle or begin to rebuild her life after going through huge trauma.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): My hon. Friend is making a very powerful speech. Sadly, I have dealt with very many similar cases, and Home Office statistics show that delays in asylum applications have been going up steadily over the past few years. That is why it is so important that we have community groups that support these people. In my constituency, Oasis Cardiff and Croeso Penarth are working to support refugees and those seeking sanctuary, particularly when such delays are occurring.

Alex Cunningham: I appreciate that intervention. I think that many of us on both sides of the House could write books about the problems faced by refugees.

How can any Government who supposedly support human rights and the protection of vulnerable people be sending a woman like the one I have described back to her country, in fear, and at a time when she is battling mental health problems?

[Alex Cunningham]

Justice First in Stockton backs the Right to Work campaign, which calls for everyone to have the right to work after six months of lodging an asylum claim. This provides dignity and respect for those who want to make a contribution yet whom we still expect to live on a pittance. I share the concerns of Justice First that Brexit may well result in our withdrawal from humanitarian legislation and treaties, and the European convention on human rights, as well as the dismantling of the Human Rights Act 1998. This will have a detrimental effect on its clients and my constituents, and many others too.

Others have talked about examples of voluntary work. Stockton Parish church, Stockton Baptist church and Portrack Baptist church in my constituency, to name just a few, are providing clothing, shelter, English lessons and meals for vulnerable refugees and asylum seekers, really helping them to integrate into their new communities and providing support in their hour of need. Where the Government fail, the volunteers pick up the pieces.

I am an outward-looking person, I am an internationalist, and I share the need of colleagues in all parts of the House to stand up for the vulnerable. We do have that need to play a role on the world stage, influencing, persuading, and often directly intervening to try to bring peace to our world and an end to the conflicts that result in the international crisis we have today. Refugees and asylum seekers are treated like numbers, and it is often forgotten that they are people—people who have been through things in their life that many of us in this Chamber could not even begin to imagine, although some of us have seen that suffering personally. Every one of the 22.5 million people confirmed as refugees is an individual, whether a single young woman trafficked for sex or one of thousands fleeing a war zone. Yes, let us influence at international level and show a lead on human rights, but let us not forget that we also have a duty of care to those who end up on our shores.

3.59 pm

Stephen Kerr (Stirling) (Con): The motion is one that no one can disagree with. The fact is that the UK already leads international efforts in the field of refugees. Listening to some of the speeches by Labour Members, people might wonder whether they have actually looked at the briefing on this subject. There are many aspects of Britain's reputation around the world in this field about which we should be very proud. We should also be very humble about the fact that we as a country have the resources and the compassion to be able to play this important role on the world stage. I very much come to this subject on the basis that I sincerely believe we are indeed our brother's and sister's keeper.

I want to mention my own constituency. We have taken some refugees—not as many as the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) mentioned in Renfrewshire, but it has nevertheless been a positive experience for the people of Stirling. This came about because of the leadership from the community, as well as the support from the local authority. In Stirling, we have a company about which I would like to share some information with the House. It is a geographic information system company called thinkWhere. It does

an amazing job, working with the Humanitarian OpenStreetMap Team, in providing mapping services in areas that have been hit by disaster or conflict. Such maps are vital in providing help and support for aid agencies on the ground—and the work on the ground is the most vital.

As has been mentioned, the UK is one of the main contributors to refugee camps across the world—we pay for support and help for refugees where and when they need it—and we can be proud of the work that we do on this issue as a country. However, we should never forget, as has just been said, that the people behind the numbers mentioned are actually individuals, just like us and our families. They are people who are fleeing for their lives from conflict and oppression, from genocide and natural disasters. Their personal stories are harrowing, and put into perspective all we say and do in our own station in life.

When I intervened on the Minister for the Middle East, I should have mentioned my involvement with the all-party group on the prevention of sexual violence in conflict. I stress to the Minister for Asia and the Pacific the importance of that subject. I congratulate the Government on the initiatives they have taken, but I implore them to continue to put impetus behind this matter. The subject is uncomfortable and distressing, but addressing it is an issue that we as a country should champion. Lord Hague and Angelina Jolie have been instrumental in raising its profile, and the Government need to continue to do that. I would like that subject to be on the agenda for the Commonwealth Heads of Government summit coming up in a few weeks' time.

To go back to the point about how well we are doing as a country, the United Nations High Commissioner for Refugees has said that the United Kingdom is doing “remarkable things”. There is infinite demand for the compassion of the human race, because that is the kind of race we are. We are a welcoming country, and we have a long history of looking beyond our borders to provide help around the world. Many of the international charities that help in this area were founded here and operate from a base here. However, we as a country must constantly renew our commitment to aid refugees and support global initiatives to prevent people from becoming refugees. We should never turn our back on the world, and we must remain outward looking to build on the legacy of what is a proud history in this area.

4.2 pm

Ms Marie Rimmer (St Helens South and Whiston) (Lab): This year marks the 70th anniversary of the universal declaration of human rights, one of the greatest achievements of the 20th century, but the current climate raises serious questions about our ability to uphold those human rights in an ever-changing world. We have seen a rise in populist nationalism across Europe, and particularly in the United States. Some of the traditionally liberal democrat states have increasingly treated refugees very poorly and overlooked state-led human rights abuses for financial benefit. Such is the case with our Government's arms exports to Saudi Arabia.

It is the UN's responsibility to uphold human rights around the world, and the UN is weakened by the membership—and the vetos—of Russia and China. It is the UK's responsibility to prioritise human rights in

our policy towards refugees. The UN High Commissioner for Human Rights, Zeid Ra'ad al-Hussein, has recently announced that he will not be seeking a second term because, as he stated, that might involve bending a knee and lessening a voice. His view seems to be that the UN's founding members and key human rights advocates are favouring at best silence, and at worst complicity in the current state of affairs.

Meanwhile, the Rohingya face forced repatriation and a return to state-sponsored violence in Myanmar. Thank goodness that a pause has been put on that—for now. The Yemeni people face slaughter and starvation, already displaced people in the Central African Republic are being killed, and 5,000 children have died, including of diphtheria.

There are also known to be 500,000 Palestinian refugee children living in the west bank, Gaza, Jordan, Syria and Lebanon. Last week the US Government cut their financial support for those children by half—\$65 million gone from children in desperate need, all because the President felt he had been shown insufficient appreciation and respect. I know that my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) and my hon. Friend the Member for Edmonton (Kate Osamor) wrote to the Foreign Secretary about the issue last week. I was going to ask what measures he plans to take, but the Minister advised my right hon. Friend earlier about the efforts to encourage the release of the \$65 million and to augment it with finance from other nations. That is desperately needed.

We must stand up and fight for the fundamental human rights that equalise us all and for the refugees, among the most vulnerable people on earth, who need us to advocate for them. The world has changed, and it has changed substantially. The bipolar world is long gone, and multipolarity has replaced it. The UN must adapt accordingly and we must work collectively to sharpen its teeth when it comes to human rights.

The UN declaration of human rights was conceived at a time of consensus about the direction in which the world should head. We may never see its like again, but no matter how fast our world may be changing, and no matter what technology may be designed in the future, that does not mean that we should abandon those ideals. We need to explore how we can change, and we need to adapt. I therefore call on the Government to show strong leadership in the UN and to work through international organisations to uphold those rights.

4.6 pm

Alex Sobel (Leeds North West) (Lab/Co-op): Thank you for calling me to speak, Mr Deputy Speaker; I am glad to see you back in the Chair.

I will start by sharing with the House the case brought to me by the Leeds Asylum Seekers Support Network, a charity that works tirelessly to support asylum seekers in Leeds and for which I used to be a short-stop host for asylum seekers who were destitute. Network staff told me about a freezing cold Friday afternoon in December when they were phoned anonymously by a member of Home Office staff, tipping them off that the Home Office had just sent a woman on to the streets of Leeds, where she was wandering around crying. When they arrived they found a woman named Akifa holding a piece of paper in her hand with a map of Croydon, which was some 230 miles away.

After some effort by LASSN and other charities, they managed to locate an interpreter and they heard her story. Akifa did not know where she was. She spoke of looking for a maternal aunt in the Netherlands, but the person who had brought her to the UK was no longer around. This was a story that LASSN had heard many times before—a textbook case of trafficking. Because of her unclear immigration status, no social or homelessness services could take her and keep her safe. Some hours and 20 phone calls later, the police arrived. To their great credit, they did not arrest Akifa for illegal entry to the UK, but instead took her to a place of safety, which was a great relief as arrest was a very real possibility.

Akifa was Eritrean. She was trafficked into the United Kingdom, where she did the right thing and reported to the Home Office. She was then turfed out on to the street and left to fend for herself. How did we get here? How do we end up in a situation where a vulnerable person is abandoned first by her own nation and then, sadly, by ours?

Eritrea, like so many other countries across Africa and Asia, has experienced a sharp increase in the number of people attempting to flee in recent years. Despite there being no ongoing war in Eritrea, huge numbers of men and women trying to escape national service in the country resort to routes that take them through war-torn countries and deserts and across deadly sea crossings. That is because, unlike military conscription, boys and girls aged 16-plus are often expected to serve indefinitely, with many refugees equating conscription to a life sentence of forced labour.

Physical abuse, including torture, occurs frequently, as does forced domestic servitude and sexual violence by commanders against female conscripts. There is no redress mechanism for conscripts. Attempts to flee are sternly punished. On 3 April 2017, new conscripts trying to escape from a convoy in Asmara were shot at by guards, killing several. President Isaias rules without institutional restraint. There have been no elections since 1991 and no legislature since 2002. The judiciary is subject to Executive control and the constitution is unimplemented.

UNHCR reported 475,000 Eritreans globally to be refugees and asylum seekers—that is 12% of the population—yet the UK policy has been to pass the buck to countries already facing problems of their own, shirking our own responsibility under international law. As *The Guardian* reported last year, Home Office documents obtained by the Public Law Project detail efforts by the Government to seek more favourable descriptions of human rights conditions in Eritrea. The notes relate to a high-level meeting that took place in the Eritrean capital, Asmara, in December 2015 between senior Eritrean Government officials and a UK Government delegation. A diplomatic telegram, written by the then UK ambassador to Eritrea, said that a meeting was held to “discuss reducing Eritrean migration”, and sought to find evidence on human rights

“to evaluate whether we should amend our country guidance”.

We should be ashamed of those actions. It took a tribunal case to overturn that guidance.

We accept that there is a problem, yet we have failed to provide a solution. The case of Akifa and Eritrea presents a broad problem with British refugee policy.

[Alex Sobel]

Akifa should never have been left at the mercy of dangerous traffickers. She should never have been able to escape death only to risk her life. Akifa should not have been abandoned in Leeds—she should have been able to reach the UK through safe and legal means. The UK needs to stand up, not just for Eritreans but for all those fleeing conflict and oppression. The refugee crisis is bigger than Britain, but we can work with the UNHCR and other organisations to fulfil our moral, legal and human obligations. Let history remember our country not as the one that chose to look away but as the one that worked hard to create a better alternative and encouraged other countries to follow suit.

4.11 pm

Thelma Walker (Colne Valley) (Lab): As Nelson Mandela said while addressing the US Congress on 29 June 1990,

“To deny people their human rights is to challenge their very humanity.”

Today, as we debate refugees’ human rights, we must remember his words. Refugees’ rights are human rights—it is as plain and simple as that. We as a country have a proud history of standing up to dictators and those who wish to take those rights away from individuals. Today, we have a duty to stand up for the rights of refugees too. No one should face being trafficked to a strange country. No one’s family should be ripped apart by war. No one should profit from human suffering and hurt.

We see the refugee crisis in the Mediterranean, Libya, Syria, Yemen and Palestine—and it also affects the stateless Rohingya Muslims. We see the bodies washed up on the beaches. Those people face devastating human rights violations. We say that human rights are refugees’ rights. As a country, we must take the lead. We must make sure that we use our place in the world to make the voices of the vulnerable heard: their rights should be defended. Protecting the rights of people who seek asylum in the UK allows them to participate fully and to flourish.

I would like to commend the work of Sanctuary Kirklees and Destitute Asylum Seekers Huddersfield, known as DASH, for the work that they do in Kirklees to support asylum seekers and refugees. I offer a warm welcome to the newest members of our community, who settled in Kirklees after their arrival from Syria last week as part of the vulnerable persons resettlement scheme.

For the next minute or so, I want to talk about the Buzz Project in Marsden in my constituency of Colne Valley. It is a great example of how we can support people who are fleeing persecution. It was set up by Dr Ryad Alsous, a world-renowned bee-keeping expert and former professor of agriculture at Damascus University. Ryad came to Britain as a refugee, escaping from Damascus in 2012. With help from Kirklees Council, Sanctuary Kirklees and the Canal and River Trust, he set up a bee-keeping project. The aim of the Buzz Project is to help local refugees and job seekers to find a place and purpose in the community by keeping bees.

When I met Ryad at the opening of the Buzz Project in my constituency of Colne Valley, he spoke about how those 10 wooden hives represented hope for the future

and proof that second chances sometimes come in the unlikeliest places. Ryad’s words on this subject are far more powerful than mine can ever be:

“I know how hard it can be when you are displaced. You carry with you an emotional tension, and the experiences and memories of what went before can make you feel isolated.”

A number of Members have contributed to the debate, and more wish to do so, so I will finish quickly. Let us remember the words of Nelson Mandela in 1990:

“To deny people their human rights is to challenge their very humanity.”

We need to stand up for refugees’ human rights, but we also need to give them a second chance in life, just like Ryad is doing with the Buzz Project.

4.14 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a privilege to follow my hon. Friend the Member for Colne Valley (Thelma Walker). As the last speaker before the winding-up speeches, I will keep my remarks short, but I want to take a moment to talk about unaccompanied child refugees. Although they have been mentioned, it is worth our focusing on them in this last Back-Bench contribution.

At this very moment, unaccompanied children are sleeping rough in Calais and across Europe, desperate to be reunited with their family in the UK. The kids in Calais are just an hour away from this place. It takes longer to get to Plymouth than it does to get to those children, but they are too often out of sight, out of mind. I am still horrified and genuinely haunted by my experience of visiting them in northern France in September, with my hon. Friend the Member for Hammersmith (Andy Slaughter) and the hon. Member for Crawley (Henry Smith). Many of the children I spoke to have most likely experienced, or continue to experience, hunger, sickness, depression, police violence and, in many cases, sexual abuse. Research by UNICEF showed that the No. 1 fear for those unaccompanied children is rape. That is only an hour from where we are now. It should be unacceptable to our entire society.

I welcome the progress that was made last week at Sandhurst between the Prime Minister and the President of France, but we need more information about that. The detail is important, because the Sandhurst treaty represents a step forward, but only if the brave words can be matched by actions. I understand that the Minister does not necessarily have all the details, but I would be grateful if he answered the following questions.

When will the remaining 250 places on the Dubs scheme be filled? Will the Government drop the mean and embarrassing cap of 480 places on the scheme? Will the Minister tell us how these young children will move from waiting eight months to be reunited to 25 days? That seems an awfully big jump, so what extra resources will be put in place to ensure that those children can do that?

Extra money is being given to France for border security. What oversight can this place have over that money? I met young accompanied children who told stories about how the French police were tear-gassing them in their tents, stealing their tents, taking their sleeping bags and deliberately making them feel unwelcome. If it is true that the funding for those police officers comes from the UK Government, how can we in this

House have proper oversight to make sure that our money is being spent well? Keeping young unaccompanied children safe is absolutely vital.

Will the Minister also look at what support is being given to those children to help them to understand that the process is being speeded up? Mohammed Hassan is a child who died under a truck last year trying to reach his family in Britain. When he was stopped by the UK Border Force under a truck in Dunkirk—just two days before he eventually died under the wheels of another truck—he was not asked whether he had family in Britain or informed of his rights under Dublin III. There is much confusion about Dublin III and what will happen with Brexit. It is important to provide clarity for Members of the House, the public out there and unaccompanied children in particular to enable them to understand what their rights will be on being reunited with their family in the UK. An awful lot of warm words are said about this issue, but I hope that the Government can match those with action, because these children are depending on us.

4.18 pm

Kate Osamor (Edmonton) (Lab/Co-op): I welcome you to the Chair, Mr Deputy Speaker. This afternoon, we have had a broad, well informed debate on the global refugee crisis, which continues to grow and which can at times seem intractable. My hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) spoke with his customary passion and authority on this issue, as Chair of the International Development Committee. When he said that prevention is always best, I believe he spoke for all parts of the House. Likewise, my hon. Friend the Member for Birmingham, Northfield (Richard Burden), who has campaigned tirelessly for the rights of Palestinians, again made a powerful case for renewing our resolve and taking ambitious action.

As an illustration of the cross-party concerns on these issues, we heard forceful and eloquent contributions from the hon. Member for St Albans (Mrs Main), who told us that the rights of the Rohingya must be at the forefront of future negotiations; the right hon. Member for Forest of Dean (Mr Harper), who mentioned the importance of supporting disabled refugees; and the hon. Member for Lanark and Hamilton East (Angela Crawley), who gave a first-hand account of refugee camps. My hon. Friends the Members for Bristol West (Thangam Debonnaire), for Canterbury (Rosie Duffield) and for Battersea (Marsha De Cordova) and the hon. Members for Sutton and Cheam (Paul Scully), for Chippenham (Michelle Donelan) and for Solihull (Julian Knight) spoke about the desperate need for a human rights approach when helping refugees. They and the many others who have spoken in the debate are united in desiring an end to the death, suffering and sexual violence, an end to the lost generation of refugees unable to leave the camps.

My right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) spoke eloquently about the terrible impacts of crisis and conflict in Myanmar, Yemen and other countries in the middle east. I want to turn briefly to the situation in Africa. Conflict has displaced millions of people in South Sudan, Nigeria, Somalia and other countries across the continent. One million refugees are now in Uganda in

one of the most progressive arrangements anywhere on the planet, but last year at a pledging conference, international donors could provide only a quarter of the funds needed to sustain it. In Libya, hundreds of thousands of refugees from across Africa live in detention camps, in brothels or on the streets, facing the believable risk of being sold at the market into slavery—this in the 21st century.

The crises we have talked about today are still only the ones on the tips of our tongues. CARE International recently released its report, “Suffering in Silence”, and profiled the 10 most under-reported crises around the world: North Korea, Eritrea, Burundi, Sudan, the Democratic Republic of the Congo, Mali, Vietnam, the Lake Chad basin, the Central African Republic and Peru. We must not forget them.

Who can forget the picture of the body of three-year-old Alan Kurdi? If we fixate on the suffering, that can be overwhelming. We in the House have a responsibility not simply to promise charity and express outrage at the crisis of the moment, but to redouble our efforts and resolve the long-term situation. Our humanitarian work cannot and must not depend on the ebb and flow of pity and shock. That is why today we need international action and respect for international laws and norms more than ever before. Let us remember that we already have the universal declaration of human rights—70 years old this year—the 1951 refugee convention and the sustainable development goals.

Then along came the President of the United States. In a matter of months, he has withdrawn the American people from the Paris climate agreement, which is the only thing standing between us and massive climate displacement; tried to turn the USA inwards with his Islamophobic travel ban; and cut, just recently, \$65 million from the United Nations Relief and Works Agency—the lifeline for millions of Palestinian refugees and workers.

The world’s long-term plan for managing migration and forced displacement sustainably and fairly is due to be crafted and signed up to later this year at the UN, through global compacts on migration and refugees. That is the only and best plan we have, but in December Donald Trump pulled the USA out of that as well. It is absolutely shameful.

If it was not already clear what the supposed leader of the free world thinks about refugees and migrants, Donald Trump then uttered his worst words of all about African and central American countries. I am loth to repeat them in the House, but I must as they have to be quoted directly and refuted: “shithole countries”. That is racist, and it sows fear, not hope.

The Britain that I believe in stands shoulder to shoulder with those countries and not against them, so let me say something about the UK’s role. A Government who consistently stand with Donald Trump, a Government who refuse to stand up against him, a Government who invite him on a state visit, a Government who on every occasion make the expedient choice and not the right one will be called out by Labour Members.

Our party believes in hope, not fear. We take pride in the UK’s pledge to spend 0.7% of its national income on aid to help the world’s poorest and most vulnerable and to save millions of lives each year. Labour is committed to a foreign policy that has human rights at its heart, in defence, diplomacy and development, reinforcing rather than weakening that fragile international order.

[Kate Osamor]

I call on the Government to do more. I call on them to plug the funding gaps that are hindering refugee responses, to localise humanitarian funding—as we said we would do in 2016 at the world humanitarian summit—to double the UK's efforts to negotiate and agree ambitious global compacts for migration and refugees and to put the needs of the world's poorest before short-term national interest when it comes to spending our aid budget.

The truth is that these multiple crises are preventable. Their symptoms are solvable. The motion makes a simple case, which we hope can command the support of the whole House. Let the message go out from the House that the UK will put refugees at the heart of its foreign policy and uphold human rights around the world.

4.26 pm

The Minister for Asia and the Pacific (Mark Field):

The Government welcome such a heartfelt parliamentary debate on subjects as topical as conflict prevention, climate change and the protection of inalienable human rights. I have listened carefully over the past few hours to the contributions from Members in all parts of the House, who have underlined the fundamental importance of those matters. I shall try to summarise what the Government are doing and respond to some of the points that have been made today; I fear that I shall have to deal with others in writing.

I thank all Members who have spoken, not least my right hon. Friend the Member for Forest of Dean (Mr Harper) and my hon. Friends the Members for St Albans (Mrs Main), for Corby (Tom Pursglove), for Beckenham (Bob Stewart), for Sutton and Cheam (Paul Scully), for Chippenham (Michelle Donelan), for Solihull (Julian Knight), for Torbay (Kevin Foster) and for Stirling (Stephen Kerr).

Human rights are the guarantors of freedom, non-discrimination and the innate dignity of every human being. The UN's universal declaration of human rights makes clear that those rights and freedoms are interrelated, interdependent and indivisible, and they apply equally to the whole of humankind. Promoting, championing and defending human rights are, and will remain, part of the everyday work of all British diplomats across the globe. It is the right thing to do, legally, ethically and morally, but it is also firmly in the national interest. Societies in which human rights are restricted tend to be less stable, less democratic and less prosperous. By contrast, those that protect collective opportunities and freedoms tread the path towards long-term prosperity and security.

The Foreign and Commonwealth Office's annual human rights report gives examples of our work, concentrating on some 30 priority countries. Our 2017 report will be published during the next few months. In the context of today's debate, it may be helpful for Members to know that it will include a section on migrants.

To achieve the maximum impact, we are prioritising our human rights efforts in a number of specific areas, including promoting girls' education, tackling modern slavery and promoting and defending freedom of religion or belief, freedom of expression and freedom from all aspects of discrimination.

My right hon. Friend the Prime Minister has made combating modern slavery, which has an intentional impact on some of the most vulnerable of our fellow human beings, one of the UK's top foreign policy priorities. That is why she convened world leaders at the UN General Assembly in September to launch a call to action to end forced labour, modern slavery and human trafficking. More than 40 countries, working together, have already endorsed the call to action, and the number is rising. As a number of Members have pointed out, heart-wrenching, shocking instances of this crime occur here in the UK. Indeed, they occur within a short distance of the House, in my own constituency. The UK's stance on modern slavery is not some patronising plea to the developing world; it is a recognition of the global reach of this most tragic issue.

The UK also leads international initiatives on ending conflict and promoting stability, including through our permanent membership of the UN Security Council, where only last week in New York I represented the UK in debates on Afghanistan and nuclear counter-proliferation. Research has shown that countries with the highest levels of gender-based discrimination are more likely to be afflicted by conflict. That is why our work on conflict has a strong focus on the role of women and sexual violence.

Climate change presents the most urgent and existential threat. It is indisputably one of the major drivers of migration and global insecurity. In 2016 alone, three times as many people were displaced by natural disasters as by conflict. In recent months, we have seen many extreme weather events, from drought in Somalia to hurricanes in the Caribbean and floods in India and Bangladesh. Last week at the United Nations, I heard impassioned pleas for help from the representatives of small island developing states, whose countries are already being affected by climate change.

We must change how we live our lives to prevent climate change from accelerating; we must adapt to the changes that have already taken place; and we must build resilience for the future among the world's poorest communities, which suffer a disproportionate impact. That is why climate change remains a foreign policy priority. We are helping to maintain international momentum to raise our ambition. We have consistently encouraged robust international action on climate security, and as part of the Paris agreement, we pledged to provide at least \$7.5 billion of international climate finance over five years.

I would love to say more about other elements of the debate, but there is no time. Throughout, we have heard moving testimony about the situation facing many hundreds of thousands of Rohingya refugees fleeing violence in Burma in recent months. Since 28 December, the UK's pledge of some £59 million has helped to fund an emergency medical team of 40 doctors, nurses and midwives, paramedics and firefighters, who have been deployed to the frontline of the refugee camps in Cox's Bazar in Bangladesh, to help to combat the diphtheria outbreak.

In my role as FCO Minister for Asia, I remain persistent in our lobbying the Government of Burma to allow the Rohingya back to their homeland with sufficient guarantees on security and, importantly, on citizenship that they will be able to rebuild their lives. As I have said before, that can begin only when conditions allow for a

safe, voluntary and dignified return. My hon. Friend the Member for St Albans spoke passionately about the importance of Rohingya representation in that process. If the returns are to be genuinely voluntary, there must be a consultative process to establish the refugees' intentions and concerns. This was raised by the hon. Members for Tooting (Dr Allin-Khan) and for Liverpool, West Derby (Stephen Twigg). We are encouraging the UNHCR to develop a more systematic process for consultation with refugees, and we will call on Governments to incorporate the refugees' views in repatriation processes as they develop. I assure the House that I am also working within the international community to develop a coherent strategy that will begin to hold to account those who have committed what independent observers regard as crimes against humanity.

Opposition Members are understandably frustrated—the shadow Foreign Secretary expressed that frustration in her speech—but, as I have learned in the past eight months as a Minister, diplomacy requires patience. Progress can be slow and painstaking. The frustration can be unbelievable, but we have to work within the framework we have got. We have to compromise. I will not stand here and criticise the United States because we have to work with that country, and Presidents come and go. One of the biggest frustrations arises from the simplistic view of politics—that we can compromise easily and that people can easily express their views in

tweets. The process is painstaking and requires patience. For all its failings, the United Nations is the only game in town. We have to work with the international community. All the issues that have been addressed here today and all the problems around the world can be solved only if we work together as an international community.

Rest assured, it has always been the UK's role to take a lead on these matters. Today's debate has been fierce at times, and there are many here who wish we could do more, and more quickly. I am aware of that concern, and my door is open to everyone who has concerns, particularly those relating to my own brief of Asia and the Pacific. Please be assured that we are doing our level best, quietly and painstakingly behind the scenes. Sometimes we take three steps forward only to have to take two steps back, but working within the international community is the only way forward if we are to bring about some sort of peace to ensure that human rights are properly protected.

Question put and agreed to.

Resolved,

That this House believes that conflict resolution, climate change and the protection of human rights should be at the heart of UK foreign policy and that effective action should be taken to alleviate the refugee crisis and calls on the Government to lead international efforts through the United Nations and other international organisations to ensure that human rights are protected and upheld around the world.

Carillion and Public Sector Outsourcing

4.36 pm

Jon Trickett (Hemsworth) (Lab): I beg to move,

That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions to the Chancellor of the Duchy of Lancaster that the assessments of risks of Government Strategic Suppliers by Her Majesty's Ministers referred to in the Answer of 19 December 2017 to Question 114546 and any improvement plans which Crown Representatives have agreed with such strategic suppliers since 2014 be provided to the Public Accounts Committee.

Thank you for calling me to speak, Mr Deputy Speaker. My thoughts, and I am sure those of everyone in the House, have been with you during this very difficult time for you and your family.

Time is running on, and I am going to attempt to be brisk, but I am not going to be non-partisan, because the Government have been negligent in the exercise of their duty to protect the public purse. In the past two hours, the Government have attempted to pre-empt this whole debate by sending a letter to every one of us. The purpose of the letter is to attempt to whitewash the way in which the Government have conducted outsourcing, particularly in relation to Carillion. Those who have had the chance to study the letter will find the names of six companies that are going to take over the public sector contracts that Carillion was administering. I have only just had a chance to look at it myself, but that list is quite extraordinary. What a catalogue of failure!

One of the six firms donated money directly to the Tory party. Two of the firms are known for blacklisting workers. Amazingly, one of the firms is currently under investigation by the Serious Fraud Office for suspected offences of bribery and corruption. Another has previously been caught red-handed mispricing contracts, underestimating their eventual cost. As a consequence, £130 million was wiped off its share value. Another of the companies operates in the Cayman Islands and has been shown to use that location as a way of avoiding tax. Another of the firms is part of a group that has reportedly abused and exploited migrant workers in Qatar. My reaction to all that—I do not know whether it is unparliamentary—is to use three letters: WTF! What were the Government doing producing a list of that kind?

The truth is that, as it is now with this list, so it ever was with this Government. Back in 2017, while the Government were sleeping on the job, I submitted a written parliamentary question asking how many strategic suppliers had been rated either green, amber, red or black according to the severity of the risk posed by the supplier to the taxpayer. The Government's reply was fascinating. They refused to tell us how many of the suppliers posed a risk, saying that that could prejudice the contractors' commercial interests. I did not ask the identity of those contractors; I asked only for the number that posed a risk to taxpayer interests. So my question posed no commercial threat whatever to any company. The Government's response illuminates their whole approach, which shows little regard for the needs of the taxpayer while paying far too much attention to protecting the commercial interests of their suppliers through every stage of the procurement process.

In the past few days, I have been approached by a whistleblower. He told me that the civil service had advised Government Ministers to insert into every

outsourcing contract an indemnity clause whereby the supplier of the service would indemnify the taxpayer, should the company get into difficulty. Remarkably, according to my whistleblower, the Government completely ignored the risk and rejected the advice. It was even more remarkable to discover that Carillion's contracts with its subcontractors insist on the inclusion of such clauses in their contracts. The company, which has now become the poster child for corporate recklessness, took more steps to protect its finances than the supposed custodians of the taxpayers' money sitting in their comfortable ministerial offices.

Carillion not only issued a number of profit warnings over the past few months, as we all now know, but it was also targeted by short selling, which is also wicked. Short selling is a practice whereby so-called investors bet on the collapse of a share price. It is as if the Government accept that the serious business of financing large enterprise is nothing more than a casino, with people betting against the price of companies. One firm, BlackRock—remember its name—was shorting so much that at one stage it owned nearly 10% of the entire company. The fact that that happened is troubling, but we then discover that Mr Osborne, the former Chancellor of the Exchequer who signed off the Government deals with Carillion, is now being paid £650,000 a year by BlackRock. While it was common knowledge that Carillion was one of the most shorted stocks on the exchange, the Government, seemingly wholly ignorant of everything going on around them, continued to hand contracts to Carillion to the tune of billions of pounds.

James Cartlidge (South Suffolk) (Con) *rose*—

Jon Trickett: I will give way to the hon. Gentleman, but I ask him to answer the following question. Does he believe it to be right and proper for the governing party to receive donations from a person who is currently exercising a supervisory public function as a Crown representative on the Government's behalf? Does he think that that is right?

James Cartlidge: It is very kind of the hon. Gentleman to tell me what my question should be about, but I was going to ask him whether it is his policy to take all the contracts in-house.

Jon Trickett: I will get to that in due course. However, the hon. Gentleman did not defend the practice of Crown representatives handing money to the Conservative party. Not only is the Crown representative for the energy sector a Tory party donor, but that person donated £15,000 to the Prime Minister, who took the money.

Court testimonies submitted over the past few days as part of Carillion's liquidation show that its key clients, lenders and insurers were already pulling out of the business and getting well clear of it months ago. The private sector clearly saw a fire, but the Government did not even detect smoke from a company that appeared to be then, and obviously is now, going up in flames. Perhaps that was why the Government failed to appoint a Crown representative for the three crucial months at the end of last year when it became clear that Carillion was in deep trouble and was issuing profit warnings left, right and centre.

Crown representatives are appointed to monitor, on behalf of the taxpayer, the contracts of key strategic suppliers to Government and to ensure that everything is running smoothly. I have already referred to one Crown representative, but the House may be interested to know about the backgrounds of some of them, because they are curious. A number of them—this is unbelievable—actually oversee contracts that relate to their own private sector work and yet they are appointed by the state to look after outsourcing on the public's behalf. As I just mentioned, one of them donated £15,000 directly to the Prime Minister herself. I will use some strong language here: the ordinary man or woman in the street can draw only one conclusion, which is that this has been a complete racket.

Carillion posed a clear and present risk to the taxpayer, but not only did the Government fail to act, they had a cosy relationship with the key decision makers, some of whom were active Tory supporters.

The problem goes well beyond Carillion, so let me widen the argument. The Government have failed to think strategically about the risks to the economy, as well as the risks to the taxpayer and public services. The Government handed over 450 separate contracts to Carillion, which employed 20,000 workers and used 30,000 separate subcontractors. This was a major industry that had an impact everywhere in the country, yet the company was clearly deep in trouble for some time. Frankly, I have no confidence at all in the statement rushed out by the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster, the right hon. Member for Aylesbury (Mr Lidington) in the last couple of hours before this debate. The assurances in that document are pretty feeble. We want an absolute guarantee on behalf of the people employed directly or indirectly by the company that both their jobs and the services provided by the company will be protected.

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

Jon Trickett: I will give way but, in doing so, let me ask her the following question. *[Interruption.]* This is a debate.

The Lord Commissioner of Her Majesty's Treasury (David Rutley): Well, let her ask you a question.

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. I have the greatest respect for the hon. Member for Macclesfield (David Rutley), but we do not normally have a Whip joining in. I am sure he will not be joining in again later. The hon. Member for Hemsworth (Jon Trickett) is giving way. Let him give way, and I am sure we can get on with the debate.

What I am bothered about is that a lot of people want to speak, so please let us not waste time attacking each other.

Jon Trickett: Thank you, Mr Deputy Speaker. This is not Question Time, and we are not the Government. This is a debate, and I am perfectly entitled to ask questions and to make points. Does the hon. Member for Redditch (Rachel Maclean) believe that companies with public contracts paid for by taxpayers' money should pay tax in the United Kingdom, yes or no?

Rachel Maclean: The short answer is yes. The hon. Gentleman says that he has no confidence in this Government's ability to award public sector contracts. Does he therefore have any confidence in the previous Labour Government, who awarded billions of pounds of contracts to private sector companies, and in Labour-run Leeds City Council, which did the same? Does he have no confidence in his Labour colleagues?

Jon Trickett: Carillion did not go bust eight years ago, when Labour was in power; it went bust last week. The fact is that the hon. Lady has not answered the central point, which is that 13 of the 20 biggest Government contractors have subsidiaries in tax havens—*[Interruption.]* And the Minister is prepared to defend it. It is outrageous. *[Interruption.]* Leeds City Council, in which I no longer play a part, did not hand over a contract to Carillion the other week.

Thirteen of the 20 largest Government contractors have subsidiaries in tax havens. Those companies are happy to take taxpayers' money and make a profit, but it seems that they are not prepared to pay tax back, which is morally incorrect and should not be happening. In fact, it is a scandal.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): It is a pleasure to see you back in the Chair, Mr Deputy Speaker.

The hon. Member for Redditch (Rachel Maclean) put a question to my hon. Friend the Member for Hemsworth (Jon Trickett) on local authorities. Does he agree that the reason local authorities are too often forced down the route of contracting out services is that the Government have starved them of funding for the past seven years, meaning that local authorities simply do not have the wherewithal to do the work themselves?

Jon Trickett: My hon. Friend makes a powerful and unanswerable point.

We want a categorical assurance that the jobs of the subcontractors and employees are protected and that the services will be sustained. Is it not clear that the Government played roulette with people's livelihoods in the most reckless manner? The truth is that the Government have been so wedded to the dogmatic idea that the private is always good and the public is always bad that they never questioned the existing orthodoxy, even when the evidence was right in front of their nose.

Dr Rupa Huq (Ealing Central and Acton) (Lab): Will my hon. Friend give way?

Jon Trickett: I will give way, but I want to make some progress.

Dr Huq: I echo the words of my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell): it is a pleasure to see you back in your place, Mr Deputy Speaker. I wonder whether my hon. Friend the Member for Hemsworth (Jon Trickett) shared my horror today at pages 4 and 5 of the *Daily Mirror*, which report:

“Greed and lunacy’ as Carillion paid shareholders £500m while pension...hole spiralled out of control.”

[Dr Huq]

Surely any company of this magnitude should meet its statutory obligations before paying out dividends to shareholders.

Jon Trickett: My hon. Friend is absolutely correct. In the 16 years up to 2016, the dividends paid to shareholders increased every single year, while the pension pot and the conditions of work and the pay that the workers received was diminishing. By the way, Mr Deputy Speaker, I met a subcontractor of Carillion the other day, who told me that the company had a policy of not paying anybody in December, because on 1 January the bank wanted to look and see how much liquidity was left. Is that not shocking?

Maybe the Government's devotion to outsourcing is the real reason why they have failed so monumentally in relation to Carillion. They had a blind assumption—and still have—that contracting out works efficiently, and that the market always knows best, which we know is not the case. If they do not learn from the repeated failures of outsourcing, there will be another Carillion around the corner, and then another and another. One needs only to look at companies such as Interserve and Mitie, which deliver public services, to see how fragile some of these Government contractors are.

Chris Stephens (Glasgow South West) (SNP) *rose*—

Jon Trickett: I could stand here and reel off a long list of outsourcing companies that have been guilty of fraud, tax avoidance, blacklisting, failure to pay contractors, and even, shockingly, billing the taxpayer for tagging people who had died. They have presided over, and have been vehemently committed to, a failed and failing ideological project. That is my charge today.

My opposite number, who I am pleased to see in his place—the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster—has personally shown lots of enthusiasm for handing out Government contracts—

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con) *rose*—

Jon Trickett: I am trying to make some progress. [Interruption.] Well, they will be glad that I am making progress, then.

In the Minister's role at the Ministry of Justice, what did he do? He awarded a £25 million Government contract to G4S. But that company was under investigation for fraud against the taxpayer. He snuck out plans to privatise the collection of court fines, and he even proposed giving private companies the power to arrest our fellow citizens. His Department bailed out a private probation service with an additional £277 million over seven years, and he failed to deliver the promised £115 million that he said would be delivered by outsourcing two prisons.

We need to change direction. Let me briefly set out the case, because outsourcing of procurement has boomed under this Tory Government. It is now worth £242 billion. Nearly a third of public expenditure—of our taxes—is being put at risk by a Government who are blindly following a dogma.

To be clear, there never was a true market in outsourcing. It is an oligopoly. The course of action that the British Government set out on has led only to the creation of a handful of mega-corporations, almost too big to fail, and those corporations have penetrated nearly every aspect of the state, both central and local. This so-called market works well for a handful of companies making huge profits out of the taxpayer, but it is not working for anybody else.

We want the Government to see the facts as they are, not through the lens of a tired, stale, outdated, dogmatic view of the world. Jeremy Corbyn, our leader, commenting on the Carillion debacle—

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): He's gone!

Jon Trickett: Well, we still pay tribute to our leader, unlike some of the Government Members, who seem to be making up a point about it. Let us see how many of them—[Interruption.] My party leader said that we have now reached—

Sir Geoffrey Clifton-Brown *rose*—

Jon Trickett: I am coming to an end. He said that we are now coming to a turning point, and he was right. He caught the mood of the country. The public are tired of outsourcing. They want democratically accountable, quality services, which are run effectively and efficiently in the interests of the public. Every poll we can look at shows the same thing: the people are completely disabused of this whole process. That is why the House of Commons must take up the task that the Government have failed to act on. Where else could we start but by referring the matter to our excellent Public Accounts Committee? That is what the motion recommends.

Sir Geoffrey Clifton-Brown: Will the hon. Gentleman give way?

Jon Trickett: I will not—I am finishing. The Prime Minister and her Government have squandered taxpayers' money on a failing dogma. They have run out of new ideas. They have proved unable to grasp the change that our country desperately needs. Even her own MPs agree. The right hon. Member for Mid Sussex (Sir Nicholas Soames) says:

“Where's the bold and the brave?”

He is talking to the Prime Minister. He says, “it's dull, dull, dull.” He is absolutely correct.

Sir Geoffrey Clifton-Brown: On a point of order, Mr Deputy Speaker. May I preface my remarks by saying what a pleasure it is to see you back in the Chair? The Opposition spokesman has referred to the “excellent” PAC. I am its deputy Chair, but he will not let me intervene. How can the debate be fair if he will not let me intervene?

Mr Deputy Speaker (Sir Lindsay Hoyle): The hon. Gentleman knows that, from chairmanships in many other areas, that is not a point of order. It is up to the hon. Member for Hemsworth (Jon Trickett) whether he wishes to give way, as we will later find out when other Members want to intervene.

Jon Trickett: Thank you, Mr Deputy Speaker.

I say to my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown), if I may call him my hon. Friend for a moment—we used to be pairs, back in the old days when pairing worked. I must not say this in front of any Whips, so I hope they are not listening: there were occasions when he and I arranged our escape plans to avoid some of those late votes. However, in this case he is entirely wrong. In any event, should he really speak on a motion that says that the matter should go to the PAC?

I was finishing my speech. “Dull, dull, dull!” With those words, I commend the motion to the House.

4.56 pm

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr David Lidington): Mr Deputy Speaker, I take comfort in the fact that I can at least join the hon. Member for Hemsworth (Jon Trickett) in expressing a wholehearted welcome to you, Sir, on your return to the Chair of the House.

I want to start by addressing the motion and to make it clear that, if the motion passes, the Government will of course comply with the will of the House. The Public Accounts Committee, as the House will know, already possesses powers to require the Government to supply it with papers. Whether or not the motion passes, it is my intention to share with the Public Accounts Committee as much information as I reasonably can that will help it with its inquiries. I hope, too, that in debating the motion hon. Members on both sides will understand that the information cited in the Humble Address is highly commercially sensitive.

I agree that the Public Accounts Committee is a vital mechanism by which Parliament can hold Government to account, but the Government also have an overriding obligation to ensure that information is not placed in the public domain when that would be either improper or give rise to particular risk. There are important considerations not only for Government but for the House to consider about the impact of releasing the documents.

First, we must bear in mind the impact on markets, whether good or ill, of making such documents public. Because the information requested is highly commercially sensitive, if made public it could have damaging impacts not only on market confidence, individual suppliers and the Government’s ability to manage our relationship with those suppliers effectively, but more widely on the jobs of people employed by those companies—constituents of Members on both sides of the House—the delivery of public services and, potentially, the broader economy. We also need to act in a way that is consistent with our legal obligations and mitigate any litigation risks to Government. If the motion is passed, I will undertake to discuss in short order with the Chair of the Public Accounts Committee the best way to make information available to her and her Committee, while ensuring that those genuine risks are minimised.

In his speech, the hon. Member for Hemsworth asked several questions about the Government’s contingency planning ahead of what turned out to be the collapse of Carillion a couple of weeks ago, and he also asked about the role of the Crown representative. To be clear, a new Crown representative was appointed in October

last year and started work in November. He was appointed just after the regular quarterly list of named Crown representatives was published. The new list, which will include the name of the new representative, is due to be issued imminently, so the House will then be able to see the name of the new Crown representative to Carillion, along with all the others.

There was a longer-than-usual delay in the decision on the new nominee because, in the wake of Carillion’s first profit warning in July last year, my predecessors rightly took the decision that, rather than a Crown representative who was experienced in finance, they wanted somebody who was experienced in the restructuring of corporations: it was apparent that Carillion would need to undertake some considerable corporate restructuring and refinancing if it was to get its house in order, as it was then confident of doing.

Crown representatives are experienced board-level executives—they are not civil servants—who work on a part-time basis in the Cabinet Office to advise on commercial matters with suppliers and sectors. They help the Government to act as a single customer, but they do not advise suppliers on their finances or future business strategy. In the course of normal events, they do not have access to privileged information. Given the hon. Member for Hemsworth’s remarks, I should make it clear that Crown representatives are not politically appointed. They are contractors assigned to companies where they have knowledge of the sector and where there is no conflict with other concurrent roles that the individual man or woman may have. They have no authority to take procurement decisions.

Gareth Snell: Does the Minister agree that, even if it is within the letter of the law, the perception of people who have donated money to a political party subsequently getting a paid Government position looks bad and undermines the integrity of the work they are trying to do?

Mr Lidington: As I have already said to the House, these are not political appointments so there is no political intervention in them. It is quite right that donations to all political parties are made public. That is what the House has voted for and embodied in legislation, and it makes the situation clear to everybody.

Let me turn to Carillion’s liquidation. Along with all my fellow Ministers and, I believe, the whole House, I recognise that the collapse of Carillion has caused huge anxiety for the people who work for Carillion companies, the people in Carillion pension schemes, the suppliers and subcontractors and, of course, the people who use the public services provided by the company’s workers.

I reiterate the priorities that have animated the Government throughout the process. They have been: first, to make sure that public service delivery continued without interruption, which has been the case, as no public bodies have reported any major service disruptions; secondly, to reassure the workers employed on public service contracts that they will continue to get paid for their work; thirdly, to make sure that the right support is in place for pensioners; and fourthly, to protect taxpayers from an unacceptable bail-out of a public company, the risk of which is rightly borne by the shareholders and the banks that have lent to it.

[Mr Lidington]

The situation today is that the official receiver is now effectively running Carillion, and in the course of time his investigations will show exactly how the company ran into trouble. Although Carillion was under some financial pressure from three UK public sector construction projects—two hospitals and a road scheme in Scotland—it is already clear from the company's statements to the stock market and from information that has become public since the liquidation that the problems it faced lay largely in its overseas construction projects and in the level of financial risk that it took on.

Within days of the first profit warning in July 2017, the Government retained legal and accountancy support and started an intense period of contingency planning. Preparing these plans involved considerable effort by officials from right across Government. The Department of Health and Social Care co-ordinated a similar exercise for NHS bodies, including trusts, and the Ministry of Housing, Communities and Local Government worked with local authorities that had exposure to Carillion. The key aim of all these contingency plans was to ensure that public services were kept running safely and smoothly in any possible scenario. The solution had to be specific to the contract in question, had to be affordable and had to be capable of being executed, if necessary, at short notice.

As a result of that planning, the work covered by the service contracts has continued with minimal disruption: the school meals have been served, the hospitals have been cleaned and the maintenance staff have continued to go about their work. With regard to the construction contracts, some infrastructure work, such as that on the Aberdeen bypass, now continues uninterrupted. Other construction sites where work has paused have been put into a safe state so that work can be resumed quickly. The official receiver is working hard to resume work on these sites at the earliest possible date. This work requires customers to find new project management firms that can oversee the completion of their projects.

John Spellar (Warley) (Lab): I thank the Minister for giving way and for the information that he is providing to Members of Parliament. The Midland Metropolitan Hospital has a site management in place and a series of contractors. Given that those contractors are now locked out of the site, they will be going off to undertake other work, so increasing costs will have to be borne. There will also be disruption to the work from the delay on an already delayed hospital, which has nothing to do with the workforce.

Mr Lidington: The right hon. Gentleman makes a perfectly serious and reasonable point. It is crucial that we do all we can within our power to minimise the impact of delay on the public sector construction contracts, and to retain the knowledge held by the Carillion staff employed on those contracts who, in most cases, are undertaking a project management role, managing the work of a number of different subcontractors. In particular, the development of our future hospitals must continue. This is something that the Minister of State, Department of Health and Social Care, my hon. Friend the Member for North East Cambridgeshire (Stephen Barclay), is working on day by day.

John Spellar rose—

Mr Lidington: May I come to discussing the particular hospital that the right hon. Gentleman cited?

We are working with the official receiver to ensure that Carillion construction staff working on the Royal Liverpool Hospital, the Midland Metropolitan Hospital and the Southmead Hospital in Bristol continue to be paid. This allows for a more orderly timeframe for the discussions to take place between the private finance initiative contractor and the lenders to ensure that new contractors can replace Carillion and that the work can resume at the earliest possible date.

I say to the right hon. Gentleman that we know that we have a lot of work still to do. We have, for example, to find alternative suppliers both for those hospital contracts and for other contracts, but I regard the hospital contracts as a particular priority. The exact structure of those contracts and the extent to which they are nearing completion obviously varies depending on which hospital contract one looks at. The precise solution will differ from Liverpool to Bristol to the west midlands. I assure him that we regard getting on with that job as a very high priority indeed.

Liz Twist (Blaydon) (Lab): The Minister is talking about health contracts. Some years ago, I was involved in negotiating one of those contracts with Carillion at South Tees Hospital. As I understand it, those contracts have now been transferred and sold to Serco by Carillion. Serco has seen its own profit warnings raised. What steps will he take to ensure that we do not find ourselves in a similar position in future? These are staff providing vital health services that are an integral part of the hospital, and it is really important that we take preventive steps.

Mr Lidington: It is the statutory responsibility of the official receiver to ensure that contracts previously held by Carillion are transferred as quickly and in as orderly a fashion as possible to alternative contractors. In respect of the public service contracts, the Government are ensuring that payments are made for the continued delivery of those services while that process continues. It would be irresponsible of a Minister to be drawn into speculating about the situation of any named company, but I just say that the company that the hon. Lady mentioned has not issued any profit warnings. I am sure that the official receiver will be going about his job in a responsible fashion.

There have been questions, not least from the hon. Member for Hemsworth, as to why we continued to award contracts to Carillion even after the first profit warning on 10 July last year. It is important to put it on the record again how Government procurement works. When Government advertise opportunities, bidders go through a formal process, which may involve negotiations, and then submit a bid. These bids are looked at on a basis of equality between competing bidders. They are scored formally for quality and price against a published set of evaluation criteria, and the contract is then awarded to the highest-scoring bid. It would be a major legal risk for the Government, having published criteria, then to seek to exclude any bidder from a contracting process on the basis of other, somewhat arbitrary, criteria.

Chris Stephens: I thank the Minister for explaining the process. Given the concerns raised by the shadow Minister, will he confirm that there is no testing of whether a company is engaging, or has engaged, in the practice of blacklisting?

Mr Lidington: The issue of blacklisting is itself a matter of debate internationally about how the various criteria for blacklists are being drawn up. We have a set of criteria that are published in respect of each and every bid that is submitted for a contract being let out to the private sector.

Several hon. Members *rose*—

Mr Lidington: Carillion announced that it had won eight public sector contracts after its first profits warning in July last year. Three of those, for facilities management for defence establishments, were awarded before the profit warning, but Carillion chose to make the announcement some weeks later. Two out of the remaining five were awarded by HS2 Ltd. Those contracts were awarded to a joint venture including Eiffage—a major French construction firm—and Keir, as well as Carillion. The three companies bid together as a consortium, and as a result all shared responsibility for completing the work. After the profit warning, we asked the board of each of the partners for written assurances that if one partner failed, the other partners had a contractual obligation to pick up the work. Those assurances were given. Since the announcement of Carillion's liquidation, both Eiffage and Keir have confirmed that the contracts will continue uninterrupted, and the former Carillion employees working on the contracts have been offered jobs with one of those other partners.

Several hon. Members *rose*—

Mr Lidington: As a further assurance following the announcements of the profit warning, external due diligence was commissioned by HS2 Ltd. This revealed that at the time of award in July last year, Carillion did have the financial capacity to continue with its part of the contract. HS2 let the two contracts to the joint venture because it was confident that the joint venture arrangements were robust, as has proved to be the case.

Rachel Maclean (Redditch) (Con): The Minister is outlining very coherently the rigorous process that has to be gone through to deliver quality public services on behalf of the taxpayer. Does he recall that it was a Conservative Government who introduced the Public Services (Social Value) Act 2012, which required Ministers to look at a wide range of factors and also to think about social, environmental and economic benefits for consumers and the taxpayer?

Mr Lidington: My hon. Friend is exactly right. The tests we routinely apply take account of quality, not just cost, in assessing bids. I am sure there will be lessons that we want to examine, particularly as we learn about what happened to Carillion from the official receiver. It is interesting, as my hon. Friend points out, that it was a Conservative-led Government who put in place arrangements that had not been so made during the 13 years of a Labour Administration.

Several hon. Members *rose*—

Mr Lidington: The remaining three announcements concerned contracts with Network Rail. These were not new awards or new contracts, but variations to contracts that had been let three years earlier—in 2014. Two were for electrification work and, in a similar construct to the HS2 work, were let to a joint venture between Carillion and an electrification specialist, SPL Powerlines. One contract variation, for civil work in connection with the London to Corby upgrade, was let directly to Carillion. That is the only public sector contract, post the July 2017 profits warning, that was neither a joint venture nor something already decided and awarded before the profits warning was issued. Network Rail judged in this case—

Mr Kevan Jones (North Durham) (Lab): On a point of order, Madam Deputy Speaker. I am aware that it is up to the Minister whether he gives way, but would it not be courteous to the House if he actually indicated that he was not going to take any interventions, because he just seems to be reading his speech—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. That is not a point of order, and I am not going to spend any time on it because a lot of people want to speak. There is no more courteous a Minister in this place than this Minister.

Mr Lidington: I am grateful to you, Madam Deputy Speaker. I have given way a number of times already, and I want to make some progress. I certainly intend to give way again, but I am conscious that we have finite time available for the debate, and the time taken up by taking interventions is speaking time taken away from Back Benchers.

Network Rail judged in this case that Carillion was best placed to do the work, because it had been engaged on the project for three years already and had completed all the design work successfully. By agreement with the official receiver, former Carillion employees and suppliers continue to work on these rail projects, and today they are progressing as planned.

Since the liquidation on 15 January, the Government have responded promptly and appropriately, supporting the official receiver to manage the liquidation. We have also made funds available to allow an orderly wind-down of the company's affairs. It is worth my explaining that this company was in such trouble that it could not even fund its own administration. If the Government had not stepped in and agreed to cover the costs of the official receiver, there would have been a real threat to public services in schools, hospitals and prisons. Staff would not have come to work last Monday, as they would not have been paid.

Nick Smith (Blaenau Gwent) (Lab): I thank the Minister for giving way—at last. In his letter today, he refers to an investigation into the conduct of Carillion's directors. Is the chair of Carillion, Philip Green, still an adviser to the Government on corporate responsibility?

Mr Lidington: No, and he ceased to be an adviser after the Prime Minister took office.

Mr Pat McFadden (Wolverhampton South East) (Lab): The Minister mentioned that the Government are funding the cost of the liquidation. What is the Government's estimate of that cost?

Mr Lidington: It is not possible to give an estimate because that will be a net figure that has to take into account both the willingness of joint venture partners to step forward and take over the projects in which they were involved—that seems to have been the case—and the speed at which the official receiver is able to find alternative contractors, or in-house contractors in certain cases, to take on the provision of particular public services. Our overall estimate can be only quite an uncertain estimate at this stage, but we are confident that it will in any case be very significantly less than if we had had to cope with the costs of an unplanned, unmanaged liquidation, had the Government not stepped forward and agreed to pay for the official receiver's administrative and legal costs. Because of the funding we have provided, we have kept those public services running, and that has also provided a breathing space for private sector customers such as the Nationwide building society to continue receiving services while they decide how to react to the crisis.

Mr Jim Cunningham (Coventry South) (Lab): The partners are going to take over the work, but who will fund it—the partners or the official receiver?

Mr Lidington: I am not sure whether the hon. Gentleman is referring to the partners involved in the special managers at PwC or to Carillion board members.

Mr Cunningham: I am referring to Carillion's partners who were involved. They have an undertaking to take over the work, but who will pay the costs?

Mr Lidington: Administrative costs fell to the official receiver in the short term. With the HS2 contracts, for example, there was an obligation on the partners to step forward and meet the Carillion's obligations at the cost that they, collectively as a consortium, had negotiated and agreed with the Government. That contract was with the consortium as an entity. I hope that answers the hon. Gentleman's question.

Nationwide building society has since offered jobs to 250 Carillion employees and contracts to the subcontractors that employ a further 1,500 people. In total, more than 90% of Carillion's private sector facilities management service customers have indicated that they will provide funding through the official receiver to maintain interim services while new suppliers can be identified to deliver them, ensuring the retention and employment of staff on those contracts.

Eleanor Smith (Wolverhampton South West) (Lab): TUPE does not apply when a company goes insolvent, but given the way in which Carillion collapsed, should not the Government make an exception and allow TUPE to apply to private sector employees?

Mr Lidington: PwC, as the special managers working with the official receiver, is looking at such cases to see whether it can offer arrangements whereby workers are no worse off than they were under the terms of their Carillion employment. The hon. Lady and I met yesterday to talk about the constituency concerns that she and other parliamentary colleagues have about the Wolverhampton headquarters. The alternative of a chaotic, unmanaged collapse and liquidation of Carillion would have been far more difficult for the workers concerned, because the liquidator in those circumstances would

have had a statutory obligation to terminate all contracts and lay off all workers straight away, not to continue with the provision of public services. That would have been more costly not only for the individuals involved but, obviously, for the public purse.

I welcome the initiative taken last week by the Construction Industry Training Board to help the 1,400 apprentices employed by Carillion. Those apprenticeships were primarily in bricklaying, carpentry and joinery—skills that the country vitally needs to build homes and solve our national housing shortage. To date, the CITB has matched 400 of those apprentices with new employers, and it continues to assess the large number of industry offers it has received to find placements for the remaining Carillion apprentices.

Unfortunately, there will be some redundancies as a result of this company failure. That is why Jobcentre Plus mobilised its rapid response service, and it stands ready to support any employee, at any stage, who is affected by this announcement. I am aware, too, that a significant number of small and medium-sized businesses—either suppliers to or subcontractors of Carillion—will be affected by this collapse because Carillion owed them money. We are doing what we can to keep continuity on service contracts for those companies, and as I said earlier, we are having some success, particularly on the facilities management side.

In addition, we are looking to restart work on construction sites at the earliest safe moment. My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy, with the assistance of my the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Burton (Andrew Griffiths), who has responsibility for small business, has personally led efforts to do what we can to mitigate the risks to subcontractors and suppliers through a taskforce to monitor and advise on mitigating the impacts of Carillion's liquidation on the sector through practical measures that will help SMEs and employees alike. My right hon. Friend has met the banks, and I join him in welcoming their undertakings to take special measures to help those affected, including overdraft extensions, payment holidays and fee waivers.

Sir Geoffrey Clifton-Brown: My right hon. Friend said in his letter to all colleagues that the Government was providing £1 billion-worth of funding to small and medium-sized enterprises, which is a useful start to keep some of them in business. Can he give any indication how that £1 billion is likely to be distributed?

Mr Lidington: The Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Burton (Andrew Griffiths), may be able to say more when he responds to the debate, but that help will involve things such as credit facilities and loans to enable those companies to trade their way through this period of difficulty, particularly until there is greater certainty about what happens to the contracts on which they were engaged.

Kirsty Blackman (Aberdeen North) (SNP): I understand that some subcontracts have not been automatically rescinded as result of the process that is under way, so organisations such as county councils and so on cannot provide a new contract. I would appreciate it if the Minister looked into that.

Mr Lidington: If the hon. Lady writes to me with details, I will ensure that she receives a response from the appropriate Department. When I spoke to the Insolvency Service and PwC yesterday evening, they were able to say that some companies in the Carillion group appeared to be solvent. Those companies will still be able to continue trading, and that may be the case with the contracts that were brought to her notice.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): Will the Minister explain the advice he would give to SMEs subcontracted by Carillion in cases where Carillion services have been brought in-house to a local authority and where invoices have been unpaid? Should they apply to the official receiver for payment?

Mr Lidington: The practical advice I would give is to go to the website operated by special managers on behalf of the official receiver. There are links for the various categories of people affected, so those SMEs should follow the one for suppliers or subcontractors for advice and frequently asked questions. If they have specific concerns there is an email link to make direct contact with the special managers. That is the best way forward, because every case is slightly different.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I hesitate to interrupt the Minister, but there has been some consternation about the taking of interventions. The Minister has been quite generous in doing so. Twenty people wish to speak in the debate. There is an hour and 31 and a half minutes left. Members will also wish to hear the winding-up speeches. Some people have been sitting patiently in the Chamber all afternoon. The prospective limit on speeches at the moment is three minutes, but it is likely to go down, and some people will not have an opportunity to speak at all, so let us allow the Minister to say what he has to say.

Mr Lidington: Thank you, Madam Deputy Speaker. I will try to make progress.

Her Majesty's Revenue and Customs will provide practical advice and guidance to those affected through its Business Payment Support Service. That may include help such as agreeing instalment arrangements, suspending any debt collection proceedings and reducing payments on account.

I should say a brief word about the concerns of members of Carillion's defined-benefit pension schemes who, understandably, are seriously worried at this time. Existing pensioners will continue to receive their pensions at agreed levels, but the significant funding deficit in Carillion funds will mean that some future pensioners will see their pensions reduced. At present, seven Carillion schemes, covering 6,000 members, have moved to the Pension Protection Fund assessment period, which occurs automatically when a sponsoring employer becomes insolvent. The remaining 21,000 members are in schemes that have at least one sponsor not in insolvency and are therefore not in the PPF. When a scheme moves into the PPF, the worst-case scenario is that the fund ensures that all pensions in payment continue to be paid at 100% of their value, and people who have benefits in such schemes for the future will receive those benefits at 90%, at least, of their expected value, subject to an overall ceiling on the amount that any individual can receive from a pension.

The Prime Minister restated on Sunday that the Government will shortly consult on tough new rules to tackle the behaviour of executives who try to line their own pockets by putting their workers' pensions at risk—behaviour that she rightly labelled “an unacceptable abuse that we will end”.

The official receiver has also taken immediate action to stop severance and bonus payments to former Carillion directors.

My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy has written to the Insolvency Service and the official receiver asking that their statutory investigation into the conduct of Carillion's directors is fast-tracked and extended in scope to include previous directors. He has also asked the Financial Reporting Council to conduct an investigation into the preparation of Carillion's accounts past and present as well as the conduct of the company's auditors. I can assure the House that no payments have been made to board directors or the former directors who had severance agreements since the date of liquidation. Directors with such severance agreements became unsecured creditors from the moment of liquidation.

Finally, in his opening remarks the hon. Member for Hemsworth touched—probably more than touched—on the overall questions about the outsourcing policy of this and other Governments. It is worth pointing out that outsourcing, whether in construction or the provision of services, is something that successive Governments—Labour, coalition or Conservative—have been doing since the 1990s. The services provided to the public sector by private companies include IT, back-office services, facilities management and other business services, such as running call centres. In many cases, those services have now been delivered by private sector companies for 10 or 20 years, and many have built up specialist expertise, skilled staff and investment to deliver public sector contracts.

This is a matter not just of cost, but of quality and innovation. If we look at a project such as Crossrail—the largest infrastructure project in Europe—that railway will open on time and on budget later this year. To deliver that project on time and within budget, Network Rail and Transport for London work with a huge range of private sector companies—including Costain, BAM Nuttall, Balfour Beatty, Morgan Sindall and others—and use their specialist expertise, which is something, frankly, that civil servants are not trained to have.

I could list a long catalogue of examples of such successful use of private sector companies to deliver capital investment into our hospitals, schools and transport infrastructure and successfully to deliver the provision of public services in all aspects of the public sector. What I found to be such a pity about the hon. Gentleman's contribution was that he resorted to ideology, instead of looking at the people—our constituents—who actually use the services and who benefit from the better value for money and innovative quality that private sector contractors are able to bring, and have brought successfully, to that work.

Not only that, but in an enchanting display, the hon. Gentleman disavowed his party's entire history of 13 years in government. Let us not forget that the majority of outsourcing in the NHS took place under the Labour Governments between 1997 and 2010, as part of an initiative that was championed, in particular, by the current Mayor of Greater Manchester.

[Mr Lidington]

Let us look at what the Labour party has said since it left office. The shadow Communities and Local Government Secretary praised Carillion as an example of “good public procurement practice”, and the shadow Foreign Secretary praised it for offering apprenticeships to her constituents. The shadow Housing Secretary has said that PFI helps to deliver better and more cost-effective public services, and the shadow International Trade Secretary described it as

“a staggering investment in the future of...children and...excellence”.—[*Official Report*, 15 November 2002; Vol. 394, c. 308.]

The shadow Northern Ireland Secretary said PFI provided “good value for money”. [HON. MEMBERS: “When?”] It is very interesting that Labour Members feel they have to conform with the new dear leadership that the hon. Member for Hemsworth wanted to celebrate, but they should have the courage of the convictions they expressed when in office and since about the value of a proper constructive partnership between the public and private sectors in the interests of the constituents we are sent here to represent.

The shadow Health Secretary says that NHS experts accept that only a “handful” of PFI contracts are causing hospital trusts a significant problem. Labour council leaders in Manchester, Birmingham and Hounslow have praised public-private partnerships for delivering growth and urban regeneration in their areas. For all the denunciations of Carillion, one third of the contracts that the state sector still had with it at the time of its liquidation were awarded by the Labour Governments of the early 2000s—Labour Governments in which the hon. Member for Hemsworth served as Gordon Brown’s right-hand man in No. 10 when that outsourcing work was at its zenith.

The Government are committed to ensuring that the public sector continues to benefit from the best of private sector innovation and skills. We do not put ideology first; we put the service user and the citizen first. That is the policy that the Government are committed to and which we intend to continue.

5.37 pm

Kirsty Blackman (Aberdeen North) (SNP): On behalf of the Scottish National party, I will start by talking about all those affected by the collapse of Carillion, not just those directly employed by it but those who have pensions, having previously been employed by it, those who are subcontractors or are employed by subcontractors and those who are receiving services provided by Carillion that have been stopped overnight and now are being provided by somebody else or by some other vehicle.

I want to talk a bit about what the Scottish Government have done to ensure that in Scotland our constituents and those living around the country receive a continuing service in the aftermath of the collapse of these contracts. The Scottish Government have set up helplines for employees of Carillion and its subcontractors. In addition, Skills Development Scotland is speaking to apprentices concerned about the future of their apprenticeships. The biggest Carillion project in Scotland that we know about, and which the Secretary of State mentioned earlier, is the Aberdeen bypass, on which project Balfour Beatty and Galliford Try are subcontractors. Because of

how the contract was written, they are jointly and severally reliable for the delivery of the project, which means that there is no risk to the project and there will be no additional cost to the taxpayer from its continuation. I say that just to reassure my constituents, in particular, who are desperate to see this bypass, which, as many have said many times, is already 40 years too late—but at least we are getting there. We are pleased to hear that that contract will continue, and hopefully those who are working on it in Aberdeen and the surrounding areas will be reassured. It is estimated that the project will generate more than £6 billion of additional income for the north-east: it is a major infrastructure project.

We do, however, feel that serious questions must be asked of the UK Government about the decision to continue awarding contracts to Carillion. The Scottish Government have not awarded it any contracts since the first profit warning was given in July last year. Since the warnings, both the UK and Welsh Governments have agreed contracts with the company. In the days after the first warning, the UK Government awarded contracts worth £2 billion, including the huge High Speed 2 and Ministry of Defence contracts. At the time, the then Transport Secretary said that he hoped Carillion would overcome its problems. He said:

“My wish is that Carillion get through their current problems but we’ve made sure that it’s not an issue for these contracts.”

I hope that that is the case. I hope that people will continue to be paid, and continue to be able to deliver the work.

After the third profit warning, the UK Government’s Education and Skills Funding Agency awarded a £12 million school building contract to Carillion, and the Welsh Government went ahead with a contract for work on two junctions on the A55. The questions that we must ask are these: if rigorous processes were in place, why did Carillion continue to be awarded contracts, and what other firm has continued to be awarded contracts despite not being in a position to deliver on them?

Luke Graham (Ochil and South Perthshire) (Con): I am pleased about some of the measures that the devolved Administrations have taken. If Carillion had been of such concern, however, would not Scottish National party Members have mentioned it more than twice in the last six months of 2017? Moreover, the Scottish Government have put £5.7 billion into 82 projects through Carillion. This should not be a criticism only of the UK Government. The problem exists in all the devolved Administrations, and we must all work together to fix it.

Kirsty Blackman: As I have said, the Scottish Government have not awarded any contracts to Carillion since the first profit warning. Yes, the SNP has raised the matter twice in the House. Given that the contracts that have been awarded since the profit warning have not been awarded in Scotland, it is amazing that the SNP is standing up for Members’ constituents throughout the United Kingdom.

Let me say some more about what the Scottish Government are doing and the direction that they have taken, particularly in relation to private sector contracts. They have said that they will use private sector partners only when that is the best way in which to support

public services, which is why fewer Carillion contracts have been awarded in Scotland than elsewhere. In 2008, the Scottish Government stated their intention to phase out private contracts relating to, for example, those providing services in hospitals. As a result, all cleaning in NHS hospitals is now carried out by in-house workers. We in Scotland have also announced our intention to build a publicly owned competitor to bid for the ScotRail franchise.

We support the continued use of procurement processes to ensure that the Scottish Government can continue to seek the living wage. We have made it as clear as possible that those who are contracted to provide public services for private companies must pay the living wage, and, wherever possible, the Scottish Government have taken action to ensure that that happens. I hope that the UK Government will follow suit. They talk about what they describe as the national living wage, which people cannot actually live on, but I am talking about the real living wage. To provide that for all public sector workers and all those who are contracted to provide public services would be an incredibly important move, which would help to deal with the wage stagnation that we have seen in recent years.

The hon. Member for Hemsworth (Jon Trickett) mentioned blacklisting. We have argued against it on a number of occasions, both in the House and elsewhere. We have made it clear that it is completely unacceptable. Companies should not engage in the practice, and the Government and other organisations should make that plain to them. They should treat companies that apply for contracts differently if they are proved to have engaged in it.

As I have said, the UK Government need to look at all their contracts. They need to assess the financial stability of all the organisations that provide vital public services, especially those in the private sector.

I cannot believe that the directors of Carillion sat in board meetings looking at the accounts and believed for so long that the company was solvent. I do not understand how the directors could genuinely have believed that, because it is so clear to everyone—now that the profit warnings have been issued, the accounts are being discussed and the company is in liquidation—that the position was totally unsustainable for quite a long time. I do not understand how the position was reached where the directors were not taking their responsibilities seriously, taking decisions and making changes—actually saying to the Government, “Sorry, but we can’t bid for these contracts, because we don’t think we are in a position to deliver.”

The Minister talked about the processes whereby services are outsourced and contracts granted to private sector companies. Whatever the process gone through, it was clearly not rigorous enough. In future, a more rigorous process must be applied. Carillion employs 19,000 people; we think about 1,000 of them are in Scotland. That is a significant employer to collapse. We do not want smaller employers that may not have so many public sector contracts but are in financial difficulties to fall too, in a domino effect. It is incumbent on the Government to check that the private sector companies that have public sector contracts can deliver those contracts, so we do not end up again in a situation where people are scrambling.

Patrick Grady (Glasgow North) (SNP): My hon. Friend makes some important points. Do not the Government need to send a strong signal to public sector bodies that are issuing contracts that best value does not necessarily or always mean the cheapest? The problem is that companies undercut each other because they think that is how to get the contract, and the local authority thinks it has to take the cheapest, rather than the best value that will deliver the best quality service.

Kirsty Blackman: I agree. As a local authority councillor, I worked under the best value regime looking at contracts and tenders. I judged them, not just on the best price, but on best value and the quality of service provided, and whether the companies would be able to deliver what they said they would when they tendered for a contract. Something has gone wrong in the system. I do not know if that is because of Tory austerity, which has resulted in a squeeze on contracts in the public sector and a drive to ensure that contracts are awarded to the cheapest bids, rather than those that provide best value. Given the collapse of Carillion, the Government need to look carefully at the reasons behind awarding all those contracts to ensure that this can never happen again.

I see you shooing in your seat, Madam Deputy Speaker. I will just take another minute. The Public Accounts Committee warned of the risks of contractors paid from the public purse becoming too big to fail; unfortunately, the Government did not heed the warning and continued to award the contracts. I think—I hope—the Minister would agree with me that it is disgraceful that the contracts were awarded and Carillion continued to line the pockets of its shareholders despite not being in a position to fulfil the contracts. Clearly there are major structural issues with the awarding of contracts. I hope that this is the beginning of the UK Government looking seriously at the matter and making proper changes to ensure that these events can never happen again.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. There is now a time limit of three minutes.

5.48 pm

Mr Marcus Jones (Nuneaton) (Con): I start by saying that I am disappointed by the motion before the House, not just because there is clearly a mechanism through the Public Accounts Committee to scrutinise these matters, but because there are tens of thousands of people involved and politics should not be put before people. Regrettably the whole cut of the Opposition’s spokesman’s jib was ideological—private bad, public good. That is not the debate that we should be having. We should be debating what will happen to the people affected by the situation and what went wrong with Carillion. We need to hold the people involved to account and discuss how we can help those who have been affected. We also need to talk about how we can provide and sustain the important public services and projects involved in this situation.

The Government’s initial response has been positive. Working with the official receiver, as well as with a number of Carillion’s joint venture partners, the banks and finance providers, public service providers and the trade unions, they have ensured the continuity of the

[Mr Marcus Jones]

vast majority of services and projects. We should not forget, however, that we need to keep the dialogue going to ensure that services are maintained for as long as possible and that there is a soft landing for most of those contracts. If there is not, we risk losing more jobs.

In the short time available, I want to mention pensions. It is good to see that there is protection for the vast majority of the workers involved in this case, but it is clear that Carillion was not putting as much into its pension deficit as it should have been, and we need to look at pensions in the context of public procurement. We also need to look at small and medium-sized enterprises. The Government have a strong target of a third of public sector contracts going to SMEs, and we should ensure that that happens so that we have a more diverse sector. We should also ensure that big companies such as Carillion do not keep small companies to 120-day payment terms. We should do more to ensure that small companies and the people who work for them are protected, that services are maintained across the piece and, importantly, that workers are supported throughout this problem.

5.51 pm

Emma Reynolds (Wolverhampton North East) (Lab): When the news broke last week that Carillion was going into liquidation, it was a dark day for the company's 20,000 employees across the UK, including the 450 people at the company's headquarters in Wolverhampton. Many others are affected across the west midlands region, including those who were working on the Midland Metropolitan hospital site, the many small businesses in the company's vast supply chain and the many subcontractors who have not yet been paid and who probably will not be.

I welcome the assurances last week that the 450 people at the company's headquarters will be paid until the end of January, but many of them are now worried about what will happen on Thursday next week. Perhaps the Minister will be able to give us some clarity about that. After all, those people have mortgages to pay, family budgets to plan and meals to put on the table.

The Government still have serious questions to answer about their handling of this matter. Why was the Government's Crown representative absent from August to November last year? Surely that was a crucial period for the company, and the Crown representative should have been overseeing its 450 Government contracts. Why did the Government continue to award contracts after the company's first profit warning? How many people will ultimately stand to lose their jobs? How much will the collapse of Carillion cost the taxpayer?

The directors of the company have serious questions to answer, too. It was clearly wrong that the senior management were being paid big salaries and bonuses while racking up debts of more than £2 billion. Only a year ago, the then chief executive, Richard Howson, received a pay package of £1.5 million a year. I was taken aback by the media reports that the remuneration arrangements were amended to prevent the clawback of salaries and bonuses. When I raised this matter with the Chancellor of the Duchy of Lancaster last week, he assured

me that the official receiver had the power to impose penalties on the company's directors. I hope that such penalties will be imposed.

Many experts believe that it would be difficult—and, possibly, legally expensive—to prove either “wrongful trading” or a breach in the duties of the directors. It seems more likely that Carillion's senior management will be let off the hook, as so many directors of failed banks were following the financial crisis. Surely this has to change. We need stronger penalties for directors who breach their duties. I hope that lessons can be learned about public procurement, and that urgent reforms will be made to corporate governance to prevent those at the top of failing companies from lining their pockets and simply walking away when the companies collapse.

5.54 pm

Alex Chalk (Cheltenham) (Con): In the time available to me, I want to say a few words about a business in my constituency—a subcontractor that has been dealt a hammer blow by Carillion's collapse—and to make three points. First, I will identify the human impact, which is perhaps taken as read but bears repetition. Secondly, I want to shine a light on the fact that the collapse has exposed market abuse by the big players against small businesses, which we need to look at. Thirdly, there is the potential to recover the situation, so I want this to be a constructive contribution.

My constituent Josh Lee is the director of Larc Construction and his business partner is James Crisp. Both of them are former soldiers and saw action in Afghanistan—in the Parachute Regiment and the Royal Anglian Regiment respectively. One of them was blown up for his troubles but, happily, he recovered. Larc Construction, which is a small contractor, won a contract with Carillion in July 2017 to provide service trenching and ducting at the Midland Metropolitan hospital in Birmingham. As one of the smallest contractors—here is the rub—making its way in the construction world and seeking to establish its reputation with a new client, it did everything that could reasonably be expected of it. It completed its work on time and to a high standard and helped out with additional jobs on site and so on. What is more, to establish its credentials further, it agreed to Carillion's request to delay the drawdown of its monthly invoice payments for 120 days, because Carillion wanted it to do that to prove that it was creditworthy. The irony is overwhelming.

The upshot is that Larc Construction has been paid for its work to the end of October, but is now owed £200,000. That is not profit; it needs that money to settle its own invoices. If it does not receive a significant proportion of the money by the end of the month, there is every chance it will have to fold, putting colleagues, some of whom are former comrades, out of work. To make matters worse, Larc is in a Kafkaesque situation whereby its plant and machinery, which is costing £1,500 a week to rent, is currently impounded on the site. It cannot get it back so is unable to return it to the hirer to at least defray some of the ongoing costs.

If Mr Lee and Mr Crisp can somehow get through this month and pay their bills, they will survive. It may be that they will have to forgo every last penny of profit from the first half of their contract, but if they can get into a position to be able to continue with the second

half—I am delighted that the Government have indicated that they want people to be able to do that—they will at least remain in business. They may end up doing the whole project at cost, but at least they will be able leave the site this year in charge of a going concern and with an enhanced reputation as a contractor that has completed a professional job in difficult circumstances.

Mr Lee and Mr Crisp are not the moaning type, and they are not interested in retribution. They just want a bit of help to be able to carry on trading. I will be grateful if the Minister indicates what support could be provided, and I am grateful to those Ministers who have taken calls on Saturdays to help me with this problem.

5.57 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): Carillion's problems have been well trailed: major construction projects running over budget and leaving the company with losses; a huge pension deficit; and work done overseas for which it has not been paid. All that ultimately led to the company's creditors losing confidence and its collapse into liquidation.

As has been said, the corporate headquarters is in Wolverhampton, where it employs some 450 people. What reassurance can the Minister give to the staff at the HQ, who have been described as the nerve centre of the company? I understand the implications of an insolvency, but an assurance that they will be employed until the end of the month is not good enough when there is only one week of the month left. The staff need more than that.

There are other critical questions about pensions, subcontractors and those who were charged with the stewardship of the company, but in the two minutes I have left I want to concentrate on the collapse itself. Court documents filed by the chief executive last week show that Carillion was engaged in a desperate effort to keep open lines of credit with its banks. From the outside, it is of course difficult to judge whether those efforts may have borne fruit or whether they were always a lost cause. In any case, the liquidation has decided the outcome. However, those discussions involved not just Carillion and the banks; the Government were involved, too.

What exactly did Carillion ask the Government for in the days running up to liquidation? In what form was that help asked? Was it a loan, or was it the underwriting of activities in case cash-flow projections did not materialise? How did the Government take the decision to refuse these requests? Which Ministers were involved, and what was the process for ultimately saying no? Crucially, when the decision to refuse was taken, was any comparison made between the likely cost to the public purse of keeping the company going and the cost of turning down the request for financial help and seeing the company collapse?

Much has been said about the wrongness of using public money to bail out companies. Company failure is, of course, an inescapable feature of any market economy, but in this case the taxpayer was not free to walk away, as we have seen and as has been confirmed. The taxpayer is paying the costs of liquidation.

We want answers to those questions, if not today then certainly in the Select Committee inquiries that follow.

6 pm

Bim Afolami (Hitchin and Harpenden) (Con): In the time available to me, I will make a couple of points that have not yet been fully brought out in this debate.

My first point is about the action and place of KPMG, Carillion's auditors. Roughly 40% of Carillion's balance sheet is intangible assets, largely made up of goodwill. I am a member of the Public Accounts Committee, and I see fellow members in the Chamber; I hope we will get a chance to ask questions about why KPMG did not impair the goodwill on the balance sheet when it was fully aware of the group's difficulties.

Indeed, many questions have been brought up on both sides of the House about using the private sector in outsourcing the delivery of public services in general. For what it is worth, it seems straightforward to me that using the private sector to provide public sector contracts works best when there is a proper market and competition in the service, so that we can get private sector dynamism and innovation—the things the Minister talked about in his speech. It also works best when the difference between a good service and a bad service, or between good performance and bad performance, can be fully measured on a quantifiable basis.

Will the Minister give a bit more detail on the Government's view about the role of public and private sector interaction? It is incumbent on the Government to defend the principle of using private involvement to deliver services for the public, because the Opposition's view is clear: they believe we should nationalise or renationalise everything. When we add up the £55 billion to nationalise energy, the £86 billion to nationalise water, the £5 billion to nationalise Royal Mail and the £30 billion to nationalise the private finance initiative, that is roughly the defence budget and the NHS budget combined—for ideological reasons alone.

I ask the Opposition these questions, if I am permitted to do so. Where is the evidence that nationalisation will mean that services are better or cheaper to run? Why would a state-run monopoly always inherently perform better than a competitive market in this instance? Why, indeed, is it better for the British taxpayer, rather than a private company, to take all the financial risk?

The Opposition claim that somehow the bad bankers and rich fat cats have got off scot-free. The shareholders have lost money, the bondholders have lost money, the bankers have lost money and the British taxpayer—

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. I call Louise Ellman.

Bim Afolami: The British taxpayer—

Mr Deputy Speaker: Order. Mr Afolami, please let us not test the patience of the House. A lot of people want to speak.

6.4 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is good to see you back in the Chair, Mr Deputy Speaker.

I will focus on the impact of Carillion's collapse on the completion of the new Royal Liverpool Hospital. I am extremely concerned about subcontractors that have not been paid for work done, apprentices uncertain of their future, pensions at risk and the prospect of workers

[Mrs Louise Ellman]

losing their jobs. However, in the short time available I will focus on the importance of securing a date for the completion of the new Royal, where 90% of the £365 million contract has been completed. I am told that the “hospital company”—the private finance initiative company set up to build the hospital—can appoint a contractor to complete the job, and that the cost will be met from insurance, but no date has yet been given.

There is an added complication. The hospital company is owned by PIP Infrastructure Investment Ltd and Carillion Private Finance (Health) Ltd. Carillion Private Finance (Health) Ltd is controlled by Carillion Private Finance Ltd and is a “subsidiary undertaking” of Carillion plc, and Carillion plc is one of the Carillion companies that is in compulsory liquidation. What does this complex web mean for the appointment of a new contractor and the completion of the hospital?

When I raised this issue in the House previously, I was told by the Minister that the matter could be dealt with simply and that it was for the existing hospital to resolve, but that is not the case. Assurances that the hospital will be completed are simply not enough. I want firm dates for when a new contractor will be appointed and when that new hospital will be open for business. As a matter of urgency, the people of Liverpool need the services that the hospital will provide. Carillion’s collapse must not leave Liverpool in the lurch. I call on the Minister to give the answers, and to give them now.

6.6 pm

Luke Graham (Ochil and South Perthshire) (Con): I am conscious of time, so I will keep my points as succinct as I can.

I echo the words of other hon. Members: obviously, the collapse of Carillion has impacted many small companies and individuals, and I ask Ministers to focus their efforts on supporting smaller companies throughout the supply chain, and please to put the full weight of Her Majesty’s Government behind the Department for Work and Pensions, the Department for Business, Energy and Industrial Strategy, and UK Finance to ensure that support is provided to those most in need.

I was disappointed that the debate was led off by the hon. Member for Hemsworth (Jon Trickett) with “WTF”. I have been in the House for only seven months, but I am pretty sure that, on an issue as important as the collapse of a major company, our constituents expect a little better—especially when there were only five mentions of Carillion by Labour Members in the last six months of 2017, so they were not exactly ringing the bell.

Taking issue with the hon. Member for Aberdeen North (Kirsty Blackman), I do not think it is time for gloating by the SNP either, when just last year 7,000 students across 17 schools in Edinburgh could not return to school as a result of the failure of contracts overseen by the devolved Administration.

Carillion’s demise was the failure of a company, but there were other actors, and as my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) mentioned, one of the key issues was the failure to axe the auditors. The auditors had been the same since 1999, and in 2016 they gave Carillion a clean bill of health. Auditors’ accounts are needed by the market, by

Ministers and by individual investors throughout the United Kingdom and internationally. We need to look at the fact that not only had the auditors been sole incumbents since 1999, but that that was so in the face of Financial Reporting Council guidance issued in 2013 that auditors should be rotated by major companies, and a 2016 EU law, which I hope we will be keeping, making the rotation of auditors mandatory to ensure that companies are properly scrutinised and that objectivity is kept.

I am a member of the Public Accounts Committee. We will be discussing the collapse of Carillion and carefully considering our next steps. Government papers provide insight, but it is my view that, actually, an independent National Audit Office report would be far more illuminating. Perhaps, rather than using acronyms such as “WTF” and trying to score party political points, we could use this opportunity to walk across the House, get central and devolved Administrations working together, make sure we address the audit issue, make sure we do the proper inquiries to address the concerns of our constituents and make sure this kind of failure does not happen again.

6.9 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I shall be quick. I will focus my comments specifically on workers who find themselves potentially in limbo. In particular, I want to follow up the point made by my hon. Friend the Member for Wolverhampton South West (Eleanor Smith) on TUPE arrangements. The Government made changes to employment law in the previous Parliament so that it now takes two years to accrue proper employment rights—redundancy protections in particular, but also rights such as holiday pay. When the Minister winds up the debate, will he guarantee the continuation of the service protections that so many workers may rely on when companies take on existing workers or the public sector takes on contracts previously held by Carillion, so that, should the worst happen and those workers find themselves facing redundancy at some point, they will get a payment that recognises the service they previously gave, rather than the new terms and conditions they might find themselves on?

I will touch briefly on a situation arising in Stoke-on-Trent. The city council is working on a programme to outsource to a company a number of its soft-facilities management arrangements, particularly on housing and housing support services. Will the Minister please address the fact that, across the country, local authorities find themselves having to look at outsourcing options as a way to provide public services because of the chronic and long-term underfunding they have received? Local authorities do not make those choices willingly; they do so because they are dealing with budget deficits that need to be addressed, and often the short-term solution is to enter into contracts that on the date of entry save money, but, with inflation uplift, cause them to have greater budget deficits over time. Will he please talk to his colleagues in the Department for Communities and Local Government—or whatever it is called now—to ensure that local government is properly funded? We could prevent future outsourcing.

Finally, when the Minister talks to those groups of workers who are looking at what their options are, rather than going down the line of a state monopoly

and nationalisation or that of a private sector contract, will he please give genuine thought to a solution whereby workers could form new worker-led co-operatives to take on that work? One of the problems with outsourcing is that we lose accountability and the people who use the services cannot genuinely help to drive what they should look like. I would be grateful if he addressed those three points.

6.11 pm

James Cartlidge (South Suffolk) (Con): May I add my comments to those welcoming you back to the Chair, Mr Deputy Speaker? I want to return to the comments of my hon. Friend the Member for Cheltenham (Alex Chalk), who reminded us of the potential human cost of such collapses. That is why we should all be concerned about them. However, so far, the Government have handled the situation well and—touch wood—it appears as though things are continuing as well as could be expected.

On that front, I would highlight three positives: the way public services have continued, which is of huge importance to our constituents; the way joint venturing has protected taxpayers and reduced the potential harm of the situation; and—we have not heard this yet—let us not forget that earlier today we saw in the labour force survey that we still have record employment. We also have record levels of vacancies. Therefore, although it is worrying what may happen to people, including my hon. Friend's constituents, we could not ask for a better situation in which people might be out there looking for work, because a huge amount of work is available in construction and other parts of the economy. We have a strong job-creating economy and we should remember that real positive.

On the broader points, pensions are a particular concern for me. My hon. Friends the Members for Hitchin and Harpenden (Bim Afolami) and for Ochil and South Perthshire (Luke Graham) referred to the auditors, but we should not forget the pension trustees. Up to the general election, I was on the Work and Pensions Committee, and in December 2016 we published a report on the new powers of the Pensions Regulator, given what had happened at BHS. I fear that that could happen again at other companies. We really need to look at pension scheme oversight so that schemes are not abused, as might have been the case at this company.

There is a real challenge for this country in all aspects of pensions policy. Not just in the context of this company, but in terms of the forthcoming White Paper, which I strongly welcome, we must have a joined-up look at this issue and consider how we support overall investment and the economy—we do not want to denude that—and ensure we have effective oversight of pensions so that people do not lose their pensions when companies go under and we do not pass the burden on to the taxpayer.

There are many other issues to look at, but, given what could have happened, so far it has gone reasonably well—[*Interruption.*] Opposition Members are laughing, but I would have loved to see some of those hon. Members, who have almost no business experience between them, in charge of this situation. It has been well handled, and let us hope that that continues.

6.14 pm

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): In 2014, Keith Cochrane was appointed to the joint management board of the Scotland Office to advise on strategic and operational issues in that Department and on the efficient delivery of ministerial priorities. As well as that, Mr Cochrane was a member of the Government's network of non-executive directors. According to media reports, a Government source described Mr Cochrane as having undertaken, since he joined that board and that network,

“a significant programme of engagement with Lead NEDs from across UK Government departments.”

The source also said:

“Since Keith Cochrane's appointment the visibility of the Non-Executive Board Members has increased considerably, especially across Government.”

Not only was Mr Cochrane a key adviser to the Secretary of State for Scotland and others across Whitehall, but during his three-year term as a management director and non-executive director in Government he was also on Carillion's board, and he was latterly its chief executive officer. The long and short of it is that Mr Cochrane advised on Government policy while Carillion was being offered large and lucrative contracts in Scotland and throughout the UK. For many at home watching our proceedings, it will look like just another example of the cosy cabal that the Government are routinely guilty of entertaining.

It has been suggested that Mr Cochrane asked the Government to consider a bail-out for Carillion. As a high-level adviser to Ministers and to Whitehall, Mr Cochrane enjoyed premium access that would simply be unavailable to someone from any other company. Small business owners who face lost contracts, unpaid bills and the prospect of having to lay off staff never had the kind of access to or voice at the Government table that Mr Cochrane had. Unlike him, they will not receive £750,000 in pay while their company goes under, or £300 for every high-level meeting with Ministers.

I welcome today's announcement that Keith Cochrane will step aside temporarily, but will the Minister tell the House whether the Government will renew his membership of the joint management board and the network of non-executive directors when his three-year term expires this year? Will the Government provide details of the number of meetings Mr Cochrane had with Ministers responsible for issuing contracts to Carillion and of whether he ever raised the prospect of a bail-out of Carillion with Ministers or Whitehall officials?

6.17 pm

Rachel Maclean (Redditch) (Con): In this country, we have high-quality public services, but the reality is that they are expensive. I am afraid the simplistic statements offered in the Labour party manifesto, suggesting that just a few rich people could pay for everything that our voters demand, do not stand up to the light of day.

The private sector has a role to play, but it must be managed properly. In my area, PFI contracts were awarded under the previous Labour Government to build a new hospital in Worcester that serves the people of Redditch. It provides much-needed health services, but it has been troubled by the financial obligations arising from the financing deal. Lessons must be learned.

[Rachel Maclean]

The awarding of large-scale public sector contracts requires a particular skill set and should be entered into by those with the necessary training.

Removing the private sector completely would not solve the problem. It has delivered benefits to NHS patients that are freely available to all. New, innovative, life-saving equipment—such as I have seen in the new endoscopy unit at Worcester—can diagnose cancers and other life-threatening illnesses, save patients long trips, and save lives. That would not be possible without private sector involvement.

Some Opposition Members have suggested that this debate comes down to ideology. I reject that. It is not a black-and-white choice. The private sector can be managed well or appallingly, just as the public sector can. We should not make a binary choice between on the one hand the public sector as morally superior and above reproach, and on the other hand the private sector as morally bankrupt. Instead, it comes down to an organisation's culture and values, and they have to be led from the top.

The ownership and corporate structure of an organisation does not, in and of itself, guarantee either good or bad behaviour. Every human being is flawed and imperfect. I suggest that Members read the works of Shakespeare, any of our great works of literature or the Bible, to educate themselves about the human condition. We are all flawed people. Perhaps Opposition Members are flawless, but I am certainly not. People are capable of doing bad things.

As policy makers, our role is to make laws that go as far as they can to prevent individual flawed human beings, such as those we have seen in this case, from being put in a position to flout moral codes. We must uphold those codes and expect the best from those in power. We must all focus on better corporate governance, which is a priority for this Administration that I support. I serve on the Business, Energy and Industrial Strategy Committee, and I am looking forward to taking part in our joint work with the Work and Pensions Committee. I will be calling on the Government to act on our recommendations.

6.19 pm

Jack Dromey (Birmingham, Erdington) (Lab): It is very good to see you back, Mr Deputy Speaker.

The ideological zeal of the Conservative party has not dimmed since the days of Mrs Thatcher. The mantra then and now is one of “public bad, private good”. I remember then leading a delegation to see the good Lord Heseltine, the then Secretary of State for Defence, to convince him that we had a public sector alternative to privatisation of the royal naval dockyards. When we asked him, “Why then privatise?” he tossed his golden mane over his shoulder and said, “Because I am a Tory.” That says it all about the enduring ideological assumption made by the Conservative party. To this day, the heir to Mrs Thatcher refuses to listen to the reasonable case put by the Opposition for taking back into public ownership failing utilities that are letting the public down.

I have always argued that the public interest should come first, but why should workers come a sorry second? Let us look at the history of what has happened, at

outsourcing and at what is threatened at the next stages. On history, we have had 10 years in which the Tories refused to apply TUPE to 6 million public servants, with those public servants paying a catastrophic price as a consequence. Ultimately, the old T&G won. We took the case to the European Court of Justice to force the Government to extend TUPE to cover the public sector. Now, once again, what we thought we had won is threatened by Brexit. We have heard successive Ministers, led by the Foreign Secretary, talking about abolishing red tape. Is guaranteeing workers' rights on transfer red tape? Nonsense. The Government have refused to guarantee in British law—statute law—that workers will be protected on transfer.

On Carillion, it was a monumental failure by Government and of governance. It is a symbol of the utter irresponsibility and incompetence of the Government, driven by that ideological zeal with catastrophic consequences. Last Tuesday, at the Apprenticeship Centre in my constituency, apprentices were sent home weeping. One said, “What am I going to tell my mum? What do I do now?” Workers were in despair. What we were seeing were the catastrophic consequences of a company that had received three profit warnings, that was still paying dividends and that was not adequately investing in the pension deficit. It is not true that pensions are fully protected—withstanding the welcome steps taken by a Labour Government with the Pension Protection Fund. All workers, to a greater or lesser extent, will lose on their pensions.

Finally, when we are in government, the Labour party will act to end that ideological assumption of “public bad, private good”. We will use public spending power in the best interests of the public, in the best interests of workers and in the best interests of small and medium-sized enterprises. The difference between our two parties could not be greater. We will stand up for the public interest.

6.22 pm

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): First, I wish to share the concerns that have been expressed today about the workers who have been affected by Carillion's insolvency. This is a troubling time for many people—those who work for Carillion, those who work for small and medium-sized enterprises that depend on Carillion contracts and those, such as my constituents, who are reliant on the local services that they provided. I am pleased that the Government have taken immediate action to minimise the impact on workers by providing the reassurance that those working on public sector contracts will continue to be paid and by ensuring that public services can continue to be provided.

Secondly, I wish to put on record the good work of Conservative-run Lincolnshire County Council. Carillion was in the process of building the Lincoln Eastern Bypass, a project that is hugely important to local residents and businesses in my constituency and in others. Lincolnshire County Council acted very swiftly to ensure that the contract with Carillion was terminated and that another company, Galliford Try, was taken on so that work could continue apace. Indeed, within one week of Carillion's failure, work is already under way on site, with the new company making sure that the building of this bypass continues. I commend the council for its work and ask the Government to

look at ensuring that people on apprenticeships are considered in this project and can see their training continued.

6.24 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is very good to see you back in the Chair, Mr Deputy Speaker.

I am going to make four points. First, can we take the work back in-house at a local level? As we have heard, the local government network across the UK has been hollowed out with regard to skills and ability. That is a structural problem that has developed over very many years. It is an issue for Governments to address in future if we are serious about giving local authorities the power to do things in-house.

Secondly, can we take the work back in-house at a national level? The Minister said that he did not believe that the civil service had the skills to do that anymore and that is why it is all given to the big companies. We should look across the channel at the French. They can do it. Their civil servants are educated to the very highest level at their network of *écoles*. If they can do it, we can do it. We should look at that closely. I recommend a book to Conservative Members and to everyone else in this House—"Sixty Million Frenchmen Can't Be Wrong". They should read it. It explains how the system works, and it is fascinating. Thirdly, yes, we must see what the official receiver and PwC say, because we have to learn from what has happened.

That brings me to my fourth and final point; I chuck my speech over my shoulder like a golden mane. We must not underestimate how annoyed people out there are about what has happened. We all go on at our constituents about prudent management of their finances—that is what universal credit is all about. We say, "Save, budget and look after your money," and then along comes Carillion. All of us, in all parts of the House, are tarnished by this. It reduces our constituents' faith in us as their elected representatives. It is even—dare I say it?—dangerous for democracy. We have to sort this out and be seen to do it publicly. Let us restore the faith of our constituents.

6.26 pm

Justin Madders (Ellesmere Port and Neston) (Lab): For decades now, this country has been beguiled by the outsourcing and privatisation industry. The magic formula of better services for less money has permeated through every part of the public sector. But the Carillion debacle has shown us that that magic formula is an illusion—a con trick of epic proportions.

I want to focus on one element of outsourcing: the impact on employees. When a function transfers, it is usually the case that the staff who are employed in that function transfer along with it. While TUPE does offer a level of protection, it is far from perfect and often misunderstood. Contrary to what many people think, it does not offer unlimited protection against changes to terms and conditions. If someone works for an employer who has taken them on as part of an outsourcing or privatisation project, they are far more likely to have their terms and conditions attacked, because very often the whole purpose of the outsourcing project is to save

money. As employee costs are often a significant part of the contract, they are usually first in line when savings are sought.

We then see an industrial scale of cowardice as blame is passed between the old employer and the new. The new employer says, "The company we are contracting with is asking us to make savings on the contract, and the only way we can do it is by cutting your pay," but the old employer says, "Don't look at us—we're just a customer now. We were told that you would be protected when you left us." A merry dance is led, and the employees facing a wage cut, or worse, are left high and dry.

The blunt truth is that this is just an elaborate dance—a façade—because the evidence tells us that the minute the decision was taken to outsource, this was always where things would end up. People might kid themselves that their former employees will be protected and think that nothing will change, but the history of outsourcing tells us that sooner or later it is the workers who pay. How do people think that these miraculous savings will emerge? I am sure there are fields of expertise where the private sector can offer something, but really, what does a construction company know about cleaning hospitals?

Scrutiny, transparency and accountability are all jettisoned by outsourcing, as the private sector companies have none of the obligations that the public sector is obliged to adhere to, such as freedom of information. The only thing they are judged on is the contract itself. Social value, long-term investment and building capacity for the future, which ought to be by-products of a healthy public sector, are completely forgotten.

The Prime Minister said that the Government are just a customer of Carillion. That is of course true, but Labour Members expect much more than a passive role from the Government. The Government should be more than a customer: they should be the defender of public services and a vehicle for driving change in society. Outsourcing functions should not mean an outsourcing of that responsibility. We need to end the toxic cocktail of beguiling management consultants, weak employment rights and greedy bosses that leads to a race to the bottom that is accelerated by privatisation and outsourcing. It is time that Government put a stop to this instead of being a willing participant.

6.29 pm

Chris Stephens (Glasgow South West) (SNP): I am delighted to see you back in the Chair, Mr Deputy Speaker.

We heard from the Minister for the Cabinet Office a lengthy justification of outsourcing, but it was rather diminished by some of his colleagues—right-wing ideologues lecturing the rest of us on ideology—who claimed that, with outsourcing, risk is transferred from the public sector to the private sector. The current situation of Carillion shows that that is just complete and utter nonsense; the risk always remains with the public sector. As I remember as a trade union negotiator, the problems of outsourcing also include a reduction in workers' wages, and not having a comparable pension scheme because the new employer would put less into it, so there are all sorts of issues. There is, however, a general principle. The Department for Work and Pensions has issued a contract to a company, Interserve, for cleaning services, but its current financial adviser is the

[Chris Stephens]

same individual who was advising Monarch Airlines, so what chance have we got with some of these Government contracts?

I want to raise again the concerns expressed by the shadow Minister in relation to handing over contracts to blacklists. In their procurement contracts, the devolved Administrations have specific rules that I think the Westminster Government should also apply: there should be an apology from companies participating in the blacklisting; they should take remedial action; and they should provide compensation to the workers who were blacklisted.

I think there is a sensible solution to the current Carillion crisis that would help the existing workforce. It can be found in the Workers (Definition and Rights) Bill, which was published last week and is available in all good Vote Offices. It is a visionary Bill, if I may say so, because we need to have the principle that where a subcontractor absconds or ceases trading, the principal contractor is then responsible for the wages of the subcontractor's workers, including

"any fee, bonus, commission, sick pay, maternity pay, holiday pay, redundancy pay"

or any other payment. I hope the Government will look carefully at clause 3 of the Bill, and introduce emergency legislation to protect the workers of Carillion and to ensure that when subcontractors are caught up in such a situation, the principal contractor must pick up the tab.

6.32 pm

Ian C. Lucas (Wrexham) (Lab): It is a real pleasure to see you back in your rightful place, Mr Deputy Speaker.

The reaction of many of us to the demise of Carillion was, "Here we go again!" We have seen once more the very heavy cost of privatising profit and socialising risk. The buck stops with the British taxpayer, who will once more have to bear the cost of the failure of our current economic model. The Carillion crisis has again shown the failure of the model established in the 1980s—the privatisation of the delivery of public services.

Far from making the delivery of public services cheaper and more efficient, we instead see businesses building monopolies on the back of public investment, eliminating competitors on the way and using precious public money to maximise the return to senior executives and shareholders, often on the back of huge borrowing. The result is, in the case of Carillion, that when the banks say enough is enough, the public obligation to deliver services reverts to the taxpayer and the British taxpayer has to bail out the organisation.

It is not just Labour MPs who are fed up with this situation. Conservative MPs should listen to the fact—according to the Legatum Institute, for goodness' sake—that 83% of the British people favour the renationalisation of water services and 77% favour the renationalisation of energy services. They know they are being ripped off, and even the Conservatives are now talking about energy price caps. It is becoming increasingly clear that there is a developing consensus that the 1980s model of privatising the delivery of public services is not working and needs to be changed.

As the Minister with responsibility for construction in 2009, I remember construction businesses telling me

that they had overcharged by about a third on public sector projects. The largest construction businesses were very often shells, simply managing contractors in a way that some would describe as parasitic. They held on to public money for as long as possible before finally paying it over to the small businesses actually doing the work, and the executives creamed off obscene levels of salaries and bonuses from the contract. Obligations to pension funds were not respected or looked after, and all of that was certified by an ever-diminishing group of the same old accountancy firms, which do not do their job properly and do not tell us when businesses are about to go bust.

The public have had enough of this. The Labour party has listened to the public, and it is about time the Government did so too. If they do not, they should get out and we can have a Government who do.

6.35 pm

James Frith (Bury North) (Lab): Welcome back, Mr Deputy Speaker; it is good to see you.

The collapse of Carillion presents us with a watershed moment, if we choose to see it as such. This large outsourcing company with responsibility for public contracts was puffed up as a vehicle to transfer public sector jobs and to seemingly create the private sector jobs that this Government like to boast as having created. The creators of boom and bust are now presiding over boast and bust.

The Government's boasting is real, but the moment their plan hits the rocks they walk on by. The boast becomes hubris and the Government's confidence becomes cowardice. Workers are bounced off to the jobcentre, and pensioners are sent a phone number to chase up their livelihood. It is not good enough. The response to date has been obnoxious.

Carillion amassed £1.5 billion in debts, borrowing against public sector contracts handed out by this Government to build schools and hospitals. It routinely retained fees for its subcontractors and abused 30-day payment terms by responding in an average of 126 days. That contentious practice was not welded to contract law, and a Goliath-like expectation was put on smaller companies by the large international outsourcing companies preferred by the Cabinet Office since 2010. Such companies determine their next venture not according to any deep expertise, but according to the potential profits as they consider it in a boardroom while evaluating their stock and portfolio of Whitehall contracts.

Man cannot live on private sector alone. The limitations of both sectors are known, so it should be about collaboration and playing to strengths. There is a role for private companies such as Hargreaves in Ramsbottom, which is owed for the work it completed on the Royal Liverpool Hospital. It is also owed a considerable amount for contracted work yet to be done, yet the administrators have asked it to finish the job unpaid, its retention lost.

I say to the Government: do not close the shutters and ensure that administrators secure payment for completed work first from the wreckage. The Government also need to identify where Government contracts have been awarded but not paid in full to Carillion and send them to the businesses that got the job done but are out of pocket. They need to ensure that the renewal of contracts is kept in the SME sector and lead a taskforce dedicated to stabilising them. The Government need to

get rid of this blind creed and stand up for the real wealth creators—the doers, not the doers-over. They should enforce public sector 30-day payment terms for existing companies engaged in this work and disqualify those that do not comply. Finally, they should introduce new legislative proposals to place retentions in secure, independently held deposit protection schemes, with tougher measures to limit borrowing against public contracts. I say to the Government to get a grip, get involved, step in and stop walking on by.

6.38 pm

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): The ugly side of privatisation and outsourcing has been laid bare by the collapse of Carillion. While fat cat executives have taken action to protect their pensions and pay, the workers have been shafted. With a day's notice, workers were told to not bother to turn up to work. These are workers with mortgages and families to feed, and the platitudes from this Government will not comfort them.

Make no mistake: this is an ideological obsession of this Government. We have got to the farcical point where Oxfordshire County Council is forced to put firefighters on standby to deliver food in our schools. Private capital has seen all the benefits, and the state has taken the burden of the collapse again. It is estimated that subcontractors will receive only 1p of every pound owed to them. They also have families to feed and bills to pay. What do the Government have to offer them? Nothing. They are obsessed and determined to push ahead with the privatisation and outsourcing of the £1.2 billion HS2 contract. There has been more privatisation and outsourcing in Ministry of Defence contracts, and in school projects. When will they ever learn? We privatised the reward and we nationalised failure. It is the absolute reverse of socialism.

This is a crisis of capitalism. Workers are treated with utter disdain in the pursuit of capital accumulation. This is an ideological issue. Outsourcing, not just by Carillion, has brought our state to its knees. Southern Rail, schools: it is time that this experiment was brought to an end. The smoke and mirrors of PFI and outsourcing are no longer there.

Luke Graham (Ochil and South Perthshire) (Con): In his criticism of capitalism and PFI, does the hon. Gentleman recognise that Labour, between 1997 and 2015, put in a capital value of £49.4 billion, compared with the Conservatives' £7.9 billion. Labour is more responsible for this problem than the Conservatives have ever been.

Lloyd Russell-Moyle: That is right. The public will not fail to notice that the Labour party is under new management. We will build on the positives of the past, and discard the negatives. PFI, I am afraid, was a bad mistake that the Conservatives began under Major, and which we failed to stop. We will stop it this time, because when Jeremy Corbyn gets in and we have a socialist Government what will end is this—

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. It is one thing to test my patience but it is another to name Members. The hon. Gentleman cannot name the Leader of the Opposition. He can say "the next Prime Minister", but he should not use his name.

Lloyd Russell-Moyle: I am terribly sorry. I get very excited about the thought of the Leader of the Opposition becoming Prime Minister, which will happen very shortly.

These contracts are an absolute mess. The Government say that civil servants cannot take things in-house. If that is the case, they cannot manage the contracts that they have issued. I call it baloney and ideological rubbish. We will put an end to it. The Government must put an end to it to prevent our country from going to the dogs.

6.42 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): I am delighted, Mr Deputy Speaker, to see you in the Chair. The House will share my sentiments in sending our love and prayers to you at this difficult time.

Given the limited time available, I will not refer to all the poignant speeches that we have heard. We have heard Members in all parts of the House relate tales that have resulted from the aftermath of a week of crisis. Last Monday morning over 20,000 direct employees and pension-fund holders, as well as over 30,000 subcontractors, suppliers and their staff, awoke to find they might be facing financial ruin. In the hours that followed, the cataclysmic effect that Carillion's collapse could have on people's lives became clear, along with the chaos it could cause to public services across Britain. One of the most scandalous stories to emerge in the aftermath was how much the Government knew, and how much they ought to have known, about the risks that Carillion posed, and how little they did to mitigate them.

In the last six months of its existence, Carillion issued three profit warnings. Indeed, the Government knew that those red flags were serious. Their own strategic risk management policy directed them to deem a business as high risk if it issued a profit warning. It specifically directed that for high-risk businesses, all Government Departments should be advised to reduce additional work with that business where possible. Despite that, the Government continued recklessly to award Carillion contracts again and again and again. They failed to monitor Carillion properly. The position of Crown representative was vacant from August to November 2017, and there were no meetings between senior UK Government Ministers and Carillion in the months immediately after the first profit warning. But that is not all. Even Government Members will think that what I have said so far is simply astonishing, but sadly—

James Cartlidge: Will the hon. Lady give way?

Rebecca Long Bailey: Given the time I have left, I am afraid I cannot—I would love to.

Sadly the Government's culpability also extends to the reckless treatment of Carillion's suppliers and subcontractors. The late payment of suppliers by Carillion was no secret, and the Government knew this. In July last year, both the Specialist Engineering Contractors' Group and the Federation of Small Businesses highlighted to the Government how risk was transferred to suppliers at Carillion; that it was not paying suppliers on time and extended its payment period to over 120 days; how the Government were not enforcing the Public Contracts Regulations 2015 that ensure that subcontractors with a public sector contract should be paid within 30 days; and how Carillion made money off the back of early payments by charging fees.

[Rebecca Long Bailey]

The Government were also advised on suppliers' retention moneys—a security deposit held by Carillion until project works are completed—which were not ring-fenced, despite these organisations advising the Government of the risks. They were even advised by Labour back in 2014, when my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams)—the shadow Secretary of State for Work and Pensions—stated:

“There is evidence that cash retentions have been used to shore up the working capital of...tier 1 suppliers...if tier 1 suppliers become insolvent, the small businesses in the supply chain are at risk of losing their retentions.”—[*Official Report*, 18 November 2014; Vol. 588, c. 210.]

Today, those retentions are estimated at a whopping £1 billion, which suppliers may never, ever see again.

Then there was the Government's aversion to project bank accounts to protect project moneys from insolvency and ensure prompt payment to subcontractors. Both Her Majesty's Treasury and the Cabinet Office have historically recommended that project bank accounts are used by public sector organisations on appropriate projects, so why was that not enforced in Carillion's case? The simple fact is that suppliers were mistreated again and again, and the Government did not care. They did not step in and act. They must now support subcontractors and ensure that all the issues that I have referred to are dealt with in both existing and future Government contracts.

Then there is the workforce—the good people the Government have asked simply to keep coming to work every day. They have stepped up in this crisis, but what security were they offered? Carillion was a company renowned for its poor treatment of workers. It was found guilty in court of widespread blacklisting that destroyed livelihoods and the lives of many workers' families, yet the Government continued to award contract after contract to it, no questions asked. Through the lack of protection for subcontractors, they again put workers' lives at risk. What they also failed to tell us last week is that under a compulsory liquidation, all employee contracts are terminated, so the fact is that most Carillion employees do not have an official contractual relationship any more. There are no existing terms and conditions to transfer to a new contractor, so what support have they received—a hotline? Some 88% of RMT members who work for Carillion have not been contacted by the liquidator so far.

The Government must assure us that any business or provider that takes over Carillion's contracts must also take on those employees on their pre-existing terms, or better. Until the long-term position is clear, they must assure us that the official receiver will grant formal contracts to employees to give some degree of certainty as to the period they will be employed for. They must also seek to protect agency and zero-hours contracts for Carillion workers to ensure that people can recover unpaid wages and report back in detail to us on the workforce who were affected in Carillion's private sector arm. We also want assurances from the Government that they are doing all they can to replace apprentices within other companies that the Government have contracted with.

Finally, I want to highlight the Government's failures to spot the alleged corporate abuse. Carillion handed £500 million to shareholders in the seven years before its collapse, while its pensions black hole spiralled out of control. It is, frankly, a national scandal that Carillion paid sums in dividends similar to what could have filled the gaping hole in its pension deficit. Did the Government request to view the company's accounts? Did they look at the auditors' submissions? Who knows! But even the most basic due diligence would have uncovered this.

It is a little too late, therefore, for the Prime Minister to wax lyrical about her desire to protect workers' pension schemes by stopping payments to directors, when all the evidence suggests the Government knew exactly what was happening—that the pensions deficit was spiralling out of control. This is typical of the last seven years: a laissez-faire approach from a laissez-faire Government. It is clear that the Government knew of the risk Carillion posed and failed to do anything about it, and Britain is left worrying who is next. Is this a house of cards waiting to collapse? How secure is the outsourcing of our public services? I urge the Government to be transparent about the risks we face and ensure that the Public Accounts Committee has sight of all the risk assessments and improvement plans as a matter of urgency, and I urge them to support today's motion.

6.50 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths): Mr Deputy Speaker, may I begin by welcoming you back to your rightful place? It is a great pleasure to see you there once again.

This has been an important and timely debate on the insolvency of Carillion. The decision by the directors to put Carillion into compulsory insolvency affects the lives and livelihoods of not just the 19,500 Carillion employees but many thousands of small businesses, contractors and employees up and down the country. This debate has been well attended, and I am sure that Members will understand if I cannot address each and every point raised. I promise to write to everybody who has asked a question, and will briefly touch on a few of them now.

The hon. Members for Wolverhampton North East (Emma Reynolds) and for Wolverhampton South East (Mr McFadden) raised several issues. I pay tribute to the diligence and commitment they have shown their constituents in trying to find out what happened with Carillion and to ensure that those workers are being treated as fairly as possible. They asked when people would get paid. The special manager, as they may know, has given a commitment that staff will be paid until at least the end of the month. However, as was highlighted in the debate, Wolverhampton is the nerve centre, and if the special managers are to continue running the business to maximise the benefits to creditors and ensure a smooth transition, that nerve centre will be vital to its future. I think they can be confident, therefore, that the future for them looks more certain.

My hon. Friend the Member for Cheltenham (Alex Chalk) raised a point about a constituent of his. I have looked at this and been advised that PWC is talking to the directors of the company today. If it continues to have problems with the financing of the business, I ask

that my hon. Friend get back in touch with me, because I have some more information, which I will come to in a few moments.

The hon. Member for Liverpool, Riverside (Mrs Ellman) understandably raised her concerns about the impact on the Royal Liverpool Hospital. I can confirm that PWC has been instructed to continue paying the Carillion construction staff currently on site. That project, along with the other hospital projects, is a priority for the Government, and we are working incredibly hard to get them moving as quickly as possible. I will endeavour to keep her updated.

James Frith: Hargreaves is a company in Ramsbottom in my constituency that is contracted to put fire extinguisher equipment into the hospital. It has been asked by PWC to go in and complete the work, but PWC has also acknowledged that its retention fee is lost and that it should not expect to be paid for completing that work. Will the Minister give special attention to that issue?

Andrew Griffiths: I thank the hon. Gentleman for raising that point; he mentioned it earlier in the debate. I think he said it was asked to “finish the job for nothing”. I can confirm, having discussed it with the special manager, that anybody who is contracted to complete work after the date of compulsory liquidation will be paid by the special manager. I can put him straight on that one.

The hon. Member for Birmingham, Erdington (Jack Dromey), when he had finished his Castro-esque anti-capitalism rant, raised the issue of apprentices in his constituency who were sobbing because they had lost their opportunity of an apprenticeship. I think that that issue was also raised from the Opposition Front Bench. The Construction Industry Trading Board has taken over responsibility for the apprenticeships, and 1,100 of the 1,400 apprentices who are currently working for Carillion have had face-to-face interviews with the board and have been offered new apprenticeship roles. The board has confirmed that any of those 1,400 who wish to continue their training will be allowed to do so, which I think is very good news.

The hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) said that he was “excited”. This is probably the only occasion on which I will agree with him in the Chamber—he certainly was excited.

My right hon. Friend the Minister for the Cabinet Office set out his approach to the oversight of contracts and awards and how that process relates to Carillion, and gave a detailed explanation of the measures that had been introduced. Let me add that when it was decided to place Carillion in insolvency, the Government had two priorities: to protect and maintain the delivery of vital services in schools, hospitals and prisons and on the railways, and to support not only the 19,500 people directly employed by Carillion, but the contractors and small businesses involved.

It was because we wanted to support the people whose lives had been affected that, on the very day of the collapse, my right hon. Friend the Secretary of State held a meeting with the eight largest trade bodies in the construction sector in order to understand better what we could practically do to help. They had four requests. First, they said that they wanted to be supported by their banks at that difficult time. In response, the Secretary of State and I convened a meeting of the banks, and

asked them for tailored and sympathetic support for those affected. As a result of that meeting, nearly £1 billion has been made available by major lenders such as HSBC, Lloyds, RBS, and Santander in the form of loans, credit facilities and further financial support.

Secondly, many small businesses, in particular, were concerned about imminent tax liabilities. Her Majesty's Revenue and Customs has now said that a “time to pay” facility will be available to businesses affected by Carillion's insolvency, to give them the support and flexibility that they need.

Thirdly, the bodies asked for a meeting with the official receiver's specialist manager to discuss the particular needs of the supply chain. At the Secretary of State's request, PricewaterhouseCoopers has now met them, and me, twice, in order to tailor specific support where it is needed. Fourthly, they asked for a taskforce to be established to pool efforts to help the supply chain in particular. In response we have formed such a taskforce, chaired by my right hon. Friend the Secretary of State, which will meet for the third time—

Jon Trickett: Another one?

Andrew Griffiths: This taskforce was requested by the trade unions because they thought that it would have value. If the hon. Gentleman does not think that that is an effective thing for us to do, perhaps he will have a word with his friend Len.

The taskforce includes representatives of business sector organisations, the TUC, the Federation of Small Businesses, the Department for Work and Pensions, the Cabinet Office, the Local Government Association and the Construction Industry Training Board. We are working together to address the challenges, and to come up with solutions that will support the affected businesses and employees.

Finally, there is the issue of accountability. There have been questions about directors' pay and bonuses. I can reassure the House that my right hon. Friend the Secretary of State has written to the Insolvency Service asking it to investigate the actions of the directors properly. He has also written to the Financial Reporting Council to ensure that the actions of not just the current directors, but previous directors, are thoroughly investigated. Powers include the ability to claw back bonuses if that is required.

We have stepped up to work with those businesses that, through no fault of their own, find themselves in a difficult position. We give a commitment to this House that at the forefront of our efforts are the thousands of people whose jobs and livelihoods, through no fault of their own, have been affected by the Carillion insolvency—

Mr Nicholas Brown (Newcastle upon Tyne East) (Lab) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Main Question accordingly put.

Question agreed to.

Resolved,

That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions to the Chancellor of the Duchy of Lancaster that the assessments of risks of Government Strategic Suppliers by Her Majesty's Ministers referred

[Mr Nicholas Brown]

to in the Answer of 19 December 2017 to Question 114546 and any improvement plans which Crown Representatives have agreed with such strategic suppliers since 2014 be provided to the Public Accounts Committee.

Andrew Gwynne (Denton and Reddish) (Lab): On a point of order, Mr Deputy Speaker. *The Municipal Journal* has published an article today stating that Whitehall officials rushed out the provisional local government finance settlement before Christmas, knowing that the figures it was based on were wrong and that the information presented by Ministers to this House was incorrect. *The Municipal Journal* also reveals that the Valuation Office Agency notified the then Department of Communities and Local Government prior to the statement being made.

Given that 195 local authorities are now set to lose out, with Manchester City Council understood to be the biggest loser, can you advise me whether the Secretary of State for Housing, Communities and Local Government has indicated that he will make statement to the House about this debacle and apologise to Members for his Department's knowingly having given the House incorrect information? If he has not given such an indication, what procedures may be utilised to bring Ministers to the House for questioning?

Mr Deputy Speaker (Sir Lindsay Hoyle): There are two ways. First, the point is now on the record. Secondly, I know that there are other avenues that you will pursue personally, Mr Gwynne, and I am sure that the Opposition will pursue them as well. I am sure that that will bring a fruitful outcome, but in fairness to the Government, the point is now on the record and they can take it on board.

Rebecca Long Bailey (Salford and Eccles) (Lab): On a point of order, Mr Deputy Speaker. My point of order is not as exciting. I just wanted to confirm that the motion we just dealt with was passed unanimously, in which case, have you received any indication from the Government about when the Public Accounts Committee will be provided with the relevant reports?

Mr Deputy Speaker (Sir Lindsay Hoyle): Once again, the point is now on the record. I think we can leave it there at this stage.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

REPRESENTATION OF THE PEOPLE

That the draft European Parliamentary Elections Act 2002 (Amendment) Regulations 2018, which were laid before this House on 11 December 2017, be approved.

That the draft European Parliamentary Elections (Amendment) Regulations 2018, which were laid before this House on 11 December 2017, be approved.

DEFENCE

That the draft Armed Forces Act 2006 (Amendment of Schedule 2) Order 2017, which was laid before this House on 29 November 2017, be approved.—(*Craig Whittaker.*)

Question agreed to.

PETITION

Family re-unification for refugee children: St Patricks Primary, Troon, and Symington Primary

7.2 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): I, too, welcome you back to the Chair, Mr Deputy Speaker.

I rise to present this petition on family reunification for child refugees on behalf of St Patrick's Primary and Symington Primary, which, as UN rights-respecting schools, have been considering the experience of children driven from their homes by war.

After watching the film "Paddington", about a refugee from Peru, the children drew the most precious things they would put in their little suitcases, particularly family photographs. They have written luggage labels asking that refugee children be reunited in this country not just with parents, but with grandparents, aunts and uncles. Tiny suitcases and labels may not be the image of today's child refugees, but in the run-up to Holocaust Memorial Day, they remind us all of the 10,000 children saved from Nazi Germany by the Kindertransport.

The petitioners therefore request that the House of Commons urges the Government to extend the current definition of family relation to unaccompanied child refugees entering the United Kingdom.

Following is the full text of the petition:

[The petition of residents of the United Kingdom,

Declares that the government must do more to protect the rights of refugee children, in particular their right to protection and to be reunited with their family in the United Kingdom; and further that it is vital that the law is altered to recognised the broader range of individuals as family, and that in addition to parents, children's siblings, aunts, uncles and grandparents are also acknowledged as family members.

The petitioners therefore request that the House of Commons urges the Government to extend the current definition of family relation to unaccompanied child refugees entering the United Kingdom.

And the petitioners remain, etc.]

[P002100]

South-eastern Rail Franchise

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

7.4 pm

Matthew Pennycook (Greenwich and Woolwich) (Lab): Thank you for calling me to speak, Mr Deputy Speaker. I should like to add my sentiments to those that have been expressed to you today. It is very good to see you back in your place. Huge numbers of my constituents, including me and my family, depend on local metro train services on the south-eastern rail network for work, for leisure and as a means of accessing the wider transport network in our city, so let me start by thanking you for giving me the chance to speak on their behalf on this important issue. However, as much as I am grateful for the opportunity, I am also struck by a depressing familiarity in having to raise concerns about services on the network—a feeling that I know will be shared by a number of hon. Members on both sides of the House, including those who have stayed behind to attend the debate and, I suspect, the Minister himself, whom I welcome to his new role.

In the relatively short time that I have been a Member of Parliament, we have had several debates on this issue. I recall an Adjournment debate that the hon. Member for Bromley and Chislehurst (Robert Neill) secured in January 2016 and a well-attended Westminster Hall debate secured by my hon. Friend the Member for Eltham (Clive Efford) in that same year, along with scores of oral and written parliamentary questions, all driven by the same basic grievance: passengers using the south-eastern rail network have suffered for too long from overcrowded and unreliable train services.

My own journey to work today was sadly typical of what many of my constituents experience every week. The 6.59 am service from Charlton to Charing Cross that I caught this morning was six minutes late, had two fewer carriages than advertised and was badly overcrowded as a result.

My argument is simple: the residents that I represent in Blackheath, Greenwich, Charlton, Woolwich and Plumstead, and those across south-east London represented by other Members of the House, deserve better from the next franchise, but I am concerned that the way the Government have approached it will not deliver the improvements my constituents need.

Robert Neill (Bromley and Chislehurst) (Con): I warmly congratulate the hon. Gentleman on securing the debate. He is absolutely right: we have been discussing this for a very long time, but nothing seems to have changed. Does he agree that one of the particular frustrations for constituents in suburban London is that the current franchise appears to be structured in such a way that the rewards go to the longer-distance trains from the coast and that the suburban or metro trains tend to bear the brunt of the cancellations and lack of space, and are treated as the poor relation in all this?

Matthew Pennycook: I absolutely agree with the hon. Gentleman. There has been a long-standing tension on the network between metro trains and the longer services, and it often feels as though the suburban services and those who use them get a raw deal.

I think that it is fair to argue, although the Minister might disagree, that the record of successive operators of the franchise since privatisation in 1996 has not been particularly impressive. That would certainly be the view of many of those I represent. When the Strategic Rail Authority took the decision in June 2003 to strip Connex South Eastern of its multi-billion pound franchise, it did so because of concerns about the company's financial performance, but anyone who used Connex services will recall just how dire its operational performance also was.

Under South Eastern Trains—a subsidiary company of the SRA that took over and ran the franchise for three years—we saw a steady improvement, but the SRA really only adopted a care and maintenance approach pending the new franchise. Under the current operator, Southeastern—a subsidiary of Govia that has run the franchise since 2006—services on the network have all too often been less than satisfactory.

That is not a criticism of Southeastern staff, whom I know to be dedicated and hardworking. I recognise that Southeastern is not solely responsible for service failures. A lot of the problems on the network are infrastructure-related. They are the responsibility of Network Rail and will remain an issue, whoever takes on the new franchise. I am also very much aware that maintaining services throughout the London Bridge rebuild would have presented any operator with enormous challenges. But all that said, there have still been real failures with Southeastern.

The provision of additional rolling stock has failed to keep pace with entirely predictable local population growth and a corresponding growth in passenger numbers. Despite much earlier requests from Southeastern, supported by a number of hon. Members, only in September last year did the Department for Transport finally authorise the purchase of 68 extra carriages for the network from GTR. Even with the addition of that extra stock, 12-car trains are still a rarity on the lines that run through my constituency, and overcrowding at peak times is frequently unacceptable, if not dangerous.

Heidi Alexander (Lewisham East) (Lab): I congratulate my hon. Friend on securing the debate. It is absolutely imperative that the new south-eastern franchise should deliver 12-car trains in the rush hour. The 68 extra carriages to which he refers are simply inadequate. This is the key concern for many of our constituents.

Matthew Pennycook: I thank my hon. Friend for that intervention. She is absolutely right that, along with reliability, capacity and overcrowding are the No. 1 concerns of passengers in my constituency. It strikes me as odd, as I am sure it does her, that many of the platforms in our constituencies have had money spent on them to lengthen them, yet they will still not be receiving 12-car trains, even under the new service that will come in with the next franchise.

Periods of improvement in reliability and punctuality under Southeastern are all too often followed by periods of deterioration, such as the one we have experienced over the first few weeks of this year. While the published data bears out the fluctuating performance standards, I am sceptical about whether it paints an accurate picture given that it is measured against the published timetable. What I suspect we have seen over recent years is the introduction of revised timetables that, yes, have improved

[Matthew Pennycook]

Southeastern's public performance measure, but have meant reduced services for passengers. While the latest data available suggests that customer satisfaction has increased, it is little wonder that Southeastern's overall customer satisfaction rating is still lower than those for all but three train operating companies in the UK.

All that is happening despite Southeastern securing £70 million of extra investment from the Government in 2014 as part of the directly awarded franchise agreement. At the time, we were promised that that investment would lead to improved train performance, customer service and station facilities. The fact remains that we are still a world away from the service that passengers in my constituency expect for the fares they pay.

Helen Whately (Faversham and Mid Kent) (Con): We would do better not to pit suburban passengers against those who travel longer distances—perhaps to and from my constituency—because we should all recognise that the franchising process is an opportunity to secure more capacity, more reliable trains and better-value services for all our constituents who rely on the railway.

Matthew Pennycook: I have to disagree to the extent that the thrust of my argument is that I am concerned that we will not get that from the next franchise, but the hon. Lady is right that it must be the aim.

My constituents understand that the network faces challenges, including rising passenger demand as well as complex and ageing track, junction and signal infrastructure, but they expect services to be punctual, reliable and not overcrowded, and those expectations are not unreasonable. The fact that expectations are not being met is partly due to the inherent limitations of the franchising system and the tension that has always existed between metro and long-distance trains.

Under the current system, the Department for Transport is responsible for designing and procuring new and replacement services on the network. The Department specifies, often in minute detail, service levels, timetables, rolling stock and most fares. It is a one-size-fits-all approach to rail franchising premised on franchises driven by the need to chase revenue and meet targets, rather than devolved concessions focused on reliability and investment. The latter is what I believe would have been achieved by the devolution of Southeastern services to Transport for London and, frankly, why I am still incensed by the Secretary of State's decision to torpedo plans to that effect.

The plans were published jointly by the Department and TfL in January 2016 and endorsed by the Secretary of State's predecessor, the right hon. Member for Derbyshire Dales (Sir Patrick McLoughlin), and the previous Mayor of London, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson). As we know from a leaked letter, the Transport Secretary rejected the plans due to a dogmatic opposition to rail devolution based on his belief that the services should be kept out of "the clutches of a Labour mayor".

No detailed explanation has ever been produced, as far as I am aware, as to why the business case submitted by the Mayor of London was considered inadequate. What particularly frustrates my constituents, whatever their political persuasion, is the knowledge that if a Conservative

Mayor had been elected in May 2016, they would now be looking forward to our local trains being integrated into TfL's successful Overground network next year.

I remain convinced that the devolution of metro services in London would have led to more punctual, more reliable metro-style services. They would also have facilitated—in many ways, this might have been just as transformative—the effective integration of services with others across the capital in ticketing, fares and investment, and improved customer service, particularly for passengers with a disability, because all stations would be staffed from the first train to the last. That plan represents a real missed opportunity and, while I have little hope, I urge the Minister to think again even at this late hour about making provision for the devolution of control over metro services under the new franchise.

Helen Whately: Will the hon. Gentleman give way?

Matthew Pennycook: If the hon. Lady will forgive me, I will not, because time is short and the Minister has to wind up the debate.

At the very least, the Department should guarantee that the service standards delivered by the new south-eastern franchise match those that would have been delivered by London Overground. My fear is not only that the new franchise will not match those standards, but that it could lead to a deterioration in the services on which my constituents rely.

Slipped out alongside an announcement that it will look at reopening lines across the UK that were lost under the Beeching cuts, the Department published its invitation to tender for the new franchise on 29 November 2017. With one operator, Trenitalia, having withdrawn from the process, there are now only three operators bidding: Abellio, Stagecoach and the current operator, Govia.

As expected, given the instant and, I suspect, co-ordinated opposition they generated from Conservative politicians across south-east London and Kent, proposals that all metro services on the North Kent, Greenwich and Bexleyheath lines will terminate only at Cannon Street have been dropped, but that does not mean all services on those lines will escape cuts under the Government's franchise specification.

The requirements set out in the ITT include the introduction of a revised train service, no later than 2022, that will see Woolwich and Charlton stations in my constituency lose direct services to Charing Cross, and Blackheath station, along with other stations on the Bexleyheath line, lose direct services to Victoria. Those revisions come on top of the proposed replacement of two of the six hourly off-peak Southeastern services on the line with Thameslink services that I fear might be slower and less reliable and that will not stop at Woolwich Dockyard station in my constituency or at Erith and Belvedere stations in the constituency of my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce).

Clive Efford (Eltham) (Lab): My hon. Friend is making a powerful case. Does he agree that the Government's reason for terminating Victoria services on the Bexleyheath line—that the services somehow create problems because they have to cross over and that the complexity is not surmountable by modern technology or signalling—is an excuse? The people who run the service are benefiting at the expense of the passengers who use it.

Matthew Pennycook: My hon. Friend is absolutely right. Far too much is made of the problems that undoubtedly exist at the throat point at Lewisham. Those problems do not ground the proposed service revisions under the franchise specification.

Teresa Pearce (Erith and Thamesmead) (Lab): I thank my hon. Friend for securing this important debate. What he says about Belvedere and Erith stations in my constituency is true: services to Charing Cross will be stopped and the Thameslink will not stop there. There are substantial new housing developments, and the people who move in will stand on the platforms at Belvedere and Erith and watch trains whizz past them, with no way for them to get to work.

Matthew Pennycook: My hon. Friend is a mind reader, because she anticipates my next point.

Viewed in the context of the Department's serious and significant underestimation throughout this process of the scale of development and projected population growth in the area—my hon. Friend raised the point at the time of the consultation—the service revisions are of real concern and I ask the Minister to revisit them, but they are not my only concern.

It is difficult to understand why the ITT includes nothing that will encourage bidders to offer enhanced services. Indeed, it includes stringent conditions that militate against any attempt to do so. If a bidder determines to propose an enhanced service and the DfT judges that the conditions are not met, the bidder risks being penalised by having its score reduced. Surely, if one of the three bidders believes it could maintain services from, say, Woolwich and Charlton to Charing Cross to meet passenger demand, why should it not be able at least to explore the option?

Perhaps the most disappointing aspect of the new franchise specification is that none of the commendable aspirations set out in the joint plan published by the Department and Transport for London in January 2016 has been included. Will the Minister tell the House why options such as greater integration of fares and the staffing of stations from the first train to the last were ruled out? Given the tangible benefits those options would bring, will he reconsider including them?

Lastly, although in the circumstances in which we now find ourselves I certainly welcome the introduction of a new “one team” model of franchising that will bring the future operator and Network Rail together under a single director responsible for both infrastructure and operations, whether it will work is another matter entirely. The Minister may recall that a previous attempt to foster closer working between South West Trains and Network Rail fell apart. How confident is he that this latest attempt will succeed where that one failed?

To conclude, it is beyond doubt that passengers using the south-eastern rail network have suffered from substandard services for far too long. All of us would agree, I hope, that they deserve better from the next franchise, but I have real concerns—concerns shared by passengers and the rail user groups in my constituency—that the way the Government have approached the franchise that is to be let later this year will not deliver the level of service that passengers expect and deserve. We will all have to live for the best part of a decade, and perhaps

even longer, with the franchise and the operator who secures the award later this year. It is crucial that we get it right.

I would like to ask the Minister not only to address in his reply to the debate some of the specific concerns that I have raised, but to go away and think again about some of the limitations of the franchise specification published by his Department last year and what might be done, even at this late stage, to address them. I fear that if he does not, we will all be back here next year, and potentially for many years after that, repeating concerns about services on the network on behalf of those we represent.

7.20 pm

The Minister of State, Department for Transport (Joseph Johnson): It is good to be here with you today, Mr Deputy Speaker.

I congratulate the hon. Member for Greenwich and Woolwich (Matthew Pennycook) on securing the debate and giving colleagues from across the south-east region an opportunity to make the very powerful representations that they have made this evening on behalf of their constituents. On my side of the House, strong points have been made by my neighbour and dear friend, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), and my hon. Friend the Member for Faversham and Mid Kent (Helen Whately), and from the Opposition Benches powerful points have been made by the hon. Members for Eltham (Clive Efford), for Erith and Thamesmead (Teresa Pearce) and for Lewisham East (Heidi Alexander). I sympathise with many of the points they have made and understand very much where they are coming from.

This intense and sincere engagement by Members is of a piece with the deep engagement that stakeholders have shown to the entire process of formalising the terms of the next operator for the new franchise. In addition to debates, questions and meetings, the public consultation about the new franchise, which ran from 14 March to 30 June 2017, generated over 10,000 responses. These included detailed representations from key stakeholders such as Kent and East Sussex County Councils, Transport for London, Transport Focus, London TravelWatch and, of course, hon. Members. As a result, we have designed a specification for the new franchise that serves the priorities as set by passengers, businesses and local communities from London to the coast. Turning around performance, passenger satisfaction and creating value for money are the key priorities, and I am delighted that much of this is already happening.

I would like to say a word about the planned changes to London terminal services and the benefits that those should bring for suburban routes. Our plans for services to London terminals reflect exactly our commitment to putting the passenger at the heart of decision making. Many south-eastern stations serve more than one London terminal, causing operational complexity and sub-optimal timetables for passengers on some parts of the network. In our consultation about the new south-eastern franchise, we proposed initially a redesign of the timetable that would reduce the number of London terminals served by these stations. Such a move would have allowed a more even spacing of trains and improved operational performance. However, the proposals were rejected by a majority of respondents in the consultation, many of

[Joseph Johnson]

whom valued the flexibility and variety of London terminals served by Southeastern and many of whom had made decisions to move to certain areas because of this broad range of travel options. We listened; we evaluated; and in the end we decided not to move to implement the single terminus solution.

It is still necessary, however, to make some minor timetable changes to deliver the broader benefits that we were seeking to achieve for passengers and to improve value for money. The most important changes—some of which have been mentioned—will be as follows. For the Bexleyheath line, services will in future run to London Bridge, Charing Cross and Cannon Street, with longer 10 to 12-car trains, which will be too long for a number of stations on the route into Victoria.

Teresa Pearce: Is the Minister aware that the line from Bexleyheath to Victoria has a stop at a major hospital, and many people on that line work there or have to attend as patients? Will there not be a huge effect on that line?

Joseph Johnson: I am aware of the importance of services that go to Denmark Hill, serving King's Hospital and the Maudsley. In developing the plans for the new franchise, the Department was acutely aware of the importance of accessing those facilities. To address that, as the hon. Lady may know, we are doubling the frequency of train services along the line from Lewisham to Victoria from two to four trains per hour all day.

We have asked bidders to operate those trains at 15-minute intervals, so that passengers will benefit from a genuine turn-up-and-go service for the first time on this route. Direct services to Denmark Hill will run on the Hayes and Sidcup lines, and passengers travelling from elsewhere will use Lewisham station as an interchange, benefiting from the new turn-up-and-go service frequency.

For those with accessibility needs, Lewisham is already a fully accessible station. However, to make the connection even easier at that station, we are asking bidders to adopt a single platform for Denmark Hill services, so that passengers will always know where to find their onward train. I hope that assures the hon. Lady of our understanding of the importance of the medical facilities at Denmark Hill.

Heidi Alexander: The Minister talked about Lewisham station as an interchange. While he is right that it is compliant with disability legislation, it is a severely constrained station. Will he say what money, if any, his Department has allocated to renovating and refurbishing Lewisham station to accommodate increased numbers there?

Joseph Johnson: I will happily write to the hon. Lady with those figures. I do not have them off the top of my head, but I commit to providing additional information on the money we are spending on Lewisham station.

To continue on the changes, Hayes line services will in future run to London Bridge, Charing Cross and Victoria. Again, a small minority of passengers will lose a direct service. Those who currently travel to Cannon Street will have to change at London Bridge. On the North Kent line, which is of particular interest to the hon. Member for Greenwich and Woolwich, services to Charing Cross via Lewisham, which serve his constituency, will run to Cannon Street, as he noted, to facilitate new Thameslink services to London Bridge, Blackfriars, Farringdon and London St Pancras along the route.

Sidcup services will continue to run to Charing Cross, with Cannon Street services moving to peak times reflecting that the principal demand for those services is commuter-driven. Outside peak hours, the small number of passengers for Cannon Street will change at the new London Bridge station.

I recognise, like all Members who have spoken, that Southeastern passengers have had a torrid time in recent years and that there is considerable room for improvement in the quality of service. A combination of major infrastructure problems such as the collapse of the Dover sea wall, the impact of major enhancement works such as Thameslink and crowding have seen the operator regrettably languish at the bottom of satisfaction league tables for too long. However, I believe we are turning the corner.

To help alleviate crowding, members will applaud the fact that 25 trains have transferred from Govia Thameslink Railway to Southeastern to add capacity to both metro and mainline services.

Robert Neill: The extra trains are welcome, but does my hon. Friend the Minister agree that it is utterly bizarre that, even with the extra trains and the fact that the stations on the line from Sevenoaks through Orpington and my constituency can take 10 and 12-car trains, rush-hour trains are still being run to Charing Cross with eight-car trains? That is just poor use of the assets that the Government have given to Southeastern.

Joseph Johnson: My hon. Friend is a tireless and brilliant champion for his constituents in Bromley and Chislehurst, and he makes important points that doubtless the operator has heard and would be well advised to take note of.

The new trains are providing 5,300 additional seats in the morning and 4,300 seats in the evening peak. All metro routes now have longer trains, and the 13 most overcrowded Southeastern trains now have significant additional capacity. The past 12 months have also seen important performance improvements, with the official public performance measure moving up from 85.9% in February 2017 to almost 89% in the most recent figures. The positive impact of all that for passengers is clear and we want to see things continue to improve in the months ahead.

Question put and agreed to.

7.30 pm

House adjourned.

Westminster Hall

Wednesday 24 January 2018

[Ms NADINE DORRIES *in the Chair*]

British Armed Forces: Size and Strength

[Relevant Documents: Eighth Report of the Defence Committee, SDSR 2015 and the Army, Session 2016-17, HC 108, and the Government response, HC 311, and oral evidence taken before the Defence Committee on 14 November 2017, on National Security Capability Review, HC 556.]

9.30 am

Leo Docherty (Aldershot) (Con): I beg to move,

That this House has considered the size and strength of the British armed forces.

It is a pleasure to serve under your chairmanship, Ms Dorries. I am pleased to have secured this important debate. I will speak briefly to allow colleagues the maximum opportunity to speak and intervene. It does not take the brains of an archbishop, a Royal Military Academy Sandhurst graduate or a Mons Officer Cadet School graduate to work out that the world is an increasingly dangerous place. We are dealing with not only the threat of transnational, cross-border terrorism, but the rise of cyber-conflict, possible nuclear conflict in the Korean peninsula and a resurgent Russia probing the eastern flank of NATO. The very direct threat posed by Russia in a state-on-state approach was starkly laid out by the Chief of the General Staff in an eloquent speech at the Royal United Services Institute on Monday.

After 15 years or so of engaging in expeditionary counter-insurgency operations—wars of choice—we have to reconcile ourselves to the fact that we have to have the capacity to deal with state-on-state conflict. That is a shift in attitude and approach that we have to grapple with. We are moving from an era of wars of choice to an era of wars of necessity. In terms of capability, we need to work back from that threat.

Nick Thomas-Symonds (Torfaen) (Lab): The hon. Gentleman has made the case well for having sufficient capacity available to us. Does he therefore agree that we cannot have a situation where Army numbers remain below 80,000? Quite simply, we need a larger Army.

Leo Docherty: I entirely agree with the hon. Gentleman. We need hard power on a large scale. We need to be able to project hard military capability globally. Part of that is about having a large body of men and women. When I was serving in the Army 10 years ago, we had north of 100,000 soldiers. We need a large pool not only to have a critical mass, but to draw special forces and other critical capabilities.

Bob Stewart (Beckenham) (Con): Just on a technical point, an army by definition is meant to have more than 100,000 people. Below 100,000, it is more like a self-defence force.

Leo Docherty: I am grateful to my hon. and gallant Friend for that intervention. I agree entirely with his point, and I am sure the Minister will be pleased to offer

reassurance about the critical mass of the British Army in terms of incorporating reservists.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Many of us are calling for greater numbers of British troops and a greater frequency of rotational deployment of those troops to our key strategic NATO partners, especially Poland. I pay tribute to those British troops who have been sent to the Suwalki gap. Those things are not cheap, and that is why we need more spending on our defence budget.

Leo Docherty: I entirely agree with my hon. Friend. Some of what we have been discussing, such as the fundamental requirement for hard power that we can project around the world—the doctrine and force plan—was contained in the strategic defence and security review laid out in 2015. The concept of joint force 2025 was sound. It laid out that we need a war-fighting division of 50,000 soldiers, carrier-enabled power projection and a significant air group, including Typhoon and F-35. As a concept and a plan, it was sound. The problems with the SDSR 2015 were on two fronts. First, there were significant funding problems. The budget for SDSR 2015 was predicated to a degree on significant internal savings of £11 billion that had to be made by the Ministry of Defence. When that is done by cutting inefficiencies and waste, that is good, but when things such as training and the defence estate are cut, it is probably not so good.

Rachael Maskell (York Central) (Lab/Co-op): On the issue of the defence estate, Imphal barracks is due to close in 2031, yet it is the jewel in the crown for those coming to York and in particular for their families. Is there not an impact on recruitment and retention from the closure of barracks such as Imphal?

Leo Docherty: I am sympathetic to the hon. Lady's point, and I know the Minister is particularly well positioned to respond to it. The other difficulty with SDSR 2015 was the depreciation of sterling and the ongoing fluctuation of Trident within the MOD budget, which have caused considerable problems. Taken in the round, that means that the MOD budget has a black hole of £2 billion or thereabouts. That is why we are here today. That black hole has been driving the discussion about possible cuts. I would like to lay it clearly on record that I think all of us in the Chamber agree that any form of capability cuts is an entirely untenable prospect that we should resist.

Mr Mark Francois (Rayleigh and Wickford) (Con): I congratulate my hon. Friend on securing this important debate at this critical time. On resources, does he agree that given the recent stark warning from the Chief of the General Staff on a resurgent Russia, we in this House have a role in deterrence, and that includes deterring the pinstripe warriors of the Treasury from leaving us without sufficient resources to fund our defence adequately?

Leo Docherty: I entirely agree with my right hon. Friend. It is our duty to make it clear to the Treasury that there is a large cohort of Members of Parliament

[*Leo Docherty*]

who are absolutely determined to ensure that the Ministry of Defence has a sound financial settlement and is properly resourced.

Wayne David (Caerphilly) (Lab): Does the hon. Gentleman agree that in articulating his argument, it is important to stress that he has the support of all Members?

Leo Docherty: I absolutely acknowledge that. Defence is not really a party political issue; it is an issue of national security, and I am heartened by the fact that Members from all parts of the House are here engaging in this debate.

The second set of problems with the plan laid out in SDSR 2015 relates to timing. As the name implies, joint force 2025 is some years away. We have a capability gap, and delivering that capability is some years off. It is also important to remember that this is not the generation of a new capability. The force laid out in SDSR 2015 is essentially making up for ground lost in 2010, when the MOD suffered a 8% reduction in budget and our fighting power was reduced by about 25%. We have to put things in context: having a deployable war-fighting division as laid out in SDSR 2015 is nothing new. We deployed a division of 45,000 soldiers to Iraq in 2003 and a division of 53,000 men in Operation Granby at the Gulf war in 1991. We are essentially making up for ground that we lost in 2010, and it is important to bear that in mind. It is also important to bear in mind that with joint force 2025, there is not much fat in the system—it is quite a bare-bones approach.

We have to reconcile ourselves to the situation we find ourselves in today, and I would be interested in the Minister's comments. My judgment is that we cannot credibly claim to be able to deploy a war-fighting division within six months. That is some years off. We also lack the air defence that is particularly important to protect our enhanced force presence in Estonia. The Minister will perhaps mention that.

Robert Courts (Witney) (Con): I thank my hon. Friend for giving way and congratulate him on this timely debate. I am grateful to him for mentioning air defence. He will appreciate that the Typhoon force will not be able to operate effectively without the tanker force that is based at Brize Norton in my constituency. He mentioned the Russian threat, which almost weekly we now see, as we did in the 1980s, probing our air defences. Does he agree that it is essential to make a cool, dispassionate assessment of that threat and make sure that our capacity and capability match it, rather than to reduce the threat to match available resources?

Leo Docherty: I absolutely agree. The response has to be threat-based, and the review must not be a sticking plaster. We need a large-scale solution for what is a large-scale problem.

To conclude my remarks on the SDSR 2015, there is also a gap in the extent to which we have the capability to co-ordinate artillery fire with cutting-edge technology, which was mentioned by CGS on Monday. The Russians have done that very effectively by co-ordinating long-range artillery fire with unmanned aerial vehicles. Furthermore,

one of our big current gaps is that we do not exercise on any scale whatever. In their Zapad exercises, the Russians exercise north of 70,000 troops, whereas we in this country and across the NATO alliance are nowhere near that. That is a critical capability gap that we need to resolve.

A lot of what I have mentioned is tied up in CGS's stark warnings on Monday. I look forward to the Minister offering reassurance on some of the points, particularly with regard to our forward presence in Estonia.

So where do we stand now? It is good news that the review that is under way has been restructured. We expect an announcement today from the Secretary of State for Defence to indicate that the defence component of the review will be extracted and given a little longer to run. That is a good development. In my judgment, the review that was under way, led by the National Security Adviser, was essentially misconceived. It was supposed to be initiated because of an increase in threat, but at the same time it was supposed to be fiscally neutral, so it was inherently problematic from the very start, and I am glad that that restructuring has developed.

I am also pleased that the former Secretary of State, my right hon. Friend the Member for Sevenoaks (Sir Michael Fallon), has indicated his support for an increased overall defence budget moving up to 2.5%. We have to see this slightly longer review, which I think will run into the summer, as an opportunity for a wholesale refunding of defence and the achievement of a proper long-term financial settlement for our military. I am confident that our Secretary of State gets that. I hope the Minister will reassure us that that is the case, and that Ministers see this as an opportunity for a long-term solution.

It is important that MPs, like all of us in this Chamber, make it clear to the Treasury that we insist on the proper resourcing of defence. That is important for a number of reasons, not least because I, like every Conservative Member, stood on a manifesto that committed us to maintaining the size of our military. Page 41 of the Conservative party manifesto commits us to maintaining the size of our armed forces. Apart from the politics, it is a national duty to achieve that.

We have to get the politics right. We cannot simply demand more money for the Ministry of Defence. We have to continue to insist on the MOD achieving efficiencies and best practice, including things such as competitive procurement. I am encouraged by the detail in the national shipbuilding strategy that sets upper limits on expenditure. Also, we need to consider seriously the removal of expenditure on Trident from the MOD budget.

In simple terms, we must reconcile ourselves to the fact that a world-class military cannot be bought cheaply. I conclude by saying that we should see this as investment, not spending. This is not money that just gets spent to no consequence. Spending on our military is an investment in our national profile globally. A strong national military does not simply defend us militarily domestically and internationally. It secures our global reputation. It is a fundamental enabler of our foreign policy, our humanitarian effort around the world and our passing global trade, so we get a phenomenal return on that investment. Members who have travelled around the world in connection with the military know that the

British armed forces have, without doubt, a phenomenal global reputation for higher standards of excellence. We should recognise that as an asset, not just a cost.

I finish by repeating a quote from Trotsky that was mentioned by CGS. I am not given to quoting Trotsky in this place, but Trotsky rightly said:

“You may not be interested in war, but war is interested in you.”

A properly resourced military is not a luxury; it is an absolute necessity. Given our heritage and our history, I am confident that we can rise to the challenge.

Several hon. Members *rose*—

Ms Nadine Dorries (in the Chair): Seven people wish to speak and wind-ups need to begin at 10.30 am. I will leave you to work out the maths for yourselves. If anybody takes too long, I will have to impose a time limit on the remaining speakers.

9.46 am

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I congratulate the hon. Member for Aldershot (Leo Docherty) on securing this debate, especially with such fortuitous timing. There have been many debates on defence in the past couple of weeks and Members of all parties who believe that our military is best served by having a strong and adequately funded force have made an extraordinary effort. I will be brief today because yesterday I spoke at length about the national shipbuilding strategy, frigates, the Royal Fleet Auxiliaries and the future of our sovereign defence capability. There is no appetite anywhere in the House for further defence cuts. I am pleased that that sentiment seems to have infected the Ministry of Defence in its funding battle with the Treasury.

The Defence Committee’s excellent “Shifting the goalposts?” report showed that the previous Labour Government spent on average 2.5% of GDP on defence, not falling below 2.3%. Lots of Labour Members, and indeed Conservative Members, would like to see a return to that level of spending relatively swiftly. It is important that we match the funding for defence to the threats that we face, rather than match the spreadsheets to the number of ships. That is an important distinction and the argument has been made many times.

The fiscally neutral element of the national security capability review is an anchor that has dragged this debate down, but it has enabled Members on both sides of the Chamber to share the valid concerns of the defence communities about the potential for cuts, be they speculation or actual potential. We must not fall into that trap of spreading fear because morale is already suffering in our armed forces. It is important that we support those people who are serving now and who want to serve, so they understand that a role and a future in our armed forces is a career to be proud of, and that their service is recognised and valued.

The potential postponement of the cuts is welcome news. I welcome the chance that the hon. Member for Aldershot mentioned for further consideration of the future shape, role and capabilities of our armed forces. This is a moment for us to regroup and refocus our efforts to provide a clear challenge and direction for Ministers to take forward in their discussions with the

Treasury, and to be clear about the role we want the armed forces to play in future. How will we support them through adequate training and resources and, importantly, how will we support them after their time in uniform has come to an end?

Plymouth has been at the centre of much of the speculation. I am grateful to the Minister for taking the time to listen to the concerns from Plymouth about our amphibious ships, Albion and Bulwark, which are due to come out of service in 2033 and 2034—I hope those dates remain. He also knows about the importance of ensuring that we have an adequate number of capable frigates base-ported in Devonport, and of looking carefully at the capability of our helicopter carriers. HMS Ocean has now come out of service. Members from across the House will recognise that she served with distinction over her career, most recently in response to the hurricanes in the Caribbean. That was a fitting last deployment, showing the real value of that ship and her crew to the Royal Navy and to our friends and allies abroad.

It is also right to pay tribute to all those people who are not elected—members of the public, armed forces and veterans—who have used their voices loudly and proudly in the last couple of months to speak up for our armed forces. If more of our communities raised defence on the doorstep, as they have done over the last few weeks when I have been canvassing in Plymouth, the debate over the last couple of years would have been very different. The Plymouth *Herald* and the cross-party Plymouth City Council campaign to fly the flag for Devonport has been one such example. There are many other examples from around the country of local communities galvanising and coming together to say that the armed forces are important, not just for jobs, but for heritage, feel, community and identity. We should shout loudly and proudly, especially in my part of the world in Plymouth, about the contribution of the Royal Navy and the Royal Marines.

The Minister might give us good news towards the end of the debate, and the Secretary of State might do the same later, but I am encouraged that there has been such a strong outpouring of support for the armed forces. I hope that that will continue as we regroup and refocus to make sure that the tussle with the Treasury produces better funding for defence.

9.51 am

Sir Nicholas Soames (Mid Sussex) (Con): It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate my hon. Friend the Member for Aldershot (Leo Docherty). There can be no one with a more appropriate seat to discuss the size and strength of the British armed forces, and I congratulate him on his very knowledgeable and excellent speech.

I want to say a few words about recruiting, which is of course the lifeblood of our armed forces, and most especially about recruiting to the Army. It is not an idle boast that the British Army is, man for man, probably the best fighting force in the world. In the Falklands, the Gulf, Bosnia, Kosovo, Sierra Leone and, most recently, Iraq and Afghanistan, both our enemies and their allies have been deeply impressed by the fitness, determination, courage, professionalism and, most especially, humanity of our armed forces.

[*Sir Nicholas Soames*]

The answer is simple and not, I suspect, much understood outside the armed forces and those who have been lucky enough to serve in them. In no other army in the world can a soldier depend on the men around him in the way that he can in the British Army. From Waterloo to Alamein, from Goose Green to the Euphrates, from Bosnia to Basra and Helmand, British soldiers and commandos have proved time again that they can face tremendous odds and triumph. A soldier will likely say that the key to that confidence is their discipline and training. It is therefore a matter of the first importance that the system that produces young men and women of that calibre must not be altered in such a way that it will produce only pale imitations of what is required.

So far the Army has held the line, but only just. It is a constant battle for all three services to fight off politically correct notions that are, rightly, anathema to the ethos of the armed forces. They require a very high standard of personal conduct, respect for the law, teamwork, cohesion, trust, and a highly developed sense of duty. After training, these men and women are no ordinary people, and they may well be asked to do extraordinary things. For the soldiers of today and tomorrow, as for their forebears, warfare will continue to represent the ultimate physical and moral challenge. They may have to take part in a terrifying contest of wills that inevitably leads to death, terror, bloodshed and destruction. They will encounter extreme danger, in rapidly changing circumstances, amid conditions of chaos and uncertainty. Their skills and the quality of their leadership, weapons and equipment will be severely tested.

Such operations can be sustained only by highly trained men and women, motivated by a service ethos and absolute confidence in their training, by pride in their traditions and institutions, by comradeship and an exceptional level of team spirit, by the emotional, intellectual and moral qualities that lead people to put their lives on the line, and of course by loyalty, patriotism, and an enduring belief in essentially British values and an unshakeable determination to defend them.

I remind the Minister of what Lord Wavell said in his famous lecture on generalship. His words are very apposite. He said that:

“in the last resort, the end of all military training, the settling of all policy, the ordering of all weaponry and all that goes into the makings of the armed forces is that the deciding factor in battle will always be this: That sooner or later, private so-and-so will, of his own free will and in the face of great danger, uncertainty and chaos have to advance to his front in the face of the enemy.”

If all that goes wrong, after all the training, intensive preparation, provision of equipment and vast expenditure, the system has failed. So far it has not failed. The armed forces have never let us down, but the Prime Minister, the Chancellor of the Exchequer and the House must see to it that the state does not let them down by failing to resource them adequately for the hugely demanding tasks that are placed upon them. Although I am all for the Army adapting its recruiting to some vaguely woolly notions if it really feels it has to, it is important that we continue to get the outstanding young men and women whom we are so lucky to have in our armed forces, and that the training does indeed prepare them for what might come.

The Ministry of Defence made a huge mistake when it let the contract for recruiting to Capita, which has made a real pig's ear of it. It was done much better and

much more efficiently when the Ministry of Defence retained recruiting offices all over the country. They had vast local knowledge and were staffed by officers and senior non-commissioned officers, who were all highly experienced. They took the greatest possible trouble with the selection of recruits and were better able to guide those recruits towards well-thought-out careers. It is much more effective for the armed forces to leave recruiting to the military staff who actually know what is wanted.

I conclude by saying this: I do not mean to sound like a stick in the mud, but touchy-feely political correctness has absolutely no role whatever in the British Army. The services have so much to offer young men and women, many of whom join up to acquire very valuable skills, but all of whom, in their basic training and beyond, require courage, toughness, resilience and skill at arms. They are truly some of our very finest young men and women. I accept that the Army must do what it thinks it needs to do to get people to join, but I think it ought to be extremely cautious about the message that it sends outside.

9.57 am

Carol Monaghan (Glasgow North West) (SNP): It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate the hon. Member for Aldershot (Leo Docherty) on securing the debate. It seems that we are getting used to seeing the same faces in debates on defence, calling on the Government to do the same thing time and again. This matter has to be taken seriously—we are at tipping point.

Any organisation that is struggling to recruit and retain staff must consider what is going on. We are seeing the effects of austerity across many areas, including health, education and defence. It has an impact on the equipment, the service that can be delivered, and ultimately the people. Despite the cuts, we want the same good outcomes. We want our population to have good health services, excellent education, and well-organised defence with critical capabilities.

We have not reduced the demands on the armed forces. We still want to deploy overseas. The right hon. Member for Mid Sussex (Sir Nicholas Soames) talked about our well-trained personnel. Of course we want them to remain the best-trained personnel in the world, but operational stretch in the armed forces means that, although our expectations remain high, with fewer personnel, the demands on those still serving are increasing year after year.

Stephen Kerr (Stirling) (Con): I thank the hon. Lady for giving way, and congratulate my hon. Friend the Member for Aldershot on securing this debate. It is not only the men and women of our armed services who suffer from operational stretch, but also their families. That might very well be a deterrent to many of the young men and women choosing a career in the armed forces.

Carol Monaghan: Mine was one of those families who experienced operational stretch and know first hand the impact it has. Many people serving in the armed forces have to make the decision to leave simply because remaining is no longer sustainable for their personal life. We know from the continuous attitude

survey that the retention crisis is not simply about pay. Although that does contribute, the crisis is about the value we place on our armed forces personnel. Housing, family life, leave entitlement and so on all contribute to the retention problems.

Scotland faces eight base closures. What message is that giving to those who are stationed there? Are they feeling valued? Is their service being recognised? As the crisis deepens, more and more personnel will leave. These are highly trained individuals and have skills that are in such high demand in civilian life. There are many companies just waiting to snap them up when they walk out.

We have called on a number of occasions for an armed forces representative body on a statutory footing, which is the norm for many countries, such as Ireland, Scandinavian countries, the Netherlands and Germany. Recognised representation is a key way for the UK Government to better understand the needs and requirements of our armed forces, their families and the wider armed forces communities. A representative body like the Police Federation would be a voice for both personnel and veterans. It would tell them that their concerns are being taken seriously and that they are valued, and would give them a means of liaising with the Government.

The Tory party bills itself as the champion of the armed forces, but the chronic underinvestment simply does not match those claims. The Scottish National party is currently organising a commission, talking to members of the armed forces and finding out what it is they require and what terms and conditions would make a difference to them. I hope that, when we publish the findings, the UK Government will act on the recommendations.

Ultimately, glossy adverts cannot solve this problem. Serious investment is required. A complete overhaul of the terms and conditions of members of the armed forces has to be considered, including pay and housing, and the impact on the family and children's education. It is commendable that so many Tory Members are in the Chamber—I know they champion the cause—but unless the defence budget becomes serious and the Chancellor opens up his purse, there will be no improvement. The hon. Member for Aldershot suggested—we have heard the suggestion many times—that Trident should be removed from the defence budget. I would say it is better still to just remove Trident from any budget, and we can start looking at serious defence that continues to have critical capabilities.

10.4 am

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate the hon. Member for Aldershot (Leo Docherty) on a very well informed speech, although I am not faintly surprised, as he was a serving officer in the Scots Guards. As I always do, I remind all present, for the record, that my daughter is a serving officer in the armed forces.

I come from a family not unconnected with the military. My brother-in-law served in the Scots Guards, possibly with the hon. Member for Aldershot. My father served in the 14th Army, led by Field Marshal Slim, a man for whom he lost no admiration to his

dying day. In recent years, I discovered to my utter astonishment that my mother worked not unadjacent to Alan Turing. That was a secret she kept until very late in her life.

I am a great believer that we learn from history, and I make no apologies for going into history again. It is something I do increasingly frequently in this place. I live in Easter Ross, up in the Highlands north of Inverness. In Easter Ross, there is a cluster of four aerodromes or air bases, call them what you will: Tain, Alness, Evanton and Fearn. One might say that it was the grandfather of the right hon. Member for Mid Sussex (Sir Nicholas Soames) who led the charge to see off the threat that was rapidly developing from Nazi Germany—it is quite true. One might say that it was late in the day that those bases were built, but they were, and they were built in time to defend this country. Today, going there, it is clear just how big an undertaking it was to put the bases in place, and one can see the commitment and courage behind the decisions taken in the 1930s. If we had not done that there and in other parts of the UK, we know what would have happened: we would be speaking a very odd dialect of English today in this place.

Bob Stewart: Like Scots!

Jamie Stone: I shall ignore the comment from the hon. and gallant Gentleman.

With your forbearance, Ms Dorries, I would like to tell an anecdote. On 5 May 1945, Dönitz gave orders for the German U-boats and surface fleet to surrender. The U-boats were ordered to fly black flags to indicate their surrender. On 8 May, three days after that order, U-534 was on the surface off the coast of Denmark and was attacked by two Liberator bombers. U-534 shot down E for Edward from 547 Squadron, Leuchars, but G for George got that U-boat and sank her. G for George from 86 Squadron was from RAF Tain, near my home town of Tain. That is a fact that even local people at home do not know. It is worth putting on the record.

We have heard in previous weeks and today about the threat from Russia. It is absolutely obvious what is going on there. We know that China is building bases and developing its forces; Members have mentioned that. As I mentioned in the main Chamber two weeks ago, and as others have said—I am sure that the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) will touch on this—our Navy was mostly tied up over Christmas. What a tragic contrast to the great days of the Royal Navy! We know that we have to spend the money. Members in all parts of the Chamber plead for that money to be spent. As I have said before, it is a great honour to associate my party with that sentiment.

I close with a point I have made before in this place. The great British general public are not stupid. They know perfectly well what is going on. They take great pride in their armed forces. Everyone in my home town is extremely proud of everyone who has served in the colours, be that the Royal Air Force, the Royal Navy or the Army. They know and recognise the necessity of spending the money. As and when the Chancellor reaches deep into his purse and comes out with the extra millions we so badly need—it is more than millions; it is verging on the billions—he will have the support of the British public, and he will have praise and his place in history.

10.8 am

Dan Jarvis (Barnsley Central) (Lab): It is a pleasure to serve under your chairmanship, Ms Dorries, and to be called to speak in this debate. I begin by congratulating the hon. Member for Aldershot (Leo Docherty) on securing this timely debate. He walks in the footsteps of many of his predecessors in being a stout defender of our armed forces. I have very happy memories of my own service, starting in his constituency in New Normandy barracks and Normandy barracks with 2 Para and 1 Para. He has done us a great service today in providing an opportunity for an important debate about the size and structure of our armed forces.

It is also, as always, a great pleasure to see the Minister in his place. I know that he takes these matters incredibly seriously. It is a reality of parliamentary procedure that questions and debates relating to defence are responded to by Ministers from the Ministry of Defence. Perhaps we could employ our collective nous to see whether at some point in the not-too-distant future we can find a way of gathering like-minded colleagues together to make some of these points and put some of these concerns to the Minister's colleagues in other Departments, namely the Treasury and the Cabinet Office.

Like all hon. Members present, I am constantly inspired by the skill and commitment of our servicemen and women, who serve our country often in the most difficult circumstances. My concern, though—and this takes us to the nub of the debate—is that very soon there may not be enough of them to do what is required, and not only will they suffer from being over-exposed and overstretched but, as a result of having fewer personnel in our armed forces, the UK will be less secure.

With that in mind and with an eye to the forthcoming defence review, I want to draw attention to a few of the reasons why, in recent years, the importance of numbers has been downplayed. First, there is a misunderstanding about the threat environment. In recent years and months, the eyes of Westminster and Whitehall have been focused on cyber-threats and the broader concepts of soft power and security. It is important to look at such emerging threats, but we run the risk of that focus coming at the expense of a focus on the conventional threats that we still face. At a time when the UK is under greater threat than at any point since the cold war, that focus has resulted in the Government considering reducing the personnel in our armed forces to an historic low.

As hon. Members are aware, the risk associated with those low numbers is often hidden behind the term “capability”. Every time people voice a concern about size, what tends to follow is a response about technology, structures or training, and someone telling them that in the 21st century, less in fact means more. The truth, however, is that even in the 21st century, less still means less, and quantity still has a quality all of its own. I am certainly not denying that new equipment and structures can mitigate the loss of numbers, and it is of course true that technology is a force multiplier, and that well trained troops are better than poorly trained ones, but it is equally true that there is an irreducible number of people that a credible Army cannot go below.

My greater concern, however, is focused on why those misunderstandings of both threat and capability occur, and why they are allowed to take root. In my view, the

answer is threefold: poor processes, a lack of expertise and undue emphasis on money. For too long, we have allowed the loud whispers of Whitehall generalists, often in the Cabinet Office and the Treasury, to drown out the voices of subject matter experts, be they civilian or military. That must stop.

Due respect must be given to those who understand hard power, hard security and the application of conventional force. Similarly, any review process must be done correctly, beginning with analysis of the world in which we live, including the threats posed by it and the role we want in it—not with a list of the savings that must be made, and where the Cabinet Office and Treasury think they should come from.

As such, I very much hope that the Minister and his Department use any forthcoming review to re-emphasise to those in Whitehall the importance of both strategy and of specialists. If they do not, I fear that we run the risk that any review may be no more than a fig leaf for yet another round of Treasury-inspired cuts.

Ruth Smeeth (Stoke-on-Trent North) (Lab): I thank my hon. Friend for giving way and the hon. Member for Aldershot (Leo Docherty), my colleague on the Select Committee, for securing this debate. Does my hon. Friend agree that the potential defence review is an appalling added pressure on our armed forces, because they simply do not know what will happen to them in the weeks and months ahead? That is simply unfair, and the Government need to get on with it and tell us what will happen.

Dan Jarvis: My hon. Friend makes an important point. She and all hon. Members will be most welcome to join me later today when we play host to soldiers from the Yorkshire Regiment. That will be a good opportunity to listen to the concerns of soldiers. She is right, however, that there is significant uncertainty about the future of our armed forces.

I understand that the Defence Secretary will make a statement in the House today; from the recent debate in the main Chamber he will know the strength of feeling across the House. There is a challenge for all of us who believe that the size and structure of our armed forces are such that they should not be reduced further, and he should understand—I hope the Minister will take this away—the significant support from Members throughout the House for the position that we want the Secretary of State to take: hold firm to the line that we cannot reduce our manpower.

Ruth Smeeth: I am sorry for making another intervention, and I thank my hon. Friend for taking it. I believe that the Secretary of State has decided not to make a statement to the House this afternoon.

Dan Jarvis: I am sorry to hear that, if it is the case. We will hear about that from the Minister later.

To conclude, emerging cyber and information threats have not and will not result in the decline of conventional threats; the opening up of new fronts does not mean the closing down of old ones; and threat mitigation is not a zero-sum game. As such, I very much hope that the Government will ensure that we do not further reduce the number of men and women who serve in our armed forces with such distinction. I very much look forward

to working with Members across the House to ensure that the Government do not make any further cuts, specifically to the size and structure of our armed forces.

10.17 am

Douglas Chapman (Dunfermline and West Fife) (SNP): It is a pleasure to serve under your chairmanship, Ms Dorries.

With yesterday's shipbuilding strategy debate and the expected statement from the Secretary of State, which is now in doubt, this week is turning into a bit of a defence-fest. This is an important debate at a time when defence is very much in the headlines, and I thank the hon. Member for Aldershot (Leo Docherty) for introducing it.

The situation is complex, but the bottom line is the significant drop in the size of the armed forces since this Administration came to power in 2010. There are many ways in which the figures and numbers can be played around with, but the broad, overall figures suggest that, on 1 April 2010, the full-time trained and untrained total strength of the UK armed forces was 197,820, and that by 1 April 2017, that total stood at 157,247, which is a drop of 21%. The number of full-time trained and untrained personnel serving in the Royal Navy was 39,310 in 2010 and 33,230 in 2017, which represents a drop of 16%. The figures for the Army and the Royal Air Force are equally depressing.

According to the most recent figures, which cover the past 12 months, the net outflow from all three services has been 2,740 personnel. If numbers across all three services are even to remain neutral, we need to attract some 15,000 new recruits every year just to stand still. That is a tall order and has to be achieved against a background of increasing cuts. Between 2010 and 2015, we had a real-terms cut of £8 billion, or 18% of the overall budget. Although this Administration are trying to reverse that trend, a lot of the damage has already been done and has been made worse by slow, delayed decision making, cloudy strategic thinking and poor value for our tax pound in some procurement projects. The very fact that we will hopefully get a statement today—according to *The Times*, another defence review will be pushed into the long grass for perhaps another six months—tells its own story about this Administration and the legacy they are grappling with. It is a legacy of their own making.

That does not have a positive impact on recruitment and retention at a time when skilled engineers and technicians can find that there is more money and a more stable family life in industry and commerce rather than in serving in the armed forces. A recent report from the pay review body highlighted that people were joining up not for a career, but to be trained to a high standard before moving on to industry. They may be “made in the Royal Navy”, but they are progressing their career and enjoying family life in civvy street.

The Minister for the Armed Forces (Mark Lancaster): It was a very good-natured debate, but the Scottish National party can never resist. What assessment has the hon. Gentleman made of retention given that 45% of service personnel in Scotland will be paying a higher rate of tax than their equivalents in England?

Douglas Chapman: I will be happy to answer that when I come to that point in my speech. The armed forces continuous attitude survey of 2016 reported that the morale of “self, Unit and Service” has also decreased, with 61% of serving personnel thinking that morale was low, and 9% perceiving that it was high. Members on both sides of the House have mentioned that. Ensuring that retention is high up the Government's agenda is a serious matter.

Housing for serving personnel is a long-running sore. The Minister is honest in his desire for improvements in housing quality and repairs. Will he give assurances that the collapse of Carillion changes nothing for forces families in the short term, but that it will change everything to do with build quality and the maintenance of homes in the long term?

I will surprise the Minister by ending on three positive points. We invite the Government to scrap the public sector pay cap and to follow the Scottish Government's lead by introducing a pay rise of up to 3% for public sector workers. That would include all armed forces personnel and would have a positive impact on retention and morale. In Scotland, many lower-paid personnel will also receive a tax cut, as Scotland becomes the lowest taxed part of the UK after April this year. I recommend that the Minister look very seriously at the commission headed up by my hon. Friend the Member for Glasgow North West (Carol Monaghan) about pay conditions and a better family life for serving personnel.

Finally, the small nation of Denmark decided last week to increase her military spend by some 20%, to help to meet new threats and to continue her international obligations. If a small, independent country of 5 million people can increase its defence spend by that amount, why cannot the UK?

10.23 am

Martin Docherty-Hughes (West Dunbartonshire) (SNP): It is good to see you in the Chair, Ms Dorries. I congratulate the hon. Member for Aldershot (Leo Docherty), who is a fellow member of the Defence Committee, on bringing this debate to Westminster Hall, and on being a doughty fighter in the Docherty clan and not being feart in pulling his punches when necessary in this type of debate.

Yesterday's announcement about the security review seemed slightly inevitable, although I should put on the record my pleasure that the Government seem to have finally caved in to what I assume is cross-party pressure for a proper look at the defence and security budget. I noticed from his speech this week that that position was shared by the Chief of the General Staff.

Of the range of possibilities next year, one of the main issues we should be very careful about is what we wish for, crucially in respect of Brexit and its impact on the Treasury accounts. It seems incredible to me that most of the doughty champions of the armed forces want the UK to push ahead with a form of Brexit that is damaging to the economy, and therefore to the Treasury's receipts that sustain the armed forces. The recent Defence Committee report on defence acquisition and procurement showed that financial headwinds, particularly the dollar exchange rate, have caused many problems in sustaining sovereign capability—the hon. Member for Aldershot alluded to that.

[*Martin Docherty-Hughes*]

As ever, the men and women of our armed forces bear the brunt. Despite widespread support in the Chamber to lift the public sector pay cap, the Government have kept it—my hon. Friend the Member for Dunfermline and West Fife (Douglas Chapman) mentioned that a moment ago. That has meant that those in uniform have taken a real-terms wage cut. Most of the projections leaked to the press for future adjustments would make yet more cuts to the Army of the kind not seen since Napoleon was a lad. The Government will find allies across the entire House if they lift the public sector pay cap.

One part of the defence budget—the deterrent—usually does not dare to speak its name, although taking it out of the Ministry of Defence was mentioned. Many of us agree that it should probably be taken out of the defence budget, but that would not suddenly make £205 billion appear in the equipment plan, just as Brexit did not mean that £350 million a week appeared for the national health service. Politics on the most basic level is about choices. I find it increasingly difficult to hear Members across the House call for preserving the size of our armed forces, argue for preserving certain capabilities and beseech the Government to put more in the pot, without even acknowledging that there is one part of the budget that is uncapped and, as the hon. Member for Aldershot said, out of control.

The Minister for Defence Procurement confirmed to the hon. Member for Cardiff Central (Jo Stevens) in a parliamentary question in November that any review is off the table. Whatever it is called, a modernising defence review will have to find money to pay for a procurement pipeline that includes Astute submarines, F-35 fighters, Type 26 frigates and Ajax vehicles. It will find its bandwidth considerably squeezed the more the budget keeps rising. I challenge any of us to read last year's National Audit Office report on the equipment plan and dispute those facts. The continuous at-sea deterrent that supposedly keeps us safe every day is failing if it makes us less capable in so many other defence areas.

Bob Stewart: May I point out to the hon. Gentleman that those of us who were in Germany for many years took great succour from the fact that we had a nuclear deterrent? People like me and other Members who possibly would have had to fight the Warsaw pact or the Russians were much comforted by the fact that they might not dare to fight us because of the nuclear deterrent, and therefore that our lives would be preserved. That is the link between the nuclear deterrent and conventional forces.

Martin Docherty-Hughes: I have much respect for the hon. Gentleman but we disagree on the deterrent. The point I am trying to make is that a decision must be made about the type of investment that we require in the armed forces. This is a debate about armed forces personnel. On this position I disagree with him.

The “National Security Strategy and Strategic Defence and Security Review 2015” said:

“The Royal Navy delivers our nuclear deterrent, projects our maritime power and provides world-class amphibious forces.”

It would be unrealistic of us to expect the Queen Elizabeth class carriers to be withdrawn from service. The current First Sea Lord has been presented with a scenario that his predecessor described as

“a choice between having his left arm cut off or his right arm cut off”,

when he spoke to the Committee last year.

As we entertain the scenario of downgrading the status of an iconic capability such as the Royal Marines, whether by merging it with the Parachute Regiment or by removing its ability to conduct contested landings, we need to ask ourselves whether it is really worth preserving the deterrent. I do not expect most Members to change their minds overnight or at all, but the lack of practical debate—Government Members do not say in public what I know many of them say in private—does not bode well for honesty in the formation of defence policy.

Let me end on what I hope is a point of consensus. I acknowledge that there is not one person here who does not have the best interests of the armed forces at heart. I have an armed forces family. I praise in particular my colleagues on the Defence Committee, who have followed those interests doggedly whenever possible and pursued the MOD for its failings, without fear or favour. I am glad to say that, if there is one positive about yesterday's announcement from Main Building, it is that the Defence Committee's work seems to be working for a change.

10.30 am

Stewart Malcolm McDonald (Glasgow South) (SNP): It is a pleasure to welcome you to one of our weekly defence debates, Ms Dorries. I see the usual faces around the Chamber. I sincerely congratulate the hon. Member for Aldershot (Leo Docherty) on securing the debate.

We have heard Members adumbrate the drop in the size of the armed forces. An axe is being taken to capability left, right and centre. The National Audit Office reports that mismanagement of the procurement budget has led to a black hole of up to £20 billion. The Government are failing in their obligations to people at home and to allies abroad. I say to the Minister that Scottish National party Members approach these near-weekly debates constructively—I see lots of Conservative heads nodding in agreement with what we say—but we make no apology whatsoever for providing robust opposition to what we see as a folly.

Let us look at the numbers. In their manifesto, the Conservatives committed to an Army of 82,000. In Scotland, on 15 April 2014, the then Defence Secretary, who is now Chancellor, promised that

“we will actually be increasing the size of our defence presence in Scotland...from a Regular force of some 11,000 personnel today, to 12,500 by 2020.”

Let us fast-forward to 1 October 2017, when the Regular force in Scotland stood at 9,970. The Government fail on their own promises, and we make no apology for pointing that out. Of course, that comes on the back of a 20% cut to the MOD footprint in Scotland, which is another area in which we were told there would be investment.

Mark Lancaster *rose*—

Stewart Malcolm McDonald: I am not going to take an intervention from the Minister because he will have the chance to sum up. I want to address something he said earlier about terms and conditions affecting recruitment and retention. Let us look at where the evidence lies,

starting with armed forces pay. We know that pay is an issue for members of the armed forces because the evidence tells us that. The Armed Forces Pay Review Body noted:

“In general, we heard about the lack of trust in the employer to maintain the offer in future, and an increasing feeling that people were not joining the services for a career, but to obtain training and skills before moving on to alternative (and possibly better paid) employment elsewhere.”

That is compounded by the public sector pay freeze, which, when inflation is taken into account, is a cut. Army privates who, on a salary of £21,000, are among the lowest-paid members of the armed forces, have had a cut of £400 per year. The Minister should look at the evidence in front of him—this is well documented and well researched—rather than simply pluck evidence out of thin air.

Mark Lancaster: Will the hon. Gentleman give way?

Stewart Malcolm McDonald: No, I am going to finish my point. The Minister’s comments on tax were not based on any research or evidence. They were not based on anything beyond what he seems to think the issue might be. He is willing to ignore all the evidence, including the evidence I have just cited. That is before we even get to the appalling state of military housing, the risible pension increases that the Government have offered to members of the armed forces and their families, and the dreadful roll-out of the armed forces covenant in some parts of the country.

SNP Members make no apology for the fact that those who earn tens and tens of thousands of pounds—way beyond the average salary—may pay a bit more tax. Frontline squaddies in Scotland, who make up the vast majority of those serving in Scotland, will pay less tax than their counterparts in the rest of the United Kingdom. I am happy with my Government’s policy of putting more money into the pockets of people in the armed forces, while the Minister’s Government continue to rob them day in, day out.

Mark Lancaster *rose*—

Stewart Malcolm McDonald: The Minister will have 10 minutes to sum up, so I am not going to take an intervention from him.

Let me end with this. I am dismayed that we will not have a statement today on the splitting up of the security capability review, about which there has been one of the most unedifying public spats I have ever seen in politics. This country seriously needs to look at how it finances and budgets for defence. It has to look at countries such as Denmark, which budgets on a five-year basis so that its Defence Ministers are not continuously chasing their tails. I think there is a political consensus. I make no apology for being robust in opposition, but I believe there is much on which we can work together.

10.35 am

Wayne David (Caerphilly) (Lab): It is a pleasure to serve under your chairmanship, Ms Dorries. I warmly congratulate the hon. Member for Aldershot (Leo Docherty) on securing the debate and on the way he presented his arguments. I also thank Members on both sides of the Chamber for contributing to the debate,

which, by and large, has been consensual. I think there is a unity of purpose among the Members who expressed their views.

Our starting point has to be the personnel deficits of 3.5% in the Royal Navy, 6.3% in the Army and 5.8% in the Royal Air Force. That must be a cause for concern for us all. There are problems with recruitment, as the right hon. Member for Mid Sussex (Sir Nicholas Soames) said—I share his views about Capita entirely—and there is concern about retention in the armed forces. We all know about the problems with accommodation and pay. Those concerns must be addressed.

We are also worried about the gaping black hole of between £20 billion and £30 billion in the Ministry of Defence budget over the next decade. We all know why that has happened: there has been a lack of coherent management in the MOD and we have bought a huge amount off the shelf from the United States of America while the pound has depreciated. We all know, too, that it is completely unrealistic for the MOD to call for yet more efficiency savings that cannot be achieved. That is all happening at a time when this country is increasingly under threat from terrorism and, as the Chief of the General Staff said in his speech at the Royal United Services Institute last week, from an assertive Russia.

There is a widespread view that defence expenditure must therefore increase. Many peers in the other place have expressed that view, and it has been forcefully expressed by the military. Earlier this week, the former Defence Secretary, the right hon. Member for Sevenoaks (Sir Michael Fallon), called for our military expenditure to increase by £7.7 billion to 2.5% of GDP. He issued a chilling warning:

“Our security is at stake.”

My view is that defence expenditure should be increased to at least the level achieved by the last Labour Government, yet we are seeing more and more cuts. Earlier this month, it was leaked that the MOD is considering three options. The first involves a personnel cut of 14,250. Under that option, marines would be cut by about 2,000 and the RAF would lose 1,250 personnel. Fifty-nine cap badges would be lost. There would be cuts to the Navy, to the Air Force and to the equipment of the Army. The other two options are no better.

Sir Nicholas Soames: Those figures may well be true, but the hon. Gentleman has to deal with the fact that, regularly, 50% of Army personnel leave before they reach the age of 30. How does he propose to deal with that problem?

Wayne David: A whole host of measures need to be put in place. Recruitment is an important issue, but so is retention. Pay, accommodation, respect for the armed forces and people’s prospects after they leave all have a material bearing on retention. The right hon. Gentleman is correct to raise that point.

The Defence Secretary said that the proposed cuts are unacceptable, and he is correct. As we know, he is having a battle with the Treasury for money, and Labour will be firmly on his side in that battle. We are also aware that the Under-Secretary of State for Defence (Mr Ellwood) has threatened to resign if these cuts are imposed. I support and respect that. If the Minister decides to issue a similar statement, we would support that as well.

[Wayne David]

Finally, we were led to believe that there would be a separation of the cyber capability and defence aspects of the national security and capability review, and that the Defence Secretary would make an announcement on that today. We have since been told that that will not happen. Will the Minister say when that statement will be made to the House, because it is of tremendous importance? When it was established, the national security and capability review was to be conducted on the basis of fiscal neutrality. The suspicion, therefore, is that moneys could be taken from Peter, the defence budget, to pay Paul, the cyber capability budget, which is totally unacceptable. We believe that there should be an increase in capabilities all round. This has been a good debate in both content and tone, and I hope that the Ministry of Defence will stand firm in its battle with the Treasury. If it fights for extra resources, the Opposition will be on its side, together with many Conservative Back Benchers and Members across the House.

10.41 am

The Minister for the Armed Forces (Mark Lancaster):

It is a great pleasure to serve under your chairmanship, Ms Dorries, and I declare an interest as a serving member of the Army Reserve. I confirm that I have no intention of resigning from the Army Reserve, as that would not help numbers at all.

I congratulate my hon. Friend the Member for Aldershot (Leo Docherty) on securing this important and timely debate. It follows a number of other debates on similar themes in recent months in Westminster Hall, the main Chamber, and another place. The Government welcome every opportunity to emphasise their strong commitment to the armed forces and the defence of our country, and I am pleased to do that again today.

I also thank my hon. Friend for his insightful observations. As a former officer in the British Army with many years of distinguished service, including in operations in Iraq and Afghanistan, he has brought a wealth of knowledge and personal experience to the Chamber this morning. Other right hon. and hon. Members have also made contributions, and it is a privilege to respond to a debate of such quality. We have heard from my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames), and the hon. Members for Plymouth, Sutton and Devonport (Luke Pollard), for Glasgow North West (Carol Monaghan), for Caithness, Sutherland and Easter Ross (Jamie Stone), for Barnsley Central (Dan Jarvis)—I was particularly impressed by that speech and will return to it—for Dunfermline and West Fife (Douglas Chapman) and for West Dunbartonshire (Martin Docherty-Hughes).

I also enjoyed the speech by the hon. Member for Glasgow South (Stewart Malcolm McDonald), but may I gently say that, in my limited experience after 12 years in this House, this is supposed to be a debate? I was simply going to make a helpful comment, which I will return to, and the House tends to appreciate it if we can have a debate, rather than Members simply standing up and having a bit of a rant. I admire his passion for the subject, but Members get a bit more respect in this place when they are prepared to have a debate. I am gently chiding him.

This debate has been about the size and strength of our armed forces, so in a major sense it is about our people. I therefore pay tribute to the many tens of thousands of servicemen and women whose selfless service keeps our country and people safe. We must do everything we can to persuade our young people that the armed forces remain a great place to work with many development opportunities, both professional and personal. We accept, however, that recruitment remains a challenge—that point was raised by my right hon. Friend the Member for Mid Sussex.

Record youth employment and a diminishing number of 16 to 24-year-olds entering the workforce over the next few years means that there will always be strong competition for new people. We are responding with a range of short and long-term initiatives to ensure that the offer of a career in the armed forces remains competitive. The services are recruiting through active and targeted campaigns, and increasing engagement and activity in communities where recruitment has been low. We are also working on recruiting and retaining specialist skills. There are some encouraging signs. The number of applications to join the Navy and the Army has increased compared with the same point last year, and outflow from the regular armed forces in the past 12 months has reduced. The reserves are a success and continue to increase in number.

British society is changing, and young infantry soldiers who come from our traditional recruiting grounds in the north-east and north-west now represent a much smaller proportion of our society. That is why we have set ourselves challenging targets to recruit from the black, Asian and minority ethnic community, and to get a better gender balance in the armed forces. There are signs that we are beginning to make progress in those areas, but it is difficult, not least because we must ensure that the right role models in our armed forces can inspire other people to join.

Being a bottom-fed organisation, it is sometimes difficult to get those role models in the right place at the right rank. Hopefully, the Armed Forces (Flexible Working) Bill, which is proceeding through the House, will give us greater latitude in how we bring people into the armed forces, and potentially allow people to take career breaks, or—perhaps at an important point of their career—to work part-time or job share. No one suggests that that will be a silver bullet that will solve the problems, but hopefully it will make serving in the armed forces a little more compatible with the challenging pattern of modern life. I am pleased that in general there has been support for the Bill.

Wayne David: On recruitment, does the Minister accept that the approach of Capita leaves a lot to be desired? Will the MOD look carefully and critically at how it is fulfilling its contract?

Mark Lancaster: The hon. Gentleman makes a perfectly reasonable point. There have clearly been challenges, and to suggest otherwise would be entirely wrong. I am particularly interested in recruitment, and I think that this package of measures will be the right thing. I firmly take on board what was said by my right hon. Friend the Member for Mid Sussex, and we should try to move toward a blend of measures. I would not want to tie up enormous numbers of members of the armed forces

solely in recruiting, but there is an important place for young role models who can inspire young people to join. Many of the back-room functions of the process can be done through Capita and others. We need a balance, and I am not sure that we have quite got that right at the moment.

Let me return to the theme of size and strength. It seems to be a day for Communist quotes, because I think it was Stalin who said:

“Quantity has a quality all of its own”,

which is a reasonable point. The worth of an armed force is ultimately determined by what it can do: the military power it can bring to bear, the readiness with which it can respond, and the effects it can achieve in the different circumstances in which it may be asked to achieve them.

The hon. Member for Barnsley Central will expect me to say that new technology and new capabilities tend to reduce the service requirement for manpower overall, but I do not for one second say that that justifies a continued reduction in the size of the armed forces. It does not, but there is a balance to be found between embracing those new technologies and maintaining that Stalinist thought about quantity having a quality of its own.

Although fully trained, regular service personnel will continue to make up the majority of the military workforce, particular requirements can be met equally well by reserve forces, including the sponsored reserve. Our aim must be to make the best use of all the talent and ability that the country has to offer, including from those who can bring to the armed forces valuable skills acquired in civilian life. I have already mentioned the more flexible approach to military workforce planning—what we called the “total armed force”—which we are looking at along with the service chiefs. I hope to update the House on exactly what that means and how we intend to move this forward. It is an attempt to embrace all the talent we can find.

We often talk about the number in the armed forces as if, magically, the whole force could be deployed in the field tomorrow. It cannot: no military can deploy its entire force in the field in one day. The true strength of an armed force is a combination of its total manpower—be that regular, reserve, or regular reserve—and the readiness with which it can be deployed.

Historically, we have deployed divisions; we should be fiercely proud of that, as few countries can deploy a division—the first size of armed force that has the full orchestra, so to speak, of capabilities to be deployed—but a division cannot be deployed tomorrow. It takes time; there is a readiness cycle for its deployment in the field. However, I am confident about answering the point raised by my hon. Friend the Member for Aldershot about our having a deployable division at readiness. We hold different forces at different periods of readiness, on a graduated scale. It would be wrong to go into detail about exactly what is held at what level of readiness, what is quickly deployable and what larger forces can be deployed over a period.

We often talk about threat. In my basic military training, threat had two components: capability and intent. A true threat exists when someone has capability and intends to use it. To go back to the speech of the hon. Member for Barnsley Central, there is an argument

that the biggest threat we face now, based on capability and intent, is probably in cyberspace. There are threats to the nation every day there. However, that is not to dismiss other threats such as the Russian threat, clearly articulated this week by the Chief of the General Staff. In that case, there is definitely capability, but at the moment probably no intent to use it. However, I am very mindful that capabilities can take a long time to build up, while intents can change relatively quickly. We need to be mindful of and careful about that.

The national security capability review was touched on, and Members are no doubt aware that the National Security Council sat yesterday and that the NSCR was on the agenda. It was agreed that an NSCR report would be published in late spring 2018. More importantly for the purposes of this debate, the result of the NSC meeting was that a further separate programme of work to modernise defence will now happen. That will be called the modernising defence programme.

The Defence Secretary will make a statement. It will not be today; there is a negotiation by the usual channels. I assure right hon. and hon. Members that they should not read anything into that. The right date is being sought to maximise attendance. Let us be honest: probably the last thing we want is a statement when most people have plans to go home or be elsewhere. The statement will happen soon, on a day—Members can guess which day—of maximum attendance in the House, for maximum scrutiny of the Defence Secretary. I offer my apologies that it is not today, but ask Members please not to read anything into that.

Wayne David: I thank the Minister; but can we have an assurance that the statement will not be made in the evening?

Mark Lancaster: That was one of the issues, to be fair. There is a genuine feeling that on a matter of such importance the statement should be made at the right time on the right day, when there will be maximum opportunity for hon. Members to quiz the Secretary of State; but nothing should be read into the timing. The hon. Gentleman has alluded to one of the potential problems, and that is the nature of business today.

Stewart Malcolm McDonald: Will the Minister give way?

Mark Lancaster: Should I give way? Well goodness me, I am a generous soul. I hope that will be a lesson to the hon. Gentleman.

Stewart Malcolm McDonald: The regular faces will know it is not my normal MO not to allow an intervention. I was perhaps unnecessarily wound up at the time. As to the splitting, with defence coming later, will that part of the review still be tasked with being fiscally neutral?

Mark Lancaster: It is not for me to offer a lesson in the development of grand strategy, but in my training it was always all about ends, ways and means. We are attempting to establish the ends: what are we seeking to do? Clearly we seek to counter the threats that the UK faces. As to means, effectively people always focus on the capabilities that we have. That has been one of the challenges that we have faced in the wider debate, where

[*Mark Lancaster*]

individual capabilities have been plucked out that hon. Members feel must be saved at all costs, without their necessarily looking at the wider context of how the means and capabilities fit together. Equally, part of the capability is the finance—the ability to buy it. Means therefore include both physical capability and money. Ways are how we use those means. The piece of work in question will grow on the NSCR, and as it continues, clearly, if factors emerge and investment in certain capabilities is needed, that will be a negotiation with the Treasury.

Wayne David: Does not what the Minister said imply that his answer is yes, it will be fiscally neutral?

Mark Lancaster: That is not what I am saying at all. To be fair to my boss, the Secretary of State, he has made a strong case for greater investment in defence; and that negotiation will continue. However, before I get into lots of trouble by pre-empting what he will say in the statement shortly, I ask right hon. and hon. Members to indulge me with their patience. They will have the opportunity to ask all those questions shortly, during the statement.

Sir Nicholas Soames: Will the Minister deal with the point made by the hon. Member for Barnsley Central, which is key to the point that the Minister correctly made about divisional size and operation, and the bringing together of the whole military orchestra in one place, which is that quantity has to matter?

Mark Lancaster: Certainly, a division, by definition, because of the orchestra of capabilities that it brings to the battlefield, and its ability to fight at various geographical locations, must be of a certain size. To correct a comment that was made earlier, the Conservative manifesto commitment was to maintain armed forces at their current size, and be able to field a division. That is our commitment, to which we are working.

On the question of spending, the Government remain determined to ensure that our armed forces have the people, equipment and training to defend the United Kingdom at home and overseas against the growing and diversifying threat to our security. That means that our armed forces will continue to be world-leading, with the ability to project power globally in a way that few other nations can match. It also means that we will deepen our relationships with allied powers and work to strengthen alliances such as NATO. My hon. Friend the Member for Aldershot mentioned concerns about the

ability to train. He is quite right: Zapad 2017 was the major Russian exercise in Russia's western area. In 2017 we had several NATO exercises, because working with our allies is crucial. We had Joint Warrior, which was a joint expeditionary force exercise, Noble Jump 2, which was a very high readiness joint taskforce exercise, and Swift Response. Looking forward to this year, there will be several major international exercises. We will have Saif Sareea 3, which will be the biggest UK-Omani exercise to be held for nearly 15 years; and Trident Juncture, which is the NATO exercise held every three years. I take my hon. Friend's point that it is crucial that, to counter the threat, we work continually with our NATO allies, and exercise accordingly. Collective training is important.

Another certainty is that we are increasing spending on defence and will continue to do so. With a defence budget of some £36 billion this year, the UK is undoubtedly a major defence power. The hon. Member for Dunfermline and West Fife talked about the Danish defence budget; but actually it will not get to 2%. Its defence budget will be 1.3% of GDP by 2023, which is up from 1.2%. That is a welcome rise, but it still does not reach the 2% target.

I am proud that the Government have committed to increasing the defence budget further, by at least 0.5% above inflation every year of this Parliament. I am mindful that I should allow my hon. Friend the Member for Aldershot a minute to sum up, so I shall leave my remarks there, but I shall write to hon. Members on any questions I have not answered.

10.58 am

Leo Docherty: As the Member of Parliament for Aldershot, the home of the British Army, I am delighted to have been able to call this debate today. I am grateful to all the colleagues who have come and contributed so positively, and to the Minister for his remarks. It has been a productive debate.

We are at a critical time for defence. I hope that the Ministry of Defence will see the extended review as an opportunity to lay out a positive vision and that the Treasury will find the money to pay for it. I, like all Conservatives, stood for election on a manifesto of maintaining the size of the armed forces, and it is our duty to the British public and the men and women of the armed forces to ensure that we do that.

Question put and agreed to.

Resolved,

That this House has considered the size and strength of the British armed forces.

Public Transport: Boxing Day 2018

11 am

John Grogan (Keighley) (Lab): I beg to move,

That this House has considered public transport on Boxing Day 2018.

Christmas 2017 is already a distant memory for most of us, with all the joys of Christmas and some of the minor irritations such as our football team losing, which happened to me in the case of Bradford City, or the turkey going in slightly late, which happened at my family gathering. But there were also other irritations, such as the absence of Boxing day rail transport in our country.

In my campaigns on this—I have represented various marginal constituencies in Yorkshire for about 15 years—I have always made the mistake of trying to draw attention to it in the month of December. People are concerned at that point and are making their travel plans. Social media on 26 December is full of people realising they cannot get out and do what they wanted to do. I thought I would try a different tactic this year and draw attention to the issue before January ebbs away, so that we can begin to make plans for Boxing day 2018. There is hope, particularly in the north of England, in God's own county of Yorkshire, that this year there may be the first trains running on Boxing day since 1980.

Why on earth does that matter, and why is it worth the attention of the House? There are three or four reasons. I was very pleased last week to see the Prime Minister appoint a Minister for Loneliness. A 60-hour shutdown for our major national rail network is just too long. For people who are isolated over that period, getting out and about is massively important. I have referred to Bradford City's home fixture this year, but football fans up and down the land look forward to the Boxing day fixtures. There are great horse-racing meetings—the King George VI Chase at Kempton grabs the attention of at least part of the nation—various rugby matches and so on, and people should not need a car to attend those events. In an age when the environment matters, that is even more important.

There is also retail activity on Boxing day. For many of our shopping centres, both in town and out of town, it is an important trading day. This year, a lot of retailers experienced declines in sales on Boxing day. It does not help if people cannot get to the shops and the sales to spend their money. There are a number of reasons. Quite frankly, a lot of people have to be back at work at their desks, in their offices or in their restaurants on 27 December if not on 26 December. They cannot travel any distance to go home for Christmas if they have to be back at work on 27 December at eight o'clock in the morning. It affects people's family Christmases.

Is there demand? I think there is. I draw attention to bus transport, since this debate is titled "Public Transport" and not just "Railways". In London, I understand that buses have run on Boxing day for many decades, but outside London, the various big conurbations and cities across England have experimented over the last 10 or 15 years with running not a full service, but a service aimed at the shopping centres, football matches and so on. They have done that with some success.

Since 2007 in west Yorkshire, my area, the passenger transport authority, which has subsequently become the combined authority, has been running a service initially based in Leeds and Wakefield—it reached my Keighley constituency in the last three years. It is very well patronised. They have had to put extra buses on between Leeds and Bradford, because in some years they were completely full. There is an element of subsidy involved in west Yorkshire, but I was told that 65,000 passengers went on west Yorkshire buses on Boxing day 2016. They have not yet got the figures for 2017, but the experiment has worked well.

I had a letter from Mike Scott, the head of buses at Nexus, the passenger transport element of the combined authority in the north-east of England. He said that several of the bus services that it initially subsidised

"are now provided by commercial operators at no cost",

because as people have got used to seeing public transport on Boxing day, they have used it more. Others, such as the Metro centre and Newcastle United, have on occasion subsidised buses because they see their commercial interest in getting people into Newcastle and letting them get home from football matches.

It has worked in the case of buses, but we have not seen a comprehensive train service on Boxing day in our country since 1980. In 1975, under the then Labour Government, the service began to ebb away. In 1975, no provision was made, but it came back in 1976. Members at the time raised concerns about the effect on people without access to a car who had to work on Boxing day, or who would not be able to visit friends and family. It was interesting that in reply, the then Minister Gordon Oakes commented:

"I believe it is essential that in our debate today we should not give the impression that there will be no public transport on Boxing Day. On the contrary, London Transport will run both its underground and bus services on 26th December."—[*Official Report*, 21 November 1975; Vol. 901, c. 456.]

The emphasis is: if it is okay in London and London is all right, the rest of the country can make do.

It is interesting that, once the rail was privatised, the great airports of Heathrow and Gatwick had it put in their franchises that they should have a service on Boxing day, no doubt under the influence of London-based civil servants. Those were the only franchises in which that was specified. Of course, it is important that the great airports are connected on Boxing day, but there is also a great airport at Manchester in the north of England—Boxing day is its busiest day of the year. I will offer some hope before the end of my remarks, but until now there has been no service there.

Most of the time since 1980 outside Heathrow, Gatwick and Scotland, which has run a service as it is not a public holiday on Boxing day, there has been very little provision. There have been some services between Marylebone and Oxford on the Chiltern lines in recent years, which I think have been well used, but 90%-odd of the network has been closed down. It is interesting that no one in the rest of Europe closes down their network for that length of time. I am not suggesting services on Christmas day, but a lot of continental Europe runs a Sunday service throughout the holiday period. Somehow, they seem to get round the problem of engineering works. Where there is a will, there is a way.

Martin Vickers (Cleethorpes) (Con): Will the hon. Gentleman give way?

John Grogan: It gives me great pleasure to give way to the chair of the all-party rail group, no less.

Martin Vickers: It is in that capacity that I wanted to say that the hon. Gentleman is very welcome to come along to the group next time we have a meeting of the train operating companies to put the question directly to them. At the moment, unless it is in their franchise, very few of them provide a service. They ought to be more enterprising—we need more competition in the rail network.

John Grogan: I accept that the spirit of enterprise should be there, and I have some good news for the hon. Gentleman before I sit down. I will certainly take up his invitation—it will be one of the highlights of my parliamentary year to come to such an august body.

I do not want to adopt a particularly party political approach, but I would make a gentle reflection to both Front Benchers—it is a great pleasure to see the shadow Minister for Rail, my fellow Yorkshire MP and hon. Friend the Member for York Central (Rachael Maskell) in the debate, and I am glad she is taking an interest. There has been a tendency, as we might expect, that when parties are in opposition, they draw attention to this problem. I spoke to the office of the hon. Member for Wimbledon (Stephen Hammond) earlier today and pointed out that I would gently draw attention to his quote from 2008, where he said:

“Thousands of families travel the length and breadth of the country to visit relatives and loved ones on Boxing Day. But yet again this year the railways will grind to a halt, forcing people onto gridlocked motorways... Labour just do not get how important the railway is to people at Christmas-time.”

My hon. Friend the Member for Middlesbrough (Andy McDonald) has rightly mentioned that quote every Boxing day since he has been in office, and rightly asks for progress. However, I have not yet seen either Front-Bench team say that we definitely will make progress. However the railways are owned, and whether or not the major franchises come back into public ownership under a Labour Government, I hope a commitment can be made to Boxing day transport. I hope both parties can commit themselves to that.

I said there was potential good news for Boxing day 2018. That is largely concentrated in the north of England. For the past three years, Merseyrail has run a service. That shows the power of devolution. Merseyrail has a particularly close relationship with the Mayor of Liverpool and the councils on Merseyside, which have a greater consultative role in relation to the terms of the franchise and so on.

Douglas Ross (Moray) (Con): I am interested in this issue, coming from a Scottish perspective. As the hon. Gentleman mentioned, there are some services on Boxing day in Scotland, but I get many complaints from my Moray constituents, including this year, that the service and the number of carriages are so reduced that the passenger's experience is not great. Even though we have a service, it is very limited, with very few carriages, and ScotRail does a lot of maintenance on the railways on Boxing day because of the limited services, so there are many delays. Although there is devolution and there are some services in Scotland and other parts of the

country on Boxing day, does the hon. Gentleman agree that those should be better services to ensure that people who choose to use the railways on Boxing day have a good experience?

Ms Nadine Dorries (in the Chair): Order. That is a speech. I call John Grogan.

John Grogan: I agree with the hon. Member for Moray (Douglas Ross). We have to provide a quality service such that people know when the trains are running and that they will be of good quality. We cannot run a ramshackle service, because people will not use it. My worry would be that someone would say, “Why are we running these services at all?” as happened south of the border in 1980.

As I said, Merseyrail has been running services. This year, it was very enterprising, to use the word of the chair of the all-party rail group. It contacted Liverpool football club, which had an evening kick-off at 5.30 pm, and provided trains well into the evening so that supporters could not only get to the game, but get back afterwards. Northern Rail, for some reason—I am not sure how this came to be the case and whether it was down to an enlightened Minister or an enlightened civil servant—has to provide under the terms of its franchise 60 services in the north of England on Boxing day 2018. I am very hopeful that some of those may even go to Keighley, because I have had a very helpful letter from the chair of the West Yorkshire combined authority, Councillor Keith Wakefield. He says that it is working with the Department for Transport and Transport for the North, perhaps to enhance the 60 services and have more. The letter states:

“The consultation response submitted by WYCA noted that the Leeds North-West network (the Airedale and Wharfedale lines) were identified as a likely priority for Boxing Day services in the Leeds City region, not least reflecting the high levels of demand they attract at weekends/holidays and reflecting the extent to which the signalling is automated (which could reduce costs).”

If Bradford City are at home this year, I will look forward, possibly, to getting on to my local train service, on the Airedale or Wharfedale line, to get to the match.

In this more optimistic picture, TransPennine rail has an obligation in its franchise to make proposals to Ministers and to Transport for the North to run services across the Pennines. I understand that it has emphasised making proposals for the aforementioned Manchester airport, and that that is with Ministers and Transport for the North. I very much hope Ministers take an enlightened approach. I well remember a meeting about this in 2009 with Lord Adonis, marvellous man that he is, but I think that he rather humoured me and his mind was on High Speed 2 and very important projects such as that. These are little details, but I feel confident that this Minister is a man of such detail.

Martin Vickers: On the subject of TransPennine, which provides the main services via the south trans-Pennine route between Manchester airport and Cleethorpes, when the Minister has those discussions, will he make special mention of the fact not only that my constituents want to get to Manchester airport, but that of course people will flock in their thousands to Cleethorpes, where Grimsby Town will probably be playing at home next Boxing day?

John Grogan: They will, and the seaside in winter is particularly attractive.

I end by saying that I have every hope that both Front-Bench teams will get behind the idea of Boxing day transport. Devolution will help. This is one way of ensuring that the northern powerhouse in particular—obviously, I am concerned for the rest of the country as well—is powered for one extra day a year.

11.14 am

The Minister of State, Department for Transport (Joseph Johnson): I thank the hon. Member for Keighley (John Grogan) for his interest in this matter. I also thank the chair of the all-party rail group, my hon. Friend the Member for Cleethorpes (Martin Vickers), and my hon. Friend the Member for Moray (Douglas Ross), for their contributions.

Public transport must have at its heart the needs of the travelling public. I am clear that we must continually strive to meet those needs as they change and evolve, and I will do my best to answer some of the points made during this debate. If I cannot answer them in full, I will happily write to the hon. Member for Keighley afterwards.

As the hon. Gentleman said, the issue of Boxing day services principally affects the rail sector—he noted that bus services by and large continue to operate on 26 December—so to that degree I will focus my remarks on rail. As he rightly noted, our rail network is part of the lives of many people across the UK and important to addressing social needs—he rightly highlighted the issue of loneliness—which is why the Government continue to invest at record levels to ensure that the service across the country is delivering reliable and punctual rail services to meet the needs of our economy and society.

Indeed, on 12 October, my right hon. Friend the Secretary of State announced our intention to commit some £47 billion—a record sum—to our rail network in the period 2019 to 2024. That is on top of a previous record level of investment, which will see about £50 billion spent on reliability and major transformational infrastructure enhancements up to 2019. All that is in addition to HS2, which the hon. Gentleman mentioned and on which we are spending about £55 billion.

That means that, since 2010, more than 7,000 new carriages have been ordered to provide extra space for passengers and to replace many outdated trains. We are setting challenging targets for passenger experience in operators' franchise agreements that cover passenger satisfaction and standards of service quality. Increasingly, we are including financial incentives to ensure that they deliver on those targets. That can include requirements to reinvest penalties in improvements for passengers. We are committed to making the railways accessible to all. For the first time, we are introducing a specific delivery plan in our franchise competitions that will require bidders to set out how they will meet the needs of passengers with disabilities. That reflects our commitment to delivering a rail network that is centred on the passenger—providing the services, capacity and experience that rail users want.

To come to the heart of the debate, Boxing day services are just one of many passenger needs that we are seeking to fulfil. I will say a few words about our approach to Boxing day services, which has evolved over time, as the hon. Gentleman noted, and no doubt will continue to evolve.

Our franchises have always had the discretion to explore the operation of Boxing day services on a commercial basis. Since 2015, we have required franchises to, at a minimum, maintain current levels of Boxing day services. In addition, our invitations to tender include requirements to consult passengers and user groups on the demand for Boxing day services. That is reported back to the Department, along with the commercial viability of any such proposals.

I know that the hon. Gentleman is particularly interested in the consultation and associated reports prepared by the Northern and TransPennine Express franchises. I can confirm that those have been submitted and are being considered by the Rail North Partnership. I appreciate that he would wish me to confirm that we will be running services on both franchises, but I am sure that he will also understand that we should allow Rail North, the franchises and Network Rail the opportunity fully to consider and assess the feasibility of the proposals first. I also note that, in focusing on the needs of our passengers, we must look at the needs of the widest number of the travelling public. As I am sure the hon. Gentleman is aware, the rail network uses periods of lower demand, which will usually include Boxing day, to complete essential engineering works—essential, as he knows, if we are to undertake maintenance work that is critical to the reliable performance that passengers demand, and essential, too, for major upgrade work, delivering the additional capacity on the network that passengers want.

The hon. Gentleman focused rightly on the north of England. I gently remind him that we are spending £13 billion on northern transport—the largest investment in a generation—£3.8 billion of which will be invested in rail schemes. By 2020, the great north rail project will see the arrival of brand new trains for customers across the region. Northern and TransPennine Express will deliver more than 500 new carriages, with room for 40,000 extra passengers, as well as 2,000 extra services a week. We hope that this will help transform the passenger experience and improve reliability.

Elsewhere, recent rail franchise awards will deliver brand new, more reliable trains for passengers travelling on South Western, East Anglia and London Midland services. This year will also see the completion of Thameslink and Crossrail, which will deliver desperately needed new capacity, thereby improving performance reliability for passengers and freight. On the Great Western network, we are investing an unprecedented £5 billion to deliver faster, more reliable services and new trains with thousands more seats.

I thank the hon. Gentleman for raising this important subject. Our railways clearly matter tremendously to those who use them, and passengers rightly expect that we will respond to their changing needs. We have a clear vision for delivering on this in future. This means a relentless focus on meeting the needs of passengers; awarding contracts on the quality of service provision and on price; investment in infrastructure to deliver improvements in reliability and increase capacity; and new and refurbished trains that increase capacity and improve the passenger experience.

Question put and agreed to.

11.22 am

Sitting suspended.

Pubs Code 2016

[MR DAVID CRAUSBY *in the Chair*]

2.30 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I beg to move,

That this House has considered the application of the Pubs Code 2016.

It is a pleasure to serve under your chairmanship, Mr Robertson. I would like to say that it is a pleasure to speak in this debate, but I spoke in the equivalent debate in January last year and I hoped then that I would never have to speak in such a debate again. However, given the way things have evolved, it is obvious that I need to, so I am here yet again.

I am something of a veteran of this issue. The initial predecessor to the Select Committee on Business, Innovation and Skills did an inquiry into it in 2004, and subsequent inquiries were held in 2009, 2010 and 2011. I was a member of the Committee in 2009 and Chair of it in 2010 and 2011. Looking back, I remember that Ted Tuppen, the former chief executive of Enterprise Inns, described the MPs who were campaigning on pub companies as morons. I am proud to say that I am probably one of the last surviving morons—by that definition—in this House.

The issues have been standard and constant throughout the evolution of this debate and the subsequent legislation. They arise first around the tensions between the pub companies and their tenants—I know they are commonly described as pub operating businesses now.

Nick Thomas-Symonds (Torfaen) (Lab): I congratulate my hon. Friend on securing this debate and the way he has pursued this issue. Like him, I contributed to debates on it in the last Parliament. I was pleased, as were many colleagues, to see the pubs code at last, but does he agree that the key now is to see it implemented throughout?

Mr Bailey: Absolutely. My hon. Friend makes an important point. This has been pursued through Parliament for nearly 15 years. If, at the end of the day, we do not demonstrate that our pursuit of this issue and the implementation of the legislation is effective, we will have failed in our duty. I am dedicated to ensuring that it is successful.

The crux of the issue is the mismatch between the power of the pub companies and their tenants. With that mismatch in power comes a mismatch in rewards. Basically, many pubs were being driven into closure and tenants into bankruptcy by virtue of the fact that the pub company was taking a disproportionate amount of the income that they were raising through their services.

Sir Greg Knight (East Yorkshire) (Con): I congratulate the hon. Gentleman on initiating this debate. Does he agree that another problem is that the adjudicator has a tendency to make his decisions in private, thereby preventing a bank of knowledge from being built up by tenants, who could perhaps use some of the decisions as precedents?

Mr Bailey: I thank the right hon. Gentleman for that intervention. To a certain extent, I was going to cover that, but his precise point is a welcome addition,

because transparency is the key. That would give guidance to tenants who were looking for the market rent only option. It would enable them to see how viable their application is and on what grounds they could challenge the pub company, if the pub company refused or obstructed it.

Rachael Maskell (York Central) (Lab/Co-op): I will be writing to the Minister about my constituents' experience of the Pubs Code Adjudicator following Paul Newby's visit to York, at my invitation. Despite his commitments about expediency and communications, pubs such as the Golden Ball in York are still waiting 13 months later to hear what is happening about their case. How can that be fair, and how can it be right?

Mr Bailey: My hon. Friend raises an important point. I know that many tenants feel that this procrastination over resolution is playing into the hands of the pub companies, and that it is, in some cases, deliberately designed to drive up expenses and deter anybody from making such applications.

Lilian Greenwood (Nottingham South) (Lab): I congratulate my hon. Friend on securing this debate. I want to ask a question on behalf of the Nottingham branch of the Campaign for Real Ale and its pub protection officer, who wrote to me about this issue. The point they make is that the process of obtaining a market rent only option is massively complicated and virtually impossible for an unsupported tied tenant to use without expensive legal support. Does my hon. Friend agree that if the legislation is to be useful, it must be easily accessible?

Mr Bailey: My hon. Friend makes an important point. That is one of the complaints, and I will be discussing some of them in a few moments.

Prior to the implementation of the legislation, subsequent Committees sought the industry's agreement on a voluntary code, but subsequent inquiries demonstrated that the pub companies, despite paying lip service to a voluntary code, were actually not conforming to it and not making any progress on it. It was then in exasperation—almost desperation—that the Select Committee decided that enough was enough, and that it was time to implement legislation. Subsequently, the legislation materialised.

The key issue, above all else, is tied tenancies and the market rent only option. The argument is that tied tenants have to pay a disproportionate amount of money for their stock and other services, and that, as a result, the pub company gets a disproportionate share of the income arising from the premises. If a tenant seeks to go free of tie, the pub company will implement conditions in the negotiations that remove any financial advantage from that course of action. The legislation, by giving tenants the option of applying for a market rent only option, is designed to overcome that handicap. The way in which the process is being implemented is a matter of huge concern, and it needs further consideration by the Pubs Code Adjudicator and the Government.

The Pubs Code Adjudicator report in July 2017—bearing in mind that the legislation came in one year earlier, in July 2016—said that there were two overarching principles in the code. The first was “fair and lawful” dealings in relation to tied tenants. The second, which I have touched on, was the “no worse off” principle, which sets out

“that individual tied tenants should not be worse off than they would be if they were free of the tie”.

Eighteen months after the introduction of the pubs code and the Pubs Code Adjudicator, it is time to take stock and assess whether the objectives set out in the pubs code—I just defined them—are being met, and, if not, what needs to be done.

Before I do that, I have to touch on the controversy that raged over the appointment of Paul Newby as the Pubs Code Adjudicator. I will not dwell on the whole catalogue of concerns, but it is well known that there are accusations of conflicts of interests arising from his past employment with the valuers and surveyors Fleurets, because it had extensive interests with the pub companies, and from his personal investment in it. I said in the debate last January that unless he divested himself of that particular investment, then in no way should he be the Pubs Code Adjudicator because he had an obvious and transparent conflict of interest. He has not done so. Given that confidence in his commitment and impartiality is crucial to earning the trust of pub tenants, that must be of huge concern. I will come back to this issue in a moment.

He has had opportunities over the past 18 months to demonstrate his effectiveness; however, looking at his performance, we see that it is possibly a slight understatement to say that the implementation and the progress made under his supervision fall short of the level needed to achieve the legislative objectives. The first concern is the slowness of the adjudication process. Between July 2016 and March 2017, arbitration awards were made in only 15 of the 119 cases accepted for arbitration. In the cases specifically relating to the market rent only option, the figure was 12 out of 104. Later in the year, in August, the adjudicator published a market rent only verification exercise report, which demonstrates that of the total of 497 market rent only notices, only 11 were actually converted into agreed market rent only tenancies. Of the 130 arbitration cases listed on 31 July 2017, 79 had been delayed for more than three months, and 12 for more than six months.

Now I will come back to the point that I was making earlier. The slowness of arbitration is not the only issue; impartiality is also a problem. The Chartered Institute of Arbitrators has upheld four of the 12 challenges made by pub tenants to the adjudicator’s decisions. That demonstrates the lack of confidence of tenants in the industry in the robustness and impartiality of the way in which he is exercising the code. To have a one-third failure rate in such a key, sensitive position is absolutely unacceptable.

Rachael Maskell: My hon. Friend is making a very solid case. A further conflict of interest in dragging out these cases is that doing so is economically disadvantaging tenants. Has he discovered the same fact?

Mr Bailey: Again, my hon. Friend makes an important point. The more we drill into this subject, the more comes out of it. Unfortunately, I am too constrained by time to go into every single issue that arises.

Toby Perkins (Chesterfield) (Lab): I am keen to intervene before my hon. Friend moves on from that point. As I understand it, in the four cases in which the Chartered Institute of Arbitrators found that there was a conflict of interest, Mr Newby has continued to arbitrate. He has

not accepted the verdict of the Chartered Institute of Arbitrators. An important question for the Minister is whether he thinks that if the Chartered Institute of Arbitrators believes that there is a conflict of interest, Mr Newby should respect that verdict.

Mr Bailey: My hon. Friend raises another significant point. By continuing to act on the case, Mr Newby is acting in breach of the code of conduct of the professional institute of which he is a member.

It is also significant that successful negotiations between the pub companies and tenants were rare. Eight times as many cases were referred to the PCA for arbitration, and four times as many went to independent agreement, as decided by bilateral negotiations between the tenants and the pub companies. It is not difficult to understand why. There is now overwhelming evidence that the pub companies’ historic antagonism, intimidation and bullying has continued, and the confrontational culture has prevailed, deterring tenants from taking, seeking or achieving market rent only options as a result of bilateral negotiations with the pub companies.

That is confirmed by the market rent only verification exercise of August 2017. The report states:

“Almost without exception, tenants and tenant advisers reported that while the POBs are abiding by the letter of the Pubs Code, to varying degrees they are not acting within the spirit of the Code; and that some are taking a legalistic approach to the Code.”

The second highest number of calls to the Pubs Code Adjudicator inquiry line related to the behaviour of pub companies, and they included accusations of intimidation, bullying and delay tactics. Those are not my words, but the words of the report.

I do not have time to examine every device used by the pub companies to frustrate negotiations but will pick out just a few. First, they include processes in their negotiations with tenants that are designed to push up costs, and include conditions not commonly found in tied tenancies or pre and non-code free-of-tie agreements.

Secondly, there is insistence by the pub companies for a brand new tenancy agreement, rather than a deed of variation to an existing tied tenancy. That enables pub companies to introduce new terms and requirements not historically found in a free-of-tie agreement, but that introduce substantial additional upfront costs.

Thirdly, deposits and advance rents are designed to make the market rent only option unaffordable. Lastly, there are unreasonable, unexpected and novel improvements of dilapidation requirements, including things such as a new roof, new pumps, resurfacing of car parks, cellar cladding, fire rules assessments and, I believe, patios as well. I would stress that those are only some of the strategies used by the pub companies to circumvent the spirit of the law.

Arising from a letter from my hon. Friend the Member for Leeds West (Rachel Reeves), the Chair of the Business, Energy and Industrial Strategy Committee, on 3 November 2017, the Pubs Code Adjudicator acknowledged

“that very few MRO notices served by tied pub tenants convert into MRO tenancies, and that bilateral negotiation and agreement between pub-owning businesses and tied pub tenants appear to be by exception.”

That is a formal confirmation from the Pubs Code Adjudicator that, in effect, it is not working. It is clear from the verification exercise that the pub companies

[Mr Bailey]

are using their legal expertise and superior bargaining power to perpetuate the status quo and to thwart the intended objectives of the pubs code legislation.

In the same letter, the Pubs Code Adjudicator says that he is prepared to use his enforcement powers to ensure compliance if necessary. We have been operating with the code for 18 months, and there is overwhelming evidence that it is necessary and reasonable to ask why—given the evidence that has emerged in that period—he has not done it already. Instead, the adjudicator has published a compliance code for pub companies which, frankly, we would have expected to have been produced much earlier. Predictably, the pub companies have reacted with an antagonistic letter to him. I am afraid that, on the basis of earlier precedent, it is only the threat of legal action that will move the companies.

In the same letter, the adjudicator says that he will make recommendations to Ministers about business practices that he believes are unfair to tied pub tenants but are not breaches of the pubs code. Again, the evidence about that has been there for a long time, so why has he not done that before? I ask the Minister this question: if the recommendations from the adjudicator are forthcoming, or indeed even if they are not, will he make the appropriate changes to the legislation to ensure that it meets its objectives?

In his letter to my hon. Friend the Member for Leeds West, the Pubs Code Adjudicator asserts that his aim is to help to reshape the culture of the industry. To date, there has been absolutely no sign of that. The pub companies are intransigent and have enormous resources at their disposal. To change the prevailing culture, a much tougher approach is needed. The PCA is running out of time and it is time that the Government sought a replacement.

The Government need to make a couple of headline adjustments to the legislation or the code to ensure that the code is effective and the problems that I have outlined are overcome. Many such changes would do that, but there are two key ones. The first is to ensure that the definition of the market rent only option makes clear the right of a tenant to pay an independently assessed market rent, and only that rent, to the pub company. Secondly, the only changes to deeds of variation that should be allowed are the severing of tied terms and the rent being an independently assessed market rent. Those two alterations would go an enormous way to addressing some of the important grievances that have emerged so far, but many others could be made.

I will conclude by saying that, as I said earlier, I have been involved with this for a very long time—many Members from all parties in the House have been equally committed. I pay tribute to my predecessors as the Chair of the Business, Innovation and Skills Committee and its predecessor Committees, and the many campaigners in the many voluntary groups who have been so assiduous and dedicated to ensuring that we drag these companies kicking and screaming, by whatever legislation is necessary, to confront their responsibilities as operators of important community facilities that play an absolutely vital role in so many people's lives, and in the lives of so many communities. I will not rest until that is done and I hope that other Members and the Government will work with me to ensure that we achieve that goal.

2.53 pm

Theresa Villiers (Chipping Barnet) (Con): It is a pleasure, Mr Robertson, to serve under your chairmanship, and I congratulate the hon. Member for West Bromwich West (Mr Bailey) on securing a debate about an issue that, as he has just pointed out, is so important to so many of the pubs that are of such great value in our constituencies and our communities.

The Chipping Barnet area, which gives my constituency its name, was once famous for its pubs and coaching inns, serving people travelling on the Great North Road on their way to and from London. At the height of the coaching era, there were probably more than 30 pubs in a comparatively short stretch of road along Barnet Hill and Barnet High Street.

Charles Dickens, whose meal at the Red Lion in Barnet was once cut short by the news that his wife was in labour, had *Oliver Twist* limping into Barnet and “crouching on the step...wondering at the great number of public-houses (every other house in Barnet was a tavern, large or small)”. Further back, in 1667, Samuel Pepys also dined at the Red Lion in Barnet, enjoying what he described as “some of the best cheese-cakes that ever I eat in my life”.

And in 1762 the traveller William Toldervy commented positively on various Barnet pubs, including the Red Lion and The Mitre.

Only a handful of Barnet's old pubs survive to the present day and those that are still open for business face some difficult challenges and circumstances, including the Old Mitre Inne, which attracted that good write-up by Toldervy some 250 years ago. It is a great pub that is very popular with my constituents. Unlike many pubs, it is primarily dependent on what I gather are described as wet sales—in other words, it has not morphed into a restaurant, although it serves some really excellent food.

The pub is run by Gary Murphy, who has recently been granted a Pubs Code Adjudicator arbitration in relation to his dispute with his pub company. It has taken eight months of correspondence, legal advice and hassle to get to that stage which, as the hon. Member for West Bromwich West has already suggested, is a demonstration that this process moves too slowly. We need to find a way to ensure that the pubs code process and the adjudication process can move more swiftly to deliver fairer outcomes for people running these much-valued and much-appreciated pubs.

When Mr Murphy asked to exercise his right under the code to move to a market rent only arrangement, the pubco asserted that that required a new lease, which is costly to negotiate, with legal fees to pay and stamp duty and so on. Moreover, the pubco proposed onerous new terms, including payment of six months' rent up front in advance, and the obligation to redecorate the premises completely, inside and out, every three years. My constituent believes that the MRO arrangement could and should be delivered via the cheaper and simpler mechanism of a deed of variation, which we have already heard some points about this afternoon. A second problem is that the pubco refuses to accept that any final MRO settlement should be backdated, in accordance with the relevant backdating clause in Mr Murphy's existing lease.

Those two issues mean that it could cost Mr Murphy well over £100,000 to get his MRO. That has to be against the spirit of the pubs code and it sounds like it is against the letter of the code as well.

I understand the very serious concerns that have been expressed by the hon. Member for West Bromwich West, many of which are echoed by the Campaign for Real Ale in the very helpful briefing that it has provided for this debate. However, I take a somewhat more optimistic approach. With the establishment of the code, we have seen positive steps in the right direction and now need to build on the progress that has been made. Nevertheless, it is clear that more needs to be done to ensure that pub tenants are given the protection that was envisaged by Parliament when it adopted the legislation on the pubs code.

As we have heard, the Pubs Code Adjudicator has started to make decisions and a number of them appear to have been helpful. For example, I gather that there have been cases where the PCA has declared that the pubco must offer better terms to its tenant than those that had been originally proposed. That includes cases where the conclusion has been that a deed of variation can be used and a new lease is not required.

Welcome as those decisions are, however, waiting for individual cases to determine general points of principle is part of the reason why this process is slower than it should be in coming to the aid of our local pubs. It would be very helpful if the adjudicator were to issue further general statements on how he proposes to approach key aspects of the code, including those covering some of the issues that have already been raised this afternoon.

I believe that that would mean that disputes between tenants and pubcos could be settled more quickly, and with less cost and less stress, than they are currently. I very much hope that the adjudicator will consider publishing statements of principle, in particular in relation to the two problems that have arisen in The Mitre's dispute, namely deeds of variation and backdating clauses.

In conclusion, the pubs code and the PCA are capable of delivering fairer outcomes for tenants. In doing so, they could be a lifeline to the local pubs that so many of our constituents value. A few relatively simple changes in approach could achieve a great deal to ensure that the system works more effectively and more quickly to deliver the outcomes intended by Parliament when it adopted the legislation. I hope the adjudicator and the Minister will carefully consider the points made in the debate about how that might happen in practice.

3 pm

Toby Perkins (Chesterfield) (Lab): It is a pleasure, as always, to serve under your chairmanship, Mr Robertson. I congratulate my hon. Friend the Member for West Bromwich West (Mr Bailey), who has been an incredibly important contributor to us getting as far as we have towards justice for pub tenants and a fully functioning, fair market in our pubs industry. My hon. Friend made his case in a typically impressive fashion and laid out many of the issues that face all those who want the pubs code to work in the way that Parliament originally intended.

I do not propose to repeat all the history that my hon. Friend laid out, but it is important to remember that Parliament, and subsequently the Government, took the fairly unprecedented step of intervening in a market—and despite the rhetoric, that has not been the Government's modus operandi over the last few years—because of historic market failure. There was recognition that pub companies had failed to get their house in order, despite numerous opportunities to do so, and that there was an

unfair imbalance in the relationship between powerful pub companies and tenants, who were individual small business people.

For that reason, hon. Members in all parts of the House voted to support the introduction of a market rent only option in the pubs code as part of the Small Business, Enterprise and Employment Act 2015. The support of Conservative and Liberal Democrat Members meant that the Government were defeated, and the market rent only option was put in. It is important for us all that that works, and that we deliver on the principles intended by the 2010 to 2015 Parliament.

I would like the Minister to clarify that he is responsible for the pubs code. I was under the impression that the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Burton (Andrew Griffiths), had taken over the role.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): I confirm that I have that portfolio. That has happened only in the last few days, but I am and will be responsible for pubs. I am listening eagerly to what the hon. Gentleman and other hon. Members are saying.

Toby Perkins: I thank the Minister. If that was not press released, he has just released it. I congratulate him on that important role. He may well know the history, but others may not.

One of the founding principles of the pubs code's introduction, as laid out by the right hon. Member for Twickenham (Sir Vince Cable) when he was Secretary of State for Business, Innovation and Skills, was that there should be a rebalancing of the level of reward between pub companies and tenants. The Government's intention was specifically that tenants should be better off as a result of the pubs code's introduction.

My hon. Friend the Member for West Bromwich West referred to two key principles: that the market rent only option should be on a fair and reasonable basis, and that tenants who were tied should not be worse off than those who were free-of-tie. I will come back to that point.

Perverse and bizarre as it may sound, the introduction of the pubs code was simultaneously late to arrive and rushed. It had a short period of implementation and took a long time after the legislation was passed to be delivered. As a result, sufficient preparation was not done by Government, or by some companies, to get ready for its introduction.

The appointment of the Pubs Code Adjudicator was surrounded by controversy. My hon. Friend referenced the inordinate delays and some of the methods used to prevent landlords fulfilling their rights to go market rent only. It is important to remember that many tenants are in a perilous financial position when they seek to go free-of-tie. They are not in a position where inordinate delays, very substantial outlays of cash or huge legal costs are attainable.

If we want to deliver the opportunity—the right—for the tenant to assess an independent market rent and decide whether they want to have a landlord-tenant relationship, or whether they want to receive all the services from a pub company, it is important that the delays are not inordinate and that false additional charges

[Toby Perkins]

are not put in to prevent them from being able to take up that right. That is one of the strategies that seem to be being used very deliberately.

Most tenants have a five-year contract period. If they come to the end of a contract and attempt to get a free-of-tie rent assessment, the clock is ticking on their next five-year contract. That delay is being put in there, but if they subsequently go free-of-tie or get an arbitration or adjudication award in their favour, there is no opportunity to backdate that to the start of their five years—all the more reason why the principle should be that the adjudicator carries out their role in the most timely fashion possible. Any tenant who manages to get an independent assessment and decides to take that up does not get that rent backdated. The code should be amended so that rent is backdated to the point of application. I ask the adjudicator to adjudicate on that and the Minister to clarify that in his remarks.

For many tenants, there is a narrow window in which they can take up the right to get an independent assessment. At the end of their contract, they have to let their pub company know. They are often waiting for a new assessment and under the impression that they are still part of a negotiation by the time that they realise that they have missed out on their opportunity to take advantage of it.

My hon. Friend referred to the conflict of interest that many people feel Mr Newby had when he took on this role. There are two important elements of that for tenants' confidence in the process. We should be clear that many tenants would like the opportunity to take up their right, but have lost confidence in the process. They believe that if they try to take up that right, they will only take on additional cost, so they are not taking advantage of this. I am sure that that disturbs all hon. Members who wanted the legislation to be introduced.

There is a financial conflict. Mr Newby continues to hold shares and to be owed money by Fleurets, which has many leading pub companies as its customers. Whatever the questions about his history, it is absolutely wrong that he did not divest himself of that interest when he took on this role. We are talking about a relatively small sum—although significant for an individual—so given the importance of the industry and the legislation, it would have been far better for him to have divested himself of that.

The point about the Chartered Institute of Arbitrators ruling against the PCA's arbitrating on four different cases is significant. The Chartered Institute of Arbitrators' spokesman said that when a challenge was upheld, an arbitrator's appointment in that dispute is "immediately terminated", and they should not be involved in that case again. In response to that, a spokesperson on behalf of the Pubs Code Adjudicator said that because his responsibilities were established by an Act of Parliament, the PCA did

"not accept that the Chartered Institute of Arbitrators has any jurisdiction to appoint or remove an individual from the role of arbitrator in a pubs code arbitration."

That is an important matter of law for the Government, and also a matter of direction.

I believe that as a matter of law, the PCA should have listened to the Chartered Institute of Arbitrators. Even if it is true that the institute does not have the power to

remove him, a sensible arbitrator would say, "Given that an independent body says that I have a conflict of interest, it surely makes sense for me to stand down and appoint a truly independent arbitrator." The question of the extent to which the Pubs Code Adjudicator is both an adjudicator and an arbitrator is significant, because arbitrations happen in private and adjudications happen in public.

What we have seen from the Pubs Code Adjudicator so far is that he is much more of an arbitrator than an adjudicator. Might the Government consider separating those roles? The role I envisage for the PCA as a spokesman for the code is undermined by the fact that so much of his dealings are done in private, so he has not taken on nearly enough of a forceful role, which is what I would like him to play. If he criticises some of the pub companies, as he does, that perhaps makes it more difficult for him to arbitrate in private with them, so there are real difficulties in all of that.

My hon. Friend the Member for West Bromwich West referred to the section 40 powers of the Small Business, Enterprise and Employment Act 2015, which impose a duty on the Pubs Code Adjudicator to notify the Secretary of State if he believes the code is being breached and not followed. It is clear from his public pronouncements that he believes the code is being breached, but I am under the impression that there has never been a section 40 notice given to the Secretary of State. If that is the case, will the Minister or the Secretary of State pursue that with the Pubs Code Adjudicator? If he is publicly saying that there is wrongdoing, why has he not written to the Secretary of State with suggestions about altering the code to clarify and strengthen his case, or made the report that he has a duty to make?

There are two or three key questions in the pubs code that it is important to clarify. One of them concerns market rent only. The right to market rent only is laid out in the Act, and that should not need any arbitration. It is a fact that if someone reaches one of the trigger points, they are entitled to ask for a market rent only option. The pub company has a right to make an offer, but if the tenant believes the offer is not fair, they have the right to go to an independent arbitrator. For some reason, the Pubs Code Adjudicator considers all the different applications to be arbitrations, but an independent assessment should not be a matter of arbitration. That is absolutely the principle of the clause in the Bill that we all approved.

On the market rent only option, the fact that someone would pay rent for the pub and not be tied on the drinks that are sold is absolutely accepted by the tenants and the pub companies. The question then arises: which of the other terms in the contract should also be a part of the contract? The pub companies would say a market rent only option means market rent only, and that is the basis of the entire relationship, whereas the tenants say that anything that is common in the industry that was part of the original contract should be part of the subsequent contract. Will the Minister clarify that?

Finally, to be positive, the appointment of the Deputy Pubs Code Adjudicator is welcome. We have seen a real difference since she was appointed. I would like to see her take an ever greater role. Some tenants are getting a better tied deal as a result of the threat of going free of tie. However, the question of deeds of variation is important. Will the Minister set out his view on that?

In conclusion, how many times, if at all, has the Pubs Code Adjudicator written to the Secretary of State to report failure to adhere to the spirit of the code? What is the Government's view on whether terms that were in a previous tied contract should remain in free-of-tie contracts? Do the Government agree that Mr Newby should accept the verdict of the Chartered Institute of Arbitrators, and do they believe that the Chartered Institute of Arbitrators has a right to a view on those questions? It is important. The pubs code is a vital opportunity for the industry. It is important that we all make it work.

3.15 pm

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): It is a pleasure to serve under your chairmanship this afternoon, Mr Robertson. I congratulate the hon. Member for West Bromwich West (Mr Bailey) on securing this important debate.

As right hon. and hon. Members are aware, the pubs code does not apply to pubs in my Scottish constituency of Berwickshire, Roxburgh and Selkirk. However, that does not mean that this debate is not important to pub owners across Scotland. One of the real positives of devolution is our ability as legislators to learn from, improve on and replicate any legislation passed in other nations of our United Kingdom, if it is shown to be effective. There are plans for a similar pubs code and adjudicator in Scotland in a private Member's Bill promoted by Neil Bibby, a Labour Member of the Scottish Parliament. He believes that tied pubs in Scotland would

“be subject to similar legislation, protection and opportunities as those in England and Wales”

if his Bill became law.

Although not perfect, the protection now offered in England and Wales is perhaps evidence that Government intervention might be the answer to helping pubs thrive, and I am sympathetic to a cause that looks to make this equal across all of the United Kingdom. However, it is worth reminding hon. Members that the pub landscape in Scotland is very different from that in England and Wales. Most pubs in Scotland are independent free trades, whereas in England the majority are tenanted, so it remains unclear as to how effective the proposed Bill in Scotland would be. I look forward to hearing what my MSP colleagues in my party and others make of the legislation.

I am supportive of anything that can be done to help pubs across Scotland and the wider United Kingdom. It is no secret that, over the past few years, many have been shutting down at an alarming rate. I am sure hon. Members from rural constituencies like mine are particularly aware of this. None the less, all is not doom and gloom. The importance of pubs in our communities is profound. For hundreds of years people have been able to congregate in our pubs with friends, neighbours and family members. No doubt many of this country's finest ideas and movements have been dreamt up at a night in the pub. This sentiment is truer today than on any other, on the eve of our celebration of Robert Burns. The pubs' practical role is clear, too. The great “Pub is the Hub” initiative helps publicans expand their offering into being the local newsagent, post office or village shop in communities that have lost those services, increasing the viability and integral value of a community pub.

In Berwickshire, Roxburgh and Selkirk alone, 800 jobs are supported by the pubs and drinks sector, and it is growing. Great pubs such as the Auld Cross Keys Inn in Denholm are regularly mentioned in CAMRA's “Good Beer Guide”, and good pubs need good beer. In the Borders, those are supplied by the fantastic Born in the Borders and the award-winning Tempest brewery, to name just two. Thriving distillers are creating innovative gins and bringing whisky production back to the Borders for the first time since 1837.

I am very proud to highlight the innovation and achievements taking place in my constituency and across Scotland, but we must also consider the great work that the Government have done to help improve the livelihoods of publicans and the communities they serve. Freezing duty on wines, ciders, beers and spirits is one of the most prominent. That was something I was more than happy to call on the Chancellor to do because I know and understand the benefits that are felt in many rural communities in my area and across the United Kingdom. In addition, the pubs code, while by no means perfect, demonstrates that the Government have the long-term interest of pubs at heart. I look forward to hearing from the Minister how the Government plan to address the concerns that were raised about the pubs code and the adjudicator, and how the Government plan to support the pub sector across the United Kingdom.

3.20 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for West Bromwich West (Mr Bailey) on bringing the matter forward today. The hon. Member for Berwickshire, Roxburgh and Selkirk (John Lamont) said that it does not directly affect his constituency, and neither does it directly affect Northern Ireland, but that does not lessen our interest in the issue. I have spoken on it, and asked questions about it, before. I want to speak about the principle of the matter, although it is only England and Wales that are affected.

I have long held the view that we need to consider who audits the auditors and who holds to account those who hold the rest of us to account. I have been dismayed at times, when, trying to represent my constituents, I have requested information from accountability bodies. It would appear that the matter before us presents another example of the need for more accountability, as the hon. Member for West Bromwich West suggested.

I want to give credit to someone who is no longer in this House, and whom the hon. Member for West Bromwich West will well recall—Greg Mulholland, who represented Leeds North West. He fought the case in the Chamber whenever he had the opportunity. I was betwixt the two—the hon. Member for West Bromwich West, who sat behind me, and Greg Mulholland in front of me.

Toby Perkins: I am grateful to the hon. Gentleman for saying that. I wrote down the same point in my speech but failed to read it out, so I am grateful that he took the opportunity. He is right to say that Greg Mulholland was a principal actor in getting the measure into the draft.

Jim Shannon: I thank the hon. Gentleman for that intervention.

Mr Bailey: I agree with my hon. Friend the Member for Chesterfield (Toby Perkins). In fact I received a comprehensive brief from Greg Mulholland about an

[Mr Bailey]

hour before I came into the Chamber. I had a feeling that somehow his beady eyes would be upon us today to ensure that we would articulate the viewpoint on which he has campaigned so effectively for many years.

Jim Shannon: I thank both hon. Gentlemen for their comments which, along with mine and others', are a recognition of the tremendous work that the gentleman in question put in, in this Chamber. We all recognise that his efforts were one reason we have got so far forward.

Others have endeavoured to take us the extra mile through their efforts, and I was made aware of the details from the briefing that was most helpfully provided by the Library. We do not often say it, but I thank those researchers for their diligent work. They provide tremendously factual and detailed information to sharpen the memory a wee bit and help in recalling what is important—the briefings also provide a signpost to further excellent information.

I am aware of the importance of pubs in my constituency, as all hon. Members will be. In rural areas in my constituency, more often than not the pub is the central focus of attention for meeting, entertaining and eating—just somewhere to meet. The importance of pubs cannot be underlined too strongly. I think it was just a few weeks ago, perhaps just before Christmas, that there were pubs closing. The rate of pub closures across the United Kingdom of Great Britain and Northern Ireland is alarming. I think that the pubs code and the Pubs Code Adjudicator are part of a methodology to try to hold back the tide of closures, so it is important that that is in place.

There was a community project where a collective got together and used their own investments to restart their pub with a major refurbishment. They did so for a purpose. They recognised that the community had lost something important and they wanted to reinstate it. Pubs are important in contributing to the economy and providing jobs, and as focal points for leisure and meeting.

It seems to me that hon. Members stepped in to stop the monopoly that was affecting small pub tenants. The spirit of the law under the pubs code was to allow a tenant to request a quote from their pub-owning company for a rent only agreement when their tenancy was due for renewal. We also established a position whereby there could be arbitration and mediation to ensure that the spirit of the law was being followed. That job lies squarely in the hands of the Pubs Code Adjudicator. Members have outlined credible and legitimate concerns, and we look to the Minister, as we often do, for a comprehensive response. Questions have now been asked as to whether the adjudicator is impartially fulfilling the role. In a few cases, the professional arbitrators body has stepped in to ask for someone else to arbitrate. Sometimes we must ask why something is happening: is there a failure in the present system? Some Members have set out a case that there is. The Minister must deal with that in his response.

I believe that the spirit of what we strove for was giving the little man or woman a chance. That might not mean every case being granted, but it does mean every case being fairly considered. Perhaps that means

that the involvement of a third person is needed. I stand by the bringing in of a deputy to take up the cases that are questionable or that need to be reviewed or looked at again. That is what the spirit of the law has been. No man in this world is infallible and we all understand that we must submit to allowing others to step in at some stage to give oversight to something if there is a different way of seeing it or a clearer way to understand it.

As an example of such a difficult issue, if a lady came to the constituency office for help with serious intimate problems, she might prefer to speak to one of the girls in the office. Anyone would know what to do: set themselves aside so that they could do that. Why cannot that happen in the present difficult matter as well? I have no issue about handing such a case to one of my capable staff, who understand the issues very well. The best interest of the people in the case is most important. That is the view to take.

We must look at what we sought to achieve and find a way to bring that about practically. That is what I support today, and what other right hon. and hon. Members have argued for. Just as an auditor would be entitled to audit my affairs, they must be open to having what they do audited. That is true accountability. Each one of us is ultimately accountable to someone. That was the spirit of the pubs code—to help the little man or woman. Let us uphold that spirit today.

3.28 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship, Mr Robertson. I congratulate the hon. Member for West Bromwich West (Mr Bailey) on bringing to the Chamber an important debate that affects many people's lives.

Having managed bars during my career, I want to say a few words for the people who work in pubs and the hospitality industry. It can be a difficult and demanding job, but also very rewarding. All those people put in a shift and a half on many occasions, and do us proud, regardless of which nation of the UK they work in.

The hon. Member for West Bromwich West talked about difficulties with the adjudicator in England and Wales. He went into welcome detail about the challenges for operators—unfair expenses and difficulties in getting market rent. There were many things for the Minister to respond to. The impartiality of the operation is also an important factor to take on. The hon. Gentleman mentioned the onerous conditions placed on publicans, which I think will ring true for people who have been in such a difficult position.

The hon. Member for Chesterfield (Toby Perkins) said that the imbalance between powerful pub companies and people who are trying to run pubs is an historic market failure, which it is.

Toby Perkins: Obviously, we have introduced the code of practice—the hon. Gentleman has heard about some of the issues with its implementation, which hopefully Scotland can learn from. He will be aware that in the 2010 to 2015 Parliament, Scottish National party MPs voted for that code, because even though it was England-only legislation, they hoped that a similar provision might be introduced in Scotland. Will the SNP support the private Member's Bill when it reaches the Scottish Parliament?

Drew Hendry: I intend to cover that point, and will answer it fully in a moment or two.

I congratulate the new Minister for pubs on his remit. If he listens today and is able to make the required changes, I am sure many people will raise a glass to toast his appointment. It is pleasing to be able to agree for a change with the hon. Member for Berwickshire, Roxburgh and Selkirk (John Lamont). It is a rare occurrence. He mentioned a private Member's Bill in Scotland—I will return to that—and rightly said that the pub landscape in Scotland is different from that in England and Wales. He mentioned the importance of pubs in the community, and again I agree. In areas where pubs are successful, they make a vibrant offering to the economy. He also mentioned Burns. As he will be aware

“gude ale comes and gude ale goes”—

wise words indeed. The hon. Member for Strangford (Jim Shannon) made an important point about who audits the auditors, which the Minister should address. He also made a point about community.

On the private Member's Bill, there is cross-party support in Scotland for looking into a statutory code, and to back that up the Scottish Government commissioned a study to look at various pub models. Work on that is ongoing, but it is looking at whether pubs in the tied sector are more unfairly treated than those in other sectors. The conclusion of the initial investigation was that, as I said earlier, it is difficult to compare the market in England and Wales with that in Scotland, because they are so different due to Scotland's independent free trade model. The Scottish Government are currently looking into whether such legislation is required, and I understand that discussions have been continuing right up to the minute about how to take that forward.

Since the Minister for pubs is here, I wish to underline that pubs need support. In Scotland, the SNP Government are working closely with public bodies and the industry to support jobs, infrastructure and the hospitality sector. Interestingly, the introduction of minimum unit pricing, which targets very cheap alcohol, could help the pub economy in Scotland because it will prevent people from buying cheap drinks in supermarkets, and allow them to spend more time in the controlled environment of a pub. The alcohol minimum pricing is set at 50p a unit. The chief executive officer of the Scottish Licensed Trade Association, Paul Waterson, has said:

“Cheap priced alcohol has turned Scotland into a nation of stay-at-home drinkers. Some 72% of total alcohol sales in Scotland are off-sales; 80% of this total, is sold by supermarkets. When people drink in uncontrolled environments, alcohol-related problems increase significantly.”

The brewing and pub industry in my constituency has had considerable success. Cairngorm brewery is nearby, as is the Black Isle brewery. The oldest bar in Inverness is Gellions, which was formed in 1841, and the Best Bar None awards have just declared through their best bar scheme that 22 venues in Inverness have won awards for outstanding efforts in helping to create a safer environment for the public. Will the Minister look into the small business bonus that has operated successfully in Scotland? Two out of five pubs now pay zero or reduced rates thanks to that bonus, which helps their viability.

John Lamont: Does the hon. Gentleman recognise that, because of the reforms to business rates introduced by the Scottish Government, many pubs, including many in my constituency, have seen their business rates

go through the roof? The basis on which rates are now calculated means that many businesses are paying much more than they were under the previous regime, yet they are not seeing any additional income and many pubs now face closure.

Drew Hendry: The hon. Gentleman is trying to make a point. He will also be aware that the Scottish Government have acted to restrict the increase in rates for the hospitality trade, and put measures in place to ensure that pubs and other small hotels and businesses are not disproportionately affected.

In conclusion, the Minister has an opportunity to make a big difference to the pub industry and I hope he will listen to the points raised by hon. Members about the situation in England and Wales. I also hope that he will consider other measures to support the licensed trade, and ensure that the pubs in our communities are viable.

3.36 pm

Bill Esterson (Sefton Central) (Lab): It is a pleasure to serve under your chairmanship, Mr Robertson, and I congratulate my hon. Friend the Member for West Bromwich West (Mr Bailey) on—yet again—securing a debate on this topic. I did not attend the debate on pubs last year, but I did attend the one before that. I am no longer the shadow pubs Minister; that is now my hon. Friend the Member for Sheffield, Brightside and Hillsborough (Gill Furniss), but sadly she has the flu and has sent her apologies for today's debate.

Richard Harrington: I hope she gets better quickly.

Bill Esterson: I will pass on that message from the Minister.

Given that I follow the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), I will point out that my constituency includes the oldest pub in Lancashire, the Scotch Piper Inn—there is a link there of some sort. We have three microbreweries and two micropubs, the Beer Station and the Corner Post. The hon. Member for Strangford (Jim Shannon) made a good point about the importance of pubs as community hubs, and I agree with his other comments about the need for accountability in the implementation of the code.

My hon. Friend the Member for West Bromwich West set out the key issues with his usual forensic accuracy, and he mentioned the concerns about the appointment and continuation in post of Mr Newby. I raised concerns about conflicts of interest in the debate two years ago, and such concerns have continued. Sadly, the predictions about Mr Newby's difficulty in obtaining the trust of pub tenants have been all too well demonstrated. The cases against him by the Chartered Institute of Arbitrators—that he has continued to arbitrate and has not accepted the decision, and that he is in breach of the code of conduct for a body of which he is a member—have not helped, and they continue to give the impression that all is not well with the implementation of the pubs code.

My hon. Friend the Member for Chesterfield (Toby Perkins) was modest in not mentioning his role in securing cross-party agreement on amendments to the Small Business, Enterprise and Employment Bill in 2015. The cross-party agreement had a lot to do with his work, as well as that of Greg Mulholland and other

[*Bill Esterson*]

Members across the House. We had the insertion of the market rent only option, but the delivery of that is missing, as is any assurance on the intention that tied tenants should not be worse off than they would be if they were free of tie. My hon. Friend made those points extremely well. As he said, it is vital that we make this work. That is why it is so important that we are having this debate.

I will go through three points for the Minister, who I welcome to his new role. His brief is interesting and exciting, and it is important for many people across the country. I hope he is able to get to grips with the real challenges and concerns that remain. Three questions have been brought to my attention in preparing for this debate. They have been covered, but I will attempt to summarise them. First, the Government may make the point that the code is complicated and will take time to bed in. That is true, but it is overly complicated and completely unnecessarily so. As other Members have said, that complexity has allowed pub companies to use their resources and their power in the relationship—my hon. Friend the Member for Chesterfield made this point—to make it difficult for pub tenants to challenge them and achieve the fair market approach that they should be entitled to. Because of the size of the legal bills, it is simply not possible for pub tenants who attempt to use the code to come up with the necessary resources.

The second point that the Government may make is that the Pubs Code Adjudicator, through the Government, was not prepared for the huge take-up. Few staff were in place at the start, and there was a delay in putting in place a deputy adjudicator, despite the overwhelming evidence of abuse. There were 15 years of inquiries by Select Committees, as my hon. Friend the Member for West Bromwich West set out in his opening speech. The system was not set up in the right way, and it should have been.

The third point that the Government may make is about whether there has been an improvement in the financial balance between the pub-owning companies and pub tenants. Ballpark figures suggested to me are that a pub company would typically earn £90,000 from an average pub, which possibly breaks down to £20,000 in rent and £70,000 from tied products. The tenant earns just £10,000. Because of the process, the delays and the inaction from the adjudicator, it is difficult to do anything about that; but for those who try, there has been something of a change, as my hon. Friend the Member for Chesterfield alluded to. There may be a slight improvement, with a £5,000 or £10,000 reduction in the rent and an increase in the tenant's income to £15,000 or £20,000, but that is still not a realistic living wage for someone running a pub, and the pubco is still earning £80,000 or £85,000.

The point is that legislation was supposed to leave the tenant no worse off than they would be if they were free of tie, not marginally better off than poverty levels. That is the point being made by the campaigners. I pay tribute to all the campaigners who have lobbied so hard over the years—including for this debate—advocating for pub tenants. I include in that Liverpool CAMRA, which has been in contact with me a number of times over the years.

On their own, the three areas that I have set out are grounds for the Minister in his new role to make an early commitment, today or after he has considered the debate, to carry out a proper review of the application and implementation of the pubs code and how the adjudicator is operating. If he can address that and the other points made by my hon. Friends, we will make some real progress.

I am tempted to say—so I will—that the right hon. Member for Chipping Barnet (Theresa Villiers) demonstrated a certain failure by a Government of which she was a member for some years to support a pub in her constituency. I can assure her that the next Labour Government will stand up for pub tenants in a way that so far has not happened under this Government, and that will not happen unless they make the changes touched on in this debate. I was grateful to the hon. Member for Berwickshire, Roxburgh and Selkirk (John Lamont) for pointing out that in Scotland, Labour is at the forefront of introducing a pubs code north of the border.

Drew Hendry: It is a cross-party position.

Bill Esterson: Well, there is a Scottish Government of one minority party. Perhaps they will learn from what has happened here and get the implementation right.

We want to hear from the Minister, so I will make only a few further remarks. Tenants' experience has revealed the process to be drawn out and complicated. Many have to turn to professional legal support, which is expensive and time-consuming. Most worryingly, there have been suggestions that the pubcos are knowingly gaming the code to make it more difficult for tenants to achieve market rent only. That essential plank of the pubs code sought to redress the balance between pubcos and pub tenants.

The adjudicator's own independent report on the allegations suggested that pub-owning businesses may be operating the code in a way that makes it hard for tied pub tenants to access their MRO rights. It revealed the shocking lengths to which some pubcos go to wear down tenants, including intimidation, bullying and antagonistic, delaying and frustrating behaviour. Tenants are often given terms that make MRO appear as unattractive as possible, such as being arbitrarily forced to provide six months of MRO rent up front. Some pubcos have refused to allow the deed of variation of lease, thus forcing tenants who want MRO to agree a new lease under unfavourable terms. That is pretty damning. I give credit to the adjudicator for carrying out that review, but it is what he does with it and how quickly he acts that matters.

There is identified failure in the full implementation of the code, and Parliament's intentions have so far not been followed. I look forward to hearing what the Minister has to say, and I thank Members for their comments. I hope he can give us a proper assurance that there will be the action that is needed, and not just words.

3.47 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): It is a pleasure to serve under your chairmanship, Mr Robertson. I very much thank all Members who have spoken, particularly the hon. Member for West

Bromwich West (Mr Bailey). I make clear that I was gesticulating to the shadow Minister, the hon. Member for Sefton Central (Bill Esterson), simply because I wanted the time to be able to go through the points he was raising. His comments, like those of everyone else, were extremely useful. I will do my best in the time allocated, conscious of the fact that I need to give the last word to the hon. Member for West Bromwich West, who secured this debate on a serious matter.

I was made the Minister with responsibility for pubs just this week. One can never say in politics that something is not a temporary job, but pubs are part of my portfolio—I accept that the shadow Minister is here because of the sickness of his colleague, and he dealt with that extremely well, as he always does—and I want to learn. Today's debate is part of the learning process. The Government remain fully committed to the pubs code, because we intend to ensure that tied tenants can operate in a fair environment that allows their businesses to thrive.

Many Members, but in particular my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (John Lamont), went through what the Government are doing to support pubs. The announcements in Budget 2017—the freezing of alcohol duty and the extension for another year of business rate relief for pubs valued under £100,000—are important, but we are here to discuss the pubs code.

The pubs code regulates the relationship between more than 500 tied pubs in England and Wales and their tenants, and there are six pub-owning companies involved. In total, 11,500 tied pub tenants are covered by the pubs code, so it is quite a lot, given that it is comparatively new.

We all know the principles, which I do not have time to go through. The code was intended to ensure fair and lawful dealings by pub-owning companies in relation to their tied tenants, and that those tenants should be no worse off than if they were not subject to any tie. It is now 18 months old. The shadow Minister asked whether the Government would carry out a review. That was an important point, but the legislation makes it clear that the Secretary of State will carry out a review of the pubs code and the performance of the Pubs Code Adjudicator every three years, with the first review period running from July 2016 to March 2019. That does not mean that I am avoiding anything, but the law is very clear. We will not just ignore the situation until that time, and I am very conscious of the points the hon. Gentleman made.

The tenants are engaging with the Pubs Code Adjudicator, Mr Paul Newby, and his office. His role is very clearly to oversee the pubs code, and to encourage and monitor compliance by the businesses in scope. He has the enforcement powers to arbitrate individual disputes concerning the pubs code. It is still early days, but I can see that individual tenants do not have confidence in that approach, given the many people in the Gallery today and the comments that have been made by hon. Members, reflecting what they have been told by pubs in their constituencies.

I hope many people have confidence in the PCA's decisions. Some tenants have reported publicly—I looked at the reports before the debate—that PCA decisions have left them better off. However, I would be very ignorant, blind and deaf to what has been said today if I said that everything is fine. I realise that there is

a problem. Many hon. Members in the Chamber have spent a lot of time and effort getting the legislation to the stage that it is at today and monitoring its implementation. I do not intend just to say that everything is fine. I recognise the points made about the PCA's performance.

As a result of today's debate, I read the correspondence between the PCA and the hon. Member for Leeds West (Rachel Reeves), the Chair of the Business, Energy and Industrial Strategy Committee, with whom I dealt many times when working on my previous portfolio and for whom I have a lot of respect. I read the letter that she wrote to the PCA last year. There are key concerns about the speed of the arbitration process. Clearly, the PCA's office has faced far greater demand than predicted, and the number of referrals has been significantly greater than was foreseen. At the PCA's request, we have taken action to build up the team. The appointment of a Deputy Pubs Code Adjudicator, Fiona Dickie, who started at the beginning of November last year, has been mentioned. She is supporting Mr Newby in enforcing the pubs code, including arbitrating individual disputes. If it is under-resourced, it is our job to ensure that that is not the case. The PCA seems to be very conscious of that matter, and has not as far as I know asked for resources that have not been given.

The statements of principle on clauses mentioned by my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) seem to me a very good idea, and I will look into that straight away. Officials may tell me that it cannot be done for some reason, but it seems to me, on the face of it, to be a very good idea to look into.

I am very conscious of time, Mr Robertson, but on the arbitration point, the PCA has received 225 cases for arbitration and accepted 186 as valid referrals. Of the accepted cases, 165 related to the market rent only tenancies that have been mentioned today. The PCA has issued 93 final awards. The fact is that Parliament chose arbitration as the means to resolve such disputes under the pubs code. My right hon. Friend the Member for East Yorkshire (Sir Greg Knight) asked why it was always in confidence. Arbitration, by definition, is a confidential process—that point was made later in the debate. We do not see individual cases. It is not right that the Government should see such cases such as that of Gary Murphy, the constituent of my right hon. Friend the Member for Chipping Barnet, because that is not how an arbitration system works. That does not take away any comments about the merits of the case, but it is not right that we, as the Government, are in a position to second-guess the arbitrator's result. That is just how the system of arbitration works, but hon. Members might feel that it is not the right system.

The PCA has already published 40 products on its website, which I looked at before the debate. It provides a lot of information and guidance on the pubs code and PCA activities. As has been mentioned, it published the result of a verification exercise to understand the tenant's experience in applying for MROs. When that was published, the PCA undertook work with the pub companies to inform the development of a compliance handbook that was published just before Christmas, setting out minimum standards for pub companies to comply with the pubs code MRO requirements.

The point about the lack of enforcement was a valid one. Perhaps on another occasion I will be able to go into greater detail, when I have more time. The PCA has

[Richard Harrington]

set out his approach to investigations and enforcement in statutory guidance, and stands ready to take further action.

On the conflicts of interest point that was made about Mr Newby, the Secretary of State explained to the BEIS Committee that the appointment process was in full accordance with the code of practice for ministerial appointments to public bodies. I cannot comment on this one in particular, because I was not involved in it, but I have seen that practice for many other appointments that I have been involved in as a Minister. The process is very thorough, and I cannot believe that things were not disclosed and not considered properly. The panel concluded that Mr Newby had no particular conflicts of interest that should call into question his ability to do the job. I know what hon. Members meant—they are being very graceful in not chuntering—but there were proper processes.

The Government support the pubs trade. In the short time remaining, I would like to say that I have never met Mr Newby. I intend to send him a copy of the *Hansard* report of today's debate when it comes out tomorrow, and ask for a meeting with him—perhaps in two or three weeks, to give him a little time—where he can provide answers to the specific questions that have been raised. After that, it is my intention to speak again to the hon. Member for West Bromwich West, and ask him to attend a meeting with me to go through those responses.

3.58 pm

Mr Bailey: I belatedly welcome the Minister to his new role and portfolio. I do not envy him trying to grasp the ins and outs of the issues surrounding this topic, which some of us have been dealing with for many years. Having seen him perform before, I am confident that he will demonstrate both the commitment and competence to address our concerns properly and effectively.

A couple of things emerged from the debate, the first of which is the enormous expertise within the ranks of the House. I refer particularly to my hon. Friend the Member for Chesterfield (Toby Perkins). Without his actions in 2015, we would not be as far as we are in the debate, and I think that deserves formal recognition, as does the work of Greg Mulholland in the past. I also thank my hon. Friend the Member for Sefton Central (Bill Esterson) for his prosecution as locum for the other shadow Minister, my hon. Friend the Member for Sheffield, Brightside and Hillsborough (Gill Furniss).

I welcome the assurances given by the Minister, and would be very happy to work with him whenever I can to ensure that the issues that have been raised today are addressed. On the point about conflicts of interest, I was open-minded, but I think that the decisions of the Chartered Institute of Arbitrators and the implications are serious. I ask him to examine those very carefully.

Question put and agreed to.

Resolved,

That this House has considered the application of the Pubs Code 2016.

RBS Closures (Argyll and Bute)

[SIR HENRY BELLINGHAM *in the Chair*]

4 pm

Brendan O'Hara (Argyll and Bute) (SNP): I beg to move,

That this House has considered RBS branch closures in Argyll and Bute.

It is a pleasure, as always, to serve under your chairmanship, Sir Henry. 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, in short, a disgrace, and will inflict further long-lasting reputational damage on the Royal Bank of Scotland. For it to have announced the decision to close almost one third of its branch network so callously, without even the courtesy of a consultation period with the communities involved, is quite frankly appalling. For a Royal Bank of Scotland spokesperson to respond, when asked why it did not consult before announcing the closure plan, that “we are not required to consult communities in advance” just shows the contempt in which we customers are held.

One would have thought, hoped and certainly expected that having been bailed out by the public purse to the tune of £45 billion, the Royal Bank of Scotland would have exercised a degree of humility before steaming full speed ahead with a closure plan on this scale. One would have thought, hoped and certainly expected that, being 73% owned by the public purse, the Royal Bank of Scotland would have consulted its largest shareholder before making this shameful announcement, which will cause long-lasting damage to communities across Scotland, both urban and rural.

I would be interested to learn from the Minister if Royal Bank of Scotland management ever consulted the UK Government ahead of the announcement. If it did, what advice did the UK Government give the Royal Bank of Scotland regarding its bank closure programme?

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): My constituency faces the loss of four branches, not only in Inverness but in the thriving tourist towns of Grantown, Aviemore and Nairn. Does my hon. Friend agree with me and the Federation of Small Businesses, which has said that this is bitterly disappointing news for not only people, but businesses in the highlands that will now have difficulties with cash transactions?

Brendan O'Hara: My hon. Friend is absolutely right. That is a point that I will come to with some vigour later. The decision of the Royal Bank of Scotland to turn its back on so many of our communities, particularly those where it is the last bank in town, despite an earlier promise not to do such a thing, is a scandalous abdication of its social responsibility to rural Scotland, and to those people who were forced to keep it afloat when it threatened to sink without trace during the financial crisis a decade ago.

Patricia Gibson (North Ayrshire and Arran) (SNP): My hon. Friend is making an excellent case. In my constituency, we are losing a branch in Kilwinning, Kilbirnie and Saltcoats. Does my hon. Friend agree that

the Royal Bank of Scotland appears to have totally misjudged the public mood, and does not understand the deep sense of anger about the fact that while it is publicly owned, there is no sense of social responsibility or financial inclusion in these decisions?

Brendan O'Hara: My hon. Friend is absolutely right. If the Royal Bank of Scotland was not aware before of the anger that this has caused across Scotland, it is very aware now.

It has been well documented that in my Argyll and Bute constituency, RBS plans to close three branches, in Campbeltown, Rothesay and Inveraray. I cannot begin to describe the sense of anger and the growing hostility in those towns, and right across my constituency, at the decision to close those local branches. My constituents are well aware of the hardship that the closures will cause across our communities. It is that anger and burning sense of injustice that has led so many of them to sign my parliamentary petition, which I launched just before Christmas. In Inveraray, Rothesay and Campbeltown, there is not one shop that has refused to take a petition to gather local signatures. I have the petitions here, and will be lodging them on the Floor of the House in the very near future. That is testament to the anger felt across Argyll and Bute at this callous closure plan.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): It further underlined the annoyance to see the Prime Minister wash her hands of the situation at Prime Minister's questions today, following a question from my right hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford). Surely the chairman of the Royal Bank of Scotland cannot be gliding on to BBC's "Question Time" ignoring this issue? Ross McEwan cannot continue ignoring invites to meetings. These people, with their salaries, should show respect to the people and justify what they are doing. The UK Government should make sure that these people are not making monkeys of them, either, and should ensure that they go.

Brendan O'Hara: My hon. Friend makes a very powerful case. Like the Royal Bank of Scotland at the beginning, the UK Government have underestimated the sense of anger within our rural communities. We must keep up the pressure on the UK Government to act, and act swiftly.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): The hon. Gentleman is making a very powerful case, much of which I agree with. In my constituency, I am losing six bank branches. I suspect the anger in my communities is equal to what he is experiencing in Argyll and Bute. Does he share my concerns that the bank is putting too much additional pressure on the post office network, which I do not think has the capacity to deal with that extra custom? Post Office Ltd is saying one thing about what the network can deliver, and post office operators are saying something very different.

Brendan O'Hara: The hon. Gentleman is absolutely right. The idea that the post office network in our rural communities can somehow pick up the slack on this is nonsensical. It is an absolute fantasy and it will not work.

Without any consultation whatever, RBS has decided that people in Campbeltown who wish to continue banking with it must now endure a 175-mile round trip to Oban. Alternatively, they could drive an hour to Claonaig, take a 30-minute ferry to Lochranza on Arran and drive over the hills for 40 minutes to bank at the branch in Brodick. RBS customers on the Isle of Bute, in order to remain RBS customers, will be expected to take a ferry to the mainland, get off at Wemyss Bay and drive or get a bus to Largs. No matter which way one looks at it, a visit to the nearest branch of RBS for customers in Campbeltown and Bute will be a day out of their lives.

Worse still is the position of the people of Inveraray. The closure of the RBS branch in Inveraray, despite previous assurances that RBS would not close the last bank in a town, means that there will be absolutely no banking facilities in that town at all. It borders on the unbelievable that a town such as Inveraray, with a booming tourist industry and three good-size hotels, and boasting numerous cafés, bars, restaurants and high-quality clothing outlets—a town that has an estate and a castle that is a magnet for tourists—will be left without a single bank. The Inveraray-based author and journalist, Marian Pallister, who launched her own online petition against the closures, was spot on when she said:

"The Inveraray branch is used by businesses, individuals and charities throughout Mid Argyll. Online banking is not a valid alternative in many rural areas and now businesses and charities will have to make a 75-mile round trip to the nearest RBS branch. Inveraray is a tourist hub and while this closure disadvantages local people, it is a death sentence for the local tourist industry".

Christine Jardine (Edinburgh West) (LD): I agree with much of what the hon. Gentleman says. I do not represent an area that is losing branches, but I represent the headquarters; RBS is based in my constituency. Does he share my disappointment that RBS appears not to have researched whether the areas where it is closing branches were the same—or not the same—as those with broadband blackspots? The facilities that these areas need to replace the bank have not yet been rolled out to them.

Brendan O'Hara: I absolutely agree. It is a double whammy for so many of our rural communities. Whether RBS likes it or not, there are still plenty of people who rely on a local, accessible bank in their town or village: the elderly, who still depend on an over-the-counter banking facility; people with learning difficulties, who have built a relationship with bank staff and trust them to help with their banking needs; small shops and businesses—of which we have an abundance in Argyll and Bute—that still primarily use cash; and, of course, foreign tourists, of whom we have a plentiful supply in Argyll and Bute, looking for a cash machine or the ability to change currency, for which a local bank is essential. Moreover, as the hon. Lady said, people do not yet always have sufficiently reliable broadband to bank online, and let us not forget that some people still do not want to bank online. Every one of those groups will be affected.

Drew Hendry: I thank my hon. Friend for giving way once again; he is being very generous. He makes the point very powerfully about access for people in rural communities, and for those who are disadvantaged in

[*Drew Hendry*]

different ways. Online banking just does not cut it. For example, people cannot get cash from their computer, and when the branches go, so do the cash machines, which further disadvantages businesses and people in our communities. Does he agree?

Brendan O’Hara: I absolutely agree, and I find it utterly bewildering that the work was not done—or, if the work was done, that the Royal Bank of Scotland did not reach that very obvious conclusion.

Let me be clear: I have no doubt that the number of people accessing their local branch is falling, but I question the way in which RBS has collated the numbers. It is twisting and manipulating them to make them justify a predetermined case for branch closures. The Royal Bank of Scotland appears to have a pretty unique way of calculating the number of customers accessing its branches. My right hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford) said in the main Chamber just before Christmas that

“RBS is trying to create a picture of these branches as a relic of the past”—[*Official Report*, 18 December 2017; Vol. 633, c. 883.]

RBS is saying that “demand for branch banking” has declined to such an extent that customers are abandoning branches in their droves.

Patricia Gibson *rose*—

Kirstene Hair (Angus) (Con) *rose*—

Brendan O’Hara: I will make some progress before I give way again.

Using RBS’s own statistics, however, my right hon. Friend the Member for Ross, Skye and Lochaber showed how misleading those numbers are. He explained that the justification given by the Royal Bank of Scotland for closing a branch in his constituency, in the town of Beauly, was that only 27 people a week used it, yet the Beauly branch has almost 3,500 customers and processed 29,000 transactions last year; 29,000 transactions from just 27 customers does not seem right to me. As I said, I cannot help think that the figures have been calculated in such a way as to simply justify a pre-planned closure.

If the Royal Bank of Scotland wants a meaningful, open and honest discussion about closing local branches, then let us have one, but let it be predicated on facts, not the spin and obfuscation that we have witnessed up until now.

Patricia Gibson: My hon. Friend makes a powerful argument. He talks about statistics, the number of customers using banks, and those figures being used as a lever to close branches in order to cut costs, but one way of cutting costs would have been not to award £16 million in bonuses last year.

Brendan O’Hara: I could not put it better myself, so I will not try to. Let me be clear: there is more to these ruthless closures than the effect on individuals and businesses. As many know, Argyll and Bute is a beautiful but remote part of the country. With that remoteness come many demographic and economic challenges, but we are determined to overcome those obstacles. Argyll and Bute Council, Highlands and Islands Enterprise,

the Argyll and Bute Economic Forum, Scottish Rural Action and I, along with many others, have been busy telling folk that Argyll and Bute is open for business. Together we have been actively promoting Argyll and Bute as a great place to live, work, raise a family, invest and open a business, but the Royal Bank of Scotland has kicked us in the teeth.

As Cleland Sneddon, the chief executive of Argyll and Bute Council, said:

“I believe RBS has a responsibility to those rural communities that have banked with them for generations and this decision appears to have scant regard to their particular needs...Argyll and Bute Council has called on RBS to urgently review this decision”.

Nicholas Ferguson, chair of the Argyll and Bute Economic Forum, was equally scathing:

“For the last few years, major efforts have gone into changing the depopulation trend in Argyll and Bute. To do this, we needed to create jobs and major progress has been made...But Argyll is a place of many small firms.

These rely heavily on local banking services and the plans by RBS to close their offices in three of our most important towns would be a major setback...As the UK government is the principal owner of RBS, I would strongly request that this decision be reversed.”

Those two are not alone. Emma Cooper of Scottish Rural Action, who is a constituent living on the Isle of Bute, said:

“It is our opinion that these branch closures demonstrate a lack of care and compassion from RBS about rural communities and vulnerable people, who will be disproportionately impacted by the decision, and the process by which these decisions were made was unethical.”

As the Minister can tell, Argyll and Bute is demanding action on the issue. He does not need me to remind him that there is a precedent: George Osborne, when he got involved as Stephen Hester was leaving RBS, told the BBC’s “Today” programme that

“as the person who represents the taxpayer interest...of course my consent and approval was sought”.

So there is precedent, and it is an undeniable fact that the Government have the power to intervene. It is only a matter of whether they choose to exercise that power and to get involved.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Will my hon. Friend give way?

Brendan O’Hara: If the intervention is extremely short.

Ian Blackford: My hon. Friend is making a very important point. Have not the Government demonstrated that they have intervened on matters relating to management of the Royal Bank of Scotland? Nothing is more important to our communities than the maintenance of the bank branch network. The Government have a responsibility and a duty to ensure that RBS recants this decision.

Brendan O’Hara: My right hon. Friend is absolutely right.

The Minister should be in no doubt: the people of Argyll and Bute, Argyll and Bute Council, the Argyll and Bute Economic Forum and Scottish Rural Action demand that the UK Government intervene to stop the closures. Will the UK Government choose to get involved, or will they ignore the overwhelming opinion of the

people of Argyll and Bute and choose to abandon my constituents to the RBS hatchet men? My constituents want to hear from the Government that they will bring Ross McEwan to the Treasury to tell him that, in the interests of our communities, the brutal branch closures will not go ahead. Anything less than that and the UK Government will stand accused of being complicit in the shameful betrayal of rural Scotland.

In conclusion, will the Minister tell me whether RBS management consulted the UK Government ahead of the announcement? If so, what advice did it receive from the UK Government? Does he accept that the UK Government, as the largest shareholder, can intervene to stop the closure, should they choose to do so?

4.18 pm

The Economic Secretary to the Treasury (John Glen): It is a pleasure to serve under your chairmanship, Sir Henry.

I warmly commend the hon. Member for Argyll and Bute (Brendan O'Hara) on securing this debate and speaking with such passion and determination. Let my first words be that the Government recognise how often banks are seen as an intrinsic part of the community fabric. That point has been made by several Members this afternoon, and the hon. Gentleman has reaffirmed it eloquently.

We have heard a lot about the closure of physical branches. I believe that this is the fourth time that the hon. Gentleman has raised the issue in the House since RBS's announcement last December. I want to make clear my sincere sympathy for the concerns that he raised on behalf of his constituents and that hon. Members raised during the debate.

I reassure the Chamber that one of my key priorities as Economic Secretary is to promote and support financial services that deliver for their customers, making those services as accessible as possible. However, the hon. Gentleman must appreciate that the way we bank is going through a period of unprecedented change. Online and mobile technologies mean that customers—perhaps some of us in this Chamber—are reducing our use of high street branches quite drastically.

Kirstene Hair: Will the Minister give way?

John Glen: I will give way but I will be very sparing in giving way, because I do not want to run out of time to say what I need to say.

Kirstene Hair: I thank the Minister for giving way. On accessibility, my constituents in Montrose have been told that they will have to travel to Arbroath, but RBS will give no confirmation that Arbroath will remain open for the foreseeable future. I agree that accessibility is of the utmost importance, but it is understandable that constituents are concerned—they do not know what the future holds for the next nearest branch.

John Glen: I will come on to a number of practical steps that I think can challenge the banks' logic and help hon. Members across the House.

We have to acknowledge the change in the way that we use banks, and the fact that banks will adapt to reflect the shift in consumer patterns. That means making tough decisions, such as modernising their services to

maintain profitability. I go back to what I said two weeks ago on this spot: the decision is not for the Government, and it is important that I explain why. I acknowledge the point that has been made about Stephen Hester, but there is a material difference between the Government, as the largest shareholder, being consulted on who the chief executive is, and the day-to-day operational decisions made branch by branch. There is a reasonable difference in the level of involvement. Each bank's branch strategy, including whether to open or close individual branches, is for the management of that bank to determine. The Government rightly do not intervene in those commercial decisions in this bank or in any other bank.

Ian Blackford *rose*—

John Glen: I will not take an intervention, because I need to make some progress. Likewise, the Government do not manage the RBS Group; that is headed by its own board, which is responsible for strategic direction and management decisions. By its own volition, RBS has announced a number of branch closures in line with its commercial strategy. Obviously, banks will keep a number of factors in balance when they make these decisions: customer interests, market competition and other commercial considerations. The decisions are theirs to take, but they are also theirs to defend.

I say to the hon. Gentleman who secured the debate that by bringing the matter to the attention of the House again, he is doing a very good job of challenging the bank to justify the decisions it makes. It is for the bank to do that. Indeed, two RBS executives gave evidence to the Scottish Affairs Committee on this very matter last week, and they were pressed on their rationale. I have read the transcript, and they made it clear that customer behaviour is changing and bank branch networks logically are changing to reflect that.

Angus Brendan MacNeil *rose*—

John Glen: I am going to carry on, I am afraid, but I will address a number of points that flow from that.

The banking industry estimates that branch visits have fallen by roughly one third since 2011, and that more than one third of our adult population regularly uses mobile banking apps. The Office for National Statistics estimates that 63% of adults used the internet to bank in 2017. It is not the Government's role to speak for RBS, but its own figures paint a similar picture of substantial change. Strikingly, I understand that RBS estimates that only 1% of RBS customers in Scotland use any of its branches on a weekly basis. I am aware that there are disputes over that, and I will address that point in a moment. The banking industry is changing to accommodate this shifting customer behaviour. However, the Government recognise that closures have an impact on customers who still need or want to bank in person. We have addressed that and ensured that measures are in place so that everyone can continue to access banking services.

Angus Brendan MacNeil: The Minister said that only 1% of customers are accessing those branches. On an island of more than 1,000 people, that does not square with RBS telling us that only 13 people went into the branch. I do not need MI5 on the Isle of Barra to tell me who goes in the branch. We see exactly who goes in there. Twenty went in on the morning that RBS made

[*Angus Brendan MacNeil*]

that announcement. It got rid of a load of employees and hired people from an agency. Surely, as the largest shareholder, Government have to have some oversight over the cowboy behaviour that has been going on at the Royal Bank of Scotland—it is not Scotland any more.

John Glen: I am grateful for that intervention, but I will not take any more. I will address how the bank can be challenged on this point in a moment.

I want to make four points in the remaining time I have. First, I want to discuss the Post Office. The Government has improved face-to-face banking services at the Post Office. With more than 11,600 Post Office branches in the UK, it offers a robust network to ensure that customers have a physical opportunity to bank locally if they choose. We should not forget that 99.7% of people live within three miles of their local post office, and 93% within one mile. We are going to experience a cultural change in the appetite and behaviours around using post offices.

Earlier last year, the UK's banks and building societies and the Post Office reached a new commercial agreement that set the standard for the banking services available at the Post Office—balance inquiries, cash withdrawals, cash deposits and depositing cheques—to ensure that there would be a uniform level of service across the country. That agreement means that 99% of personal customers and 95% of business customers can do their day-to-day banking there.

I am aware that for the service to maximise its potential, the banks' customers must know about it and know how to use it. That is why my predecessor wrote to the Post Office and to UK Finance last month; I am expecting a response today and I expect to see substantive commitments from all involved. We can all do our day-to-day banking at the Post Office and we should spread that message far and wide, especially to those of our constituents who may be worried about this issue.

Secondly, I will address a number of the concerns raised by hon. Members about the access to banking standard. As well as bolstering the Post Office, the Government support the industry's access to banking standard that all major high street banks have agreed to. The standard commits banks to a number of outcomes when a branch closes: first, that they will give at least three months' notice of a closure and explain their decision clearly; secondly, that they will consider what services can still be provided locally and communicate clearly with customers about alternative ways to bank; and, thirdly, that they will ensure that support is available for customers who need extra help. That support includes help for the digitally excluded who want to learn how to

bank online, and guidance for those who regularly use branches and who need to be shown where and how to use the local post office that can help them.

I understand that RBS has undertaken substantive discussions with MPs and other local stakeholders on the future of banking in the communities affected by closures.

Angus Brendan MacNeil *rose*—

John Glen: I am not going to give way again. Where it has not done so, it is incumbent on RBS to engage with Members of Parliament to do just that. In excess of the notice required by the standard, RBS has given six months' notice of these closures. The access to banking standard is the practical way to shape a bank's approach to local areas, and I encourage every Member to ensure that their community is aware and able to engage with their bank directly. The Lending Standards Board monitors and enforces the access to banking standard. It will monitor how RBS and other banks fulfil their obligations to their customers. The board can be contacted by Members of Parliament if they have legitimate concerns about the way in which the process is being fulfilled. That new and additional scrutiny is a necessary and welcome addition to the way the standard works.

Thirdly, I will address the current account switch service. Should other banks offer more extensive local facilities, the Government have made it easier than ever before to switch to an alternative, using the current account switch service. The switch service is free to use. It comes with a guarantee to protect customers from financial loss if something goes wrong, and it redirects any payments mistakenly sent to the old account, providing further assurance for customers. That means that, more than ever, banks are incentivised to work hard to retain their existing customers and attract new ones.

Finally, a number of points have been made about access to cash. I understand that RBS is considering whether an additional mobile bank branch would be required in the constituency of the hon. Member for Argyll and Bute. More widely, the Government continue to work with industry to secure the provision of free access to cash. In December, LINK—the organisation that runs the ATM network in the UK—committed to protecting all free-to-use ATMs that are a kilometre or more from the next nearest free-to-use ATM. This is a welcome strengthening of its financial inclusion programme.

I acknowledge that this is a very difficult matter, and I commend the hon. Gentleman for bringing it to the House again. I commend all hon. Members who have contributed. I believe that I have set out clearly where there are some options to challenge the banks, if they feel justified in doing so.

Question put and agreed to.

Heathrow Airport: Public Consultation

4.30 pm

Sir Vince Cable (Twickenham) (LD): I beg to move,

That this House has considered public consultations on Heathrow airport.

It is a privilege to introduce this debate. The whole issue of Heathrow expansion is of course massive and will be debated extensively in the next six months, but I want to focus on the various consultations and ask the Minister how they fit together, how the Government are responding to them, how responsive the Government are to evidence and how far they have committed themselves to fundamental decisions.

I will refer to three specific consultations. The first is the major consultation on the national policy statement—the basic strategy document—which finished in May and was reported on by Sir Jeremy Sullivan. The second is the more recent consultation on the adaptation of the NPS, which finished in December and related to new bodies of evidence on air quality and passenger numbers. The third is the consultation that is taking place at the moment. A glossy document came through my door a few days ago, and it is probably going through hundreds of thousands of others. That raises a fundamental question, because the proposal in it is different from the Government's. How do the proposals fit together, and how many residents in London are supposed to respond to that consultation?

I will concentrate on the second consultation, and the main document I will refer to is the response of the four councils—Richmond, Wandsworth, Hillingdon and Windsor. It is worth mentioning in passing that those councils between them incorporate the constituencies of the Prime Minister, the Foreign Secretary, the shadow Chancellor and me, among others, so they are not totally devoid of political interest. Let me focus on the two main respects in which the questions in December's revised consultation were framed—air quality and passenger numbers—and how they change our perspective on this subject.

Air quality is important because it involves not just aesthetic considerations but matters that directly impinge on human health and mortality. We start from a position where NO_x emissions and particulates are at dangerous and illegal levels according to internationally recognised standards, and the most recent evidence suggests that emissions are rising, not falling. That is the context in which we have to look at the new evidence on air quality.

Since the original NPS consultation, the Government have produced their own national air quality plan. One of the problems with that is that it does not specifically take into account Heathrow. Will the Minister say how it would differ if it did? It also does not take into account the plans of the Mayor of London, who is in the process of formulating proposals for what I think he calls an ultra-low emissions zone. There are issues with how that will be implemented, given that the Government will not give special consideration to funding it. The arithmetic of London government suggests that the Mayor's plans for reducing emissions will be almost entirely offset, if not worse, by those originating at Heathrow.

The bigger question is whether those emissions need to be produced at all. On the basis of the Government's original estimates, it is possible that there might be such a switch to public transport that there would not be any additional cars on the road. I believe the Government used the phrase “no more cars on the road” in the original formulation of their NPS. However, to achieve that, they would have to achieve an enormous change in modal split: something like 70% of vehicle journeys would have to be by public transport.

Zac Goldsmith (Richmond Park) (Con): I thank the right hon. Gentleman for giving way and apologise for arriving just after he had started. He is right, but does he acknowledge that, according to Transport for London's own statistics, to accommodate the projected increased traffic to and from Heathrow would cost around £18 billion? That assumes that current trends would continue—in other words, that the same proportion of people would drive to and from Heathrow. Even based on those status quo assumptions, we would require £18 billion of additional investment, which Heathrow will not pay, the Government have said they will not pay, and TfL is unable to pay.

Sir Vince Cable: The hon. Gentleman is absolutely right. I want to dwell a little on that £18 billion figure which, as he says, is based on rather conservative assumptions. Where that will come from is one of the big unanswered questions. The Government say that they will not provide financial support. The airport itself has come up with £1 billion towards the £18 billion, but it is already a highly leveraged company. Questions have been raised about its balance sheet, and particularly about the large-scale tax-avoidance schemes that have enabled it to finance its debt so far, so how will it raise yet more to fund the infrastructure? The only way that could happen is if the airport very substantially increased landing charges. One of the reasons why major airlines such as British Airways have turned against Heathrow expansion is that they realise that that would be a necessary consequence. The other potential source of funding is TfL, but it is highly constrained by public sector borrowing restrictions and the need to fund Crossrail, which will be a major burden on its balance sheet in coming years.

TfL has spelled out in detail how the public transport infrastructure would have to be provided, and much of it is highly problematic. It would have to go a lot further than some improvements to the Piccadilly line and the Elizabeth line. It would involve, among other things, improving southern rail access. However, as the hon. Member for Richmond Park (Zac Goldsmith) well knows, that is problematic. The southern rail route runs through my constituency and his. If the route to Heathrow ran through his constituency, there would be serious problems with prolonged closures of level crossings, and the line through Kingston and Wimbledon is already congested. It is not at all obvious how that improvement is feasible—it has not even been sketched out—and there is a big question for the Government about how it would be funded.

The other question that the revised consultation raises is about increased passenger numbers. It is important to stress that the revised figures—the Government's own numbers, not anyone else's—suggest that the national economic benefit of airport expansion would be significantly

[*Sir Vince Cable*]

greater at Gatwick than at Heathrow. That is a reversal of the Airports Commission's analysis. Do the Government accept that conclusion? If they do not, perhaps they will explain why not. If they do, how do they propose to respond? They could say, "Well, we don't care, because we're not really interested in national economic benefit. We've decided we're going to have a hub airport." However, that would raise two big questions: why proceed with a national hub airport if it is less economically beneficial than the alternative, and why not ask or expect Gatwick to provide its own hub facilities, which it is perfectly keen and anxious to do?

The other factual information that has emerged from the new passenger numbers is that Heathrow airport will fill up very quickly. On current assumptions, it will start in 2026 and be full by 2028. That has knock-on consequences. There will be very little resilience, the airport's authorities will be tempted to switch from domestic routes to more profitable international routes and it will make it much easier, given the monopolistic position, to push up fares even further.

Then there are the consequences of the higher passenger numbers, which are new. There is the impact on noise, which I think is of concern to all the constituencies whose MPs are in the Chamber. The original assurance given by the Secretary of State was that, when Heathrow was expanded, no more people in London or the areas around it would be affected by noise. The current numbers suggest that an additional 90,000 will be. Again, do the Government accept that?

What is important is not simply the aggregate numbers, but how that very large number of individuals—we are now talking about 1 million people—are directly affected. That relates to take-off and landing routes and the trajectory of the aircraft. At the moment, we have no information on flight paths, which is crucial to making an informed decision on how the project will affect our constituencies.

My final point on the data is that, although connectivity is one of the major reasons why Heathrow expansion is being considered, the new data suggests that connectivity to other British cities will decline with Heathrow expansion, from eight major destinations at present to five, and will be smaller than were Gatwick to proceed. I ask the Minister to consider how the Government regard this new evidence, which casts doubt on the feasibility of the proposal.

I will round up by raising the more basic question of how the Government are approaching consultation. Have they come to a conclusion, in which case we are going through a ritual, or are they meaningfully engaging in dialogue, listening to evidence and seeing it as a genuinely iterative process? One important step is how we are to see the consultation that Heathrow airport itself is now engaging in. It is important for our constituents to understand that what Heathrow airport is proposing seems substantially different from what the Government are proposing.

One of the options the airport is looking at is moving and substantially shortening the runway. I understand why it would want to do so, because that avoids all the horrendous problems of tearing up the M25 and rebuilding it under a tunnel, with all the costs involved. If it is changed in that way, that substantially affects the noise

contour; I think there are 20,000 people who would face much more intense and intolerable noise levels, many of them in the constituency of the shadow Chancellor. There is a question how that would be dealt with.

Stephen Pound (Ealing North) (Lab): I am very grateful to the right hon. Gentleman. This is a timely debate. I have to confess that I have not received the same volume of consultative literature in the north of the borough of Ealing as he has, for various reasons. I wonder whether, among the data of the passenger and transport movements to and from the airport, there has been a disaggregation that identifies the cargo and freight movements—specifically because the economy of Northern Ireland is almost entirely dependent on cargo freight movements into Heathrow airport. I appreciate that the right hon. Gentleman is talking about passenger movements, but is there a disaggregation that identifies cargo movements to and from Heathrow?

Sir Vince Cable: I cannot answer the hon. Gentleman's question, but I hope the Minister will be able to. There is a specific issue about freight, not just in the air, but on the ground. One of the contributing factors to a lot of the worries about air quality relates to freight on the ground, which is linked to air journeys.

I have one minute left for my presentation, so I will conclude by trying to probe further how the Government see this consultation. The Secretary of State said in July that the Heathrow expansion project, along the lines that were originally identified, would definitely go ahead. We are left with the question of whether that is inevitable if the evidence changes? We now have evidence based on the Government's own numbers to suggest that Gatwick is a more economically attractive alternative. Does that matter? How much more attractive does it have to be before the Government might consider the fundamentals around the location? If the air quality evidence is so damaging, at what point do the Government reconsider their options?

Fundamentally, going back to the intervention by the hon. Member for Richmond Park, we are potentially talking about large Government subsidy if the airport is to avoid a very large increase in landing charges or funding from sources that we cannot yet identify. Is there a level of subsidy and Government funding that is unacceptable? We have new evidence, which is emerging all the time and is becoming progressively less favourable to the case for Heathrow, so I will leave this question with the Minister: how open-minded are the Government to that new evidence, and how will they progress the project?

Several hon. Members *rose*—

Sir Henry Bellingham (in the Chair): Order. I have four Members standing, and it might be of interest to the House to know that I plan to call the Scottish National party spokesman at eight minutes past five. If you could bear that in mind, that is about five and a half minutes each.

4.46 pm

Bill Grant (Ayr, Carrick and Cumnock) (Con): It is a pleasure to serve under your chairmanship, Sir Henry. I thank the right hon. Member for Twickenham (Sir Vince

Cable) for securing this debate. I am minded to speak positively about Heathrow expansion, but I must initially mention the issues affecting the four councils, so eloquently described by the right hon. Gentleman, which include air quality and ground-based infrastructure.

Heathrow expansion is a UK-wide issue, and the ripple effects of expansion will go far and wide throughout the United Kingdom. All parts of the UK have a stake in it, and in this consultation. The need has been clearly identified for greater airport capacity in south-east England, so that we can have not only more international but more domestic flights, including—this may be a selfish statement—to and from Scotland. In recent years, flights between Scotland and London have been restricted due to a lack of capacity. Improved connectivity would also benefit Scotland's economy.

Expansion will allow our airports to turn that situation around, restoring services that existed previously and introducing new ones. More opportunities to get to London from Scotland and vice versa will make travel, be it for business or pleasure, far more convenient. That is why I welcome Heathrow's commitment to a £10 million fund to support new domestic routes as part of its expansion plans. With more domestic and international flights, Heathrow expansion will help link Scotland to emerging global markets. Heathrow's recent reduction in landing charges for domestic flights will make domestic flights more accessible, and I am convinced that it will incentivise more flights in the future.

It will therefore come as no surprise to right hon. and hon. Members that Heathrow expansion has the support of most Scottish airports. When I say most, I understand that Edinburgh airport is not enthused by it, but I think there is a commercial link between the ownership of Edinburgh and Gatwick. The Scottish Chamber of Commerce and the Scottish Government are fully supportive of the expansion, and I hope that their voices will be heard and taken on board in this consultation.

The benefits of Heathrow expansion will be felt particularly strongly by residents and businesses in Ayrshire. South Ayrshire's very own Prestwick airport, which is not in my constituency but the neighbouring constituency of the hon. Member for Central Ayrshire (Dr Whitford), is one of six airports expected to be added to Heathrow's domestic network by 2030 as a consequence of the third runway. Flights between Heathrow and Prestwick, in addition to being good for Prestwick, will make travel to London and around the world much easier for my constituents and for people across south-west Scotland.

I am also pleased to note that Prestwick has been included on the longlist of potential logistics hubs serving Heathrow expansion. The four successful sites will pre-assemble parts of the expanded airport for delivery to Heathrow; I am looking forward to Prestwick being selected as one of those, bringing new jobs and investment to Ayrshire. I am optimistic for Prestwick and for the Ayrshire communities, where the aerospace park is a major employer. The Ayrshire growth deal, which is in the pipeline but not coming as fast as I would like, will include plans for Prestwick to become an aerospace hub. Heathrow therefore has good reason to work with Prestwick. As a site with great access to air, road, rail and sea, it is an ideal candidate for a logistics hub, and I hope Heathrow will give due consideration to Prestwick's bid.

4.49 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is a pleasure to serve under you, Sir Henry. I thank my constituency neighbour, the right hon. Member for Twickenham (Sir Vince Cable), for securing the debate. I also thank the Library, which released this week an excellent summary of where we are and how we got there. It is neutral, dispassionate, but factual, and pulls together all the references that we need for such a debate. I also thank the No 3rd Runway Coalition for its help in briefing some of us for the debate.

I will not cover, as we have covered between us many times before, the details of the impact of a third runway; the net cost to the economy, according to Department for Transport figures; or the increased air and noise pollution. We have had, and will have, many other opportunities in this House and other places to raise those issues. I want to focus on the current public consultation, but I will just give the context. My constituency, Brentford and Isleworth, lies immediately to the east of Heathrow airport. Two thirds of my constituents live underneath the approach path for the two runways on westerly operations, and the other third of my constituency will be underneath the approach path to the third runway, so this is a massive issue for my constituents.

Zac Goldsmith: I thank the hon. Lady for giving way so early. I would compliment her on her speech, but she has not given it yet, although I know it will be brilliant, because she is an absolutely stalwart campaigner on this issue. Does she agree that one problem with the consultation is that we know that hundreds of thousands of new people will be affected by noise, but we do not know which hundreds of thousands, because the Government and Heathrow have yet to tell us where the new flight paths will be, which renders the entire consultation process entirely disingenuous, if not dishonest? It is a bit like saying, "We're going to put a new incinerator in your constituency, and we'd like to ask people their opinion, but we're not going to say where it'll be put." Surely the entire basis of the consultation's legitimacy has a question mark hanging over it.

Ruth Cadbury: The hon. Gentleman, another constituency neighbour, has stolen one of my key points; I will come on to that.

As I was saying, my constituents live under either the current or the proposed—or inevitable—flight paths. Also, living between central London and Heathrow, we have the traffic congestion and the associated air pollution, so this is a really big issue for us. I have been dealing with the issue for more than 15 years—before coming to this place, I was a lead member of Hounslow Council—and it feels like we have been involved in perpetual consultation. Again, the Library report lists a lot of those processes. In the autumn, there was the Government consultation on the draft national policy statement on airports, and I felt sorry for DFT staff in that consultation, because the answer to so many of the questions that local residents asked them were, "I'm sorry; I don't know," or, "I'm sorry; we don't have that information yet." I see the same thing happening with Heathrow airport staff in the newly relaunched consultation. Last week, Heathrow Airport Ltd launched its consultation on a slightly different proposal from that covered in the NPS consultation, but as far as my constituents are concerned, there is not a lot of difference.

[Ruth Cadbury]

What is clear in the Heathrow consultation is what is not clear; so little is said. I have to read out a key quotation from the consultation document:

“we have been assessing the design options for developing a scheme which meets the government’s requirements for an expanded airport, whilst responding to the needs of local communities and mitigating environmental impacts.”

That makes it look like we will see some detail, but the document goes on:

“We are still working through this process, therefore there is not yet a fixed master plan for the expansion of Heathrow.”

If it is not yet possible to map the detailed impact on local communities, what is the point of consulting right now?

What my constituents want to know is this. First, where is the approach path to the third runway? There is no reason why that cannot be mapped now, because the runway is there. We are within 6 miles of the airport, and all flights will be locked into final approach; it is basic physics. So why cannot we be told where the approach path is, how high the planes will be and how wide the approach path will be? We are not in one of the areas where there can be concentration or spreading out. We are so close to the airport that all planes have to be locked in, at least on approach. I think it is deliberate that we are not being told. The thinking is, “It’s okay, because we’re going to tell people that they are going to be underneath the flight path.” I challenge Heathrow airport or the Department for Transport to tell us that we are wrong.

There is very little information on respite. We have a marginal improvement on previous situations, in that there will be no night flights for six and a half hours, but in the real world, no night flights does not actually mean no flights overhead for those night periods. It means no scheduled night flights, but there might be emergency flights, VIP flights, medical flights and so on. There is probably a good reason for all of them, but at one of the busiest airports in the world, there is seldom a time when there are actually no flights at all during those periods, and certainly the rules are not as strict in the UK as they are in other jurisdictions.

What will the air quality implications be if there is no diesel scrappage scheme? How will a congestion charge affect the many local businesses and residents that need to travel around the airport even if they are not actually using it? What will the new transport infrastructure be? There have been many questions about that. And of course nationally we are all concerned about who will pay for this. There is no clarity on how the runway, terminal buildings and essential work will be paid for, and there is certainly no clarity or agreement on the essential traffic impacts. The issue of traffic impacts is not just about passengers or people who work at Heathrow. It is not just about freight. By the way, the aim is to double the amount of freight going in and out of Heathrow with no additional freight vehicle movements. There is no clarity about how that will work, and I challenge any transport engineer to map it.

The issue that no one ever seems to mention is the additional flight servicing. There will be 47% more flights with runway 3. That to me means 47% more journeys in and out of the airport servicing those flights. I am thinking of the catering vehicles and the long-haul flight crews, who stay at our local hotels and are bussed in.

There is nothing about that, but of course it will put additional pressure on the local transport infrastructure. I can see that I do not have any more time. I have deliberately focused on the omissions from the consultation and the issues that most affect local residents in Brentford and Isleworth.

4.58 pm

Andy Slaughter (Hammersmith) (Lab): It is a pleasure to serve under your chairmanship, Sir Henry. This consultation is really just the latest consultation for Heathrow—the fruit of the poisoned tree. The issue has been heavily politicised over a long time, under successive Governments, but things really went wrong during the period of the Airports Commission. Prior to 2010, David Cameron made promises, which he then decided he did not want to keep, and we had the protracted and rather embarrassing saga of the commission stringing out the process, using assumptions that were already out of date, and producing a report that in the end said what the Government then wanted it to say and allowed them to change tack. Those are tactics that Heathrow has used for more than 30 years, and nothing really surprises me, but both the NPS consultations and the latest one are tarnished by that.

Nothing in this consultation, as my constituency neighbour to the west, my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury), has just said, tells us about flight paths. That is the key point that people want to know. Without that, it becomes an almost vacuous exercise. Yet we are not to know the flight paths, we are told, until 2021, after all the major decisions are made. There is nothing in the consultation about who will pay—particularly, as has been mentioned, who will pay the estimated £18 billion for public transport. Getting these glossy pamphlets through the door, as one does on a regular basis from Heathrow, sends the subliminal message, “This is a done deal. Get used to it. Get what you can out of it by way of mitigation.” It simply is not good enough.

The point on mitigation is interesting. We hoped that campaigns such as the one the Mayor of London is fighting; the action he is taking to improve air quality; advancements in air transport, which can lead to noise reduction; and planned improvements—such as Crossrail and upgrading the Piccadilly line—to public transport in London, would improve quality of life and enable Londoners to go about their business better, but they will all be sacrificed to mitigating the additional burdens, inconveniences and health hazards that Heathrow intends to inflict on us. Why should that be the case? Why should Londoners have to pay financially, through their health and through the inconvenience in their daily lives for this white elephant project to go ahead?

We are still talking about hub airports here, which to a large extent have had their day. There are alternatives. We are talking about London as if it was going to have a single airport, rather than a number of airports, each serving different areas, because of the size of the community in London and the south-east that they serve. It is no more than propaganda. It is out of date.

We have heard today that the financial figures have been looked at again. Let us see who we are serving here. We are serving a company that is 90% foreign-owned, that is debt-laden and that, as far as can see, pays no tax other than the VAT it pays on the sales from shops—

increasingly it is a business in that way. We have opposition from the airlines that are unwilling to pay the greatly enhanced landing charges that will be levied in order to pay for this white elephant project. Everybody seems to pay except the shareholders of Heathrow Airport Holdings. Yet at the same time we are being told that Gatwick is a better option, not only, as we have always known, in relation to congestion, noise and pollution, but in terms of financial effects, both locally and on the national economy. There is very little left to recommend Heathrow as an option. Once again, as has been set out, we are going through a farce of a consultation.

I will end on that point. We will be here again, probably in another month, having another debate on Heathrow. We will be here in 10 years, wondering why London does not have additional airport capacity, as we wondered 10 years ago. The sooner the Government grasp the nettle, the better. I wait to hear with interest the speech from my hon. Friend the Member for Kingston upon Hull East (Karl Turner) on the Front Bench. Very wisely, the Labour Front-Bench team has set a series of tests and not prejudged the issue. As time goes on, we will see that those tests will not be met. I hope to hear encouraging noises from my hon. Friend, as I often do.

Zac Goldsmith: Will the hon. Gentleman give way?

Andy Slaughter: Very briefly.

Jim Shannon (Strangford) (DUP): That's not fair.

Andy Slaughter: I am so sorry; I will not give way, as there is a further speech to come. I will end on that, and I wait to hear what the Minister has to say.

Sir Henry Bellingham (in the Chair): I call Jim Shannon. It might be helpful if the Member was aware that I will call the Scottish National party spokesman to wind up at 5.8 pm.

5.3 pm

Jim Shannon (Strangford) (DUP): Thank you, Sir Henry. I thank the right hon. Member for Twickenham (Sir Vince Cable) for bringing the issue to the House. I put on record that I am a very vocal supporter of the Heathrow extension, as is my party. We supported this to enhance the connectivity of Northern Ireland to the rest of the United Kingdom. It is for this reason that we are also, in our relationship of confidence and supply with the Conservative party, looking at the end of the air passenger duty for Northern Ireland flights, which we hope will go further than that. Certainly it is our intention to look across the rest of the United Kingdom. The hon. Member for Ayr, Carrick and Cumnock (Bill Grant) put his marker down. I am putting my marker down.

Let us be quite clear: we are not in decline mode; we are in build-up mode and we can do better. The key for us is the enhancement of connectivity in routes and flights. The Democratic Unionist party was the first political party in the United Kingdom to back Heathrow. We have always maintained that expansion will support growth in Northern Ireland and strengthen our great Union of the United Kingdom of Great Britain and Northern Ireland. More cargo travels from Belfast through Heathrow than any other UK airport. We need to continue the vital link and the supply chain between Northern Ireland's businesses and their clients in every corner of the globe. That is a clear issue.

A 2017 report produced by the Freight Transport Association found that air cargo and night services in the United Kingdom is currently worth some £5.5 billion per annum or £20 million per working day. It estimates that the customs value of the typical export item shipped on a night service is two and half times that of standard air freight. The vast majority of the £5.5 billion, let us be clear, is achieved from productivity gains. In the wider economy, we all gain from connectivity—Northern Ireland gains and the rest of the United Kingdom gains—rather than just the operators of the service. These impacts are also spread geographically across the United Kingdom, with express and priority cargo services used by businesses based in all regions of the country. Northern Ireland is an integral part of this business and we rely on this service, the build-up in this service and the ability of the airport to carry that out at the correct times. Things go from Belfast City and Belfast International airport, to Heathrow, to the rest of the world. That is an example of connectivity. We are all gaining.

Zac Goldsmith: Will the hon. Gentleman give way?

Jim Shannon: I am sorry, but I am constrained by time.

The issue now arising is the question of who will pay for the £14 billion project. It cannot be the airline user in its totality, as this will clearly and undoubtedly take away from the viability of routes by upping the price and putting people off the service. I mentioned earlier about the air cargo. I had a quick conversation with a member of my staff, who was looking for the cheapest trip. That was the trip to Heathrow and it was also at night time, so for a girls' weekend away they were able to do that. I suggest to hon. Members here that, if they want to reciprocate and go to Belfast, we are very happy for that to happen.

The price very much indicates what happens when it comes to who pays. Heathrow passenger charges have trebled in the last decade. We cannot afford any increase. I look to the Minister for a very careful response. I support the expansion and register concern about the cost going completely to the end user. That is why I am asking the Government to step in and ensure that, as opposed to a little increase, simply no increase is acceptable.

To conclude, as a Northern Ireland MP who seems to be continually fighting to have parity with the rest of the mainland, I am fighting again for my corner of the wonderful United Kingdom of Great Britain and Northern Ireland to be allowed to benefit from this expansion and not penalised with greater charges, which put businesses off from investing in Northern Ireland due to the connectivity, and which put tourists off from sampling the beauty and wonder that is found on our shores, as many hon. Members know. I ask the Minister gently to make clear that the costs should not and must not be at the expense of connectivity for Northern Ireland. We can all gain. Let us do it together.

Sir Henry Bellingham (in the Chair): I now call Alan Brown from the SNP. It may be of interest to know that I want to call the Labour spokesman after five minutes.

5.8 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): It is a pleasure to serve under your chairmanship, Sir Henry. Hopefully I will not take the full five minutes.

[Alan Brown]

I suspect that, as always with any debate on Heathrow, there is a divide between for and against. It would seem that those against would be the right hon. Member for Twickenham (Sir Vince Cable), who introduced the debate, and the hon. Members for Brentford and Isleworth (Ruth Cadbury), for Richmond Park (Zac Goldsmith), and for Hammersmith (Andy Slaughter). My neighbour the hon. Member for Ayr, Carrick and Cumnock (Bill Grant) and the hon. Member for Strangford (Jim Shannon) spoke in favour of Heathrow expansion. I must say that I fall into the “for” camp as well because of the potential benefits it can bring to Scotland.

In supporting the principle of a third runway, air quality considerations, noise considerations and other potential neighbour nuisance aspects still need to be considered and cannot be ridden roughshod over. I look forward to the Minister responding to the issues brought forward by the right hon. Member for Twickenham. I also thought the hon. Member for Brentford and Isleworth made some valid points in terms of actually identifying what the approach paths are and making them public. Clearly, the people near the airport need to understand that and it is a valid question. The comments on respite and night flights are valid, as are the points about flight servicing requirements and how that could impact air quality. The Government need to take those aspects into account.

The SNP is in favour of the third runway because of the potential benefits it could bring to Scotland, including up to 16,000 jobs and connecting Scotland to a more global market. Ideally, the expansion will allow Scotland to open up and increase connectivity.

Zac Goldsmith: I am grateful to the hon. Gentleman for giving way. This is the same point that I was going to make earlier. BA has announced that later this year it will be cutting half its routes between Leeds Bradford and Heathrow. Does that not show that the economics of domestic flights and domestic connections just does not stack up? The promises on greater connectivity between Scotland and Heathrow can be delivered only with the help of Government subsidy, and as far as I know there are no promises relating to that.

Alan Brown: I disagree. Clearly, the Government can have a role in terms of public service obligations—that can be considered. Heathrow has offered to guarantee slots to Scotland, and therefore I am not sure. In the existing climate, it is clearly much more difficult because Heathrow is so congested, hence the whole premise of a third runway to open up that connectivity.

It is clear, as the hon. Member for Ayr, Carrick and Cumnock said, that all the airports in Scotland bar Edinburgh are in favour of this expansion. Northern Ireland is in favour of it. The hon. Member for Hammersmith mentioned hub airports. The reality is that hub airports want this. In my ideal world, if Prestwick and Glasgow could expand and pick up some of these new world markets, that would be great, but they are saying that that is not a reality and that they need that connectivity to Heathrow. That is where the critical mass is—that is just the reality of the situation. I also clearly support the idea that Prestwick could become a hub in terms of service delivery for the construction of Heathrow and off-site fabrication, which would be a welcome addition to the Ayrshire economy.

On the consultation, I am aware of some of the asks of the Englefield Green Action Group on statutory noise limits, which my hon. Friend the Member for Livingston (Hannah Bardell) has campaigned for and which I support. Air quality targets obviously need to be considered. They have suggested considering targets on a reducing, tapered basis, which is reasonable, and possible Civil Aviation Authority enforcement powers for airline operational performance on matters such as ascent angles—they appreciate that Heathrow is doing a name-and-shame process with airlines at the moment.

Overall, the Government need to consider these measures and respond accordingly. They need to look at air quality and produce a coherent air quality plan that looks at diesel HGVs, transport refrigeration units and construction vehicles, which will clearly be an issue in the construction of a third runway at Heathrow and need to be considered. I look forward to the Government's response, how they will accommodate the revised proposals that Heathrow is now consulting on and how they will take this forward in the foreseeable future.

5.13 pm

Karl Turner (Kingston upon Hull East) (Lab): It is a pleasure to serve under your chairmanship, Sir Henry.

I congratulate the right hon. Member for Twickenham (Sir Vince Cable) on securing this important debate. He has been a long-standing campaigner on Heathrow expansion.

The Labour party supports the expansion of airport capacity in the south-east, subject to our four tests being met. However, the Government's draft airports national policy statement, published in October last year, and the responses to it have raised more questions than they have answered. The updated passenger demand forecasts show an increase in passenger growth, with a third runway at Heathrow to be full by 2028. The third runway will open in only 2026. That means that all take-off and landing spots will be full just two years after opening, which is a point made by the right hon. Gentleman. Does the Minister agree that that limits the potential benefits of increased airport capacity?

The NPS states that none of the cost of a third runway will fall on the taxpayer, and that it will be met by private funding. Yet it does not provide any evidence to support that. There is a reference to an independent assessment that has been carried out, but it has not been published. There seems no reason not to publish that assessment unless there is something to hide. Will the Minister agree to release that document?

The commitment that there will be no net increase in airport-related traffic is essential to ensuring that expansion is sustainable. Transport for London has estimated that to achieve that, between 65% and 69% of passengers would have to travel to the airport by public transport. The NPS sets an unambitious target of 50% by 2030, going up to 55% by 2042. TfL has said that that will lead to a substantial increase in vehicle trips on the already congested networks. Furthermore, the western rail access and southern rail access are essential for expansion, but TfL is concerned that the NPS gives no firm commitment on that. The Department for Transport has estimated that costs will be about £5 billion, but TfL puts the figure closer to £15 billion. The difference seems to be TfL costings for southern rail access.

Given the difference between the NPS and TfL estimates on both costing and public transport targets, and the fact that TfL is the highways authority and public

transport authority that completely surrounds Heathrow, I find it absolutely astounding that it has been excluded from the service access steering group for Heathrow by the Department for Transport. Will the Minister explain that decision?

We all recognise that air pollution is one of the biggest health crises facing the UK, leading to an estimated 50,000 premature deaths each year. On air pollution, the Government have frankly been found wanting. They have failed to give local authorities the powers they need to protect air quality and failed to support sustainable transport. Those failures threaten not only public health, but future investment. Will the Minister take this opportunity to explain how he will ensure that legal levels of air quality will be achieved if Heathrow is expanded? What resources has he or the Government directed to that important task?

The revised NPS has increased the estimate for carbon emissions from the third runway, but it does not explain the national implications. Will that lead to the sacrificing of growth at regional airports or more challenging limits for other sectors? Can the Minister shed some more light on how the UK will meet carbon emissions targets with the expansion of Heathrow?

Noise is another area in which the revised NPS does nothing to alleviate the concerns of hundreds of thousands of people who are affected by the issue. I think that point was made by the hon. Member for Richmond Park (Zac Goldsmith). The noise assessment in the NPS uses indicative flight paths, and the actual flight paths will be published only after the decision on Heathrow's development consent order application is made. There is no requirement for them to bear any resemblance to the flight paths published in the NPS. The revised NPS uses 2013 as a baseline, which allows the airport to bank technology changes when they should be used to alleviate the noise impacts of the airport. Given the importance of the issue, I would be grateful for the Minister's thoughts on whether the noise assessment in the NPS gives an accurate account of the noise impacts.

The Minister will be all too well aware that right hon. and hon. Members from all parties have strong views on both sides of the argument regarding expansion at Heathrow, so any decision must be based on hard evidence with transparency. As we have seen today, many questions seem to remain unanswered.

5.19 pm

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): It is an honour and a pleasure to serve under your chairmanship, Sir Henry. I greatly admire the way in which you have steered the debate to—I hope—a satisfactory conclusion and allowed a number of hon. Members with different voices to contribute. I congratulate the right hon. Member for Twickenham (Sir Vince Cable) on securing this important debate.

As the right hon. Gentleman knows—indeed, as he indicated—the consultation on the revised draft airports national policy statement closed on 19 December. I am the new Minister with responsibility for aviation in the Commons, with the rich experience of 10 days in the job and the accumulated expertise that goes with that. The debate gives me the opportunity to thank the tens of thousands of respondents to the February and October consultations.

As the debate has shown, the Government are not afraid to take controversial decisions when they deem them to be in the national interest. I note the diversity of views around the Chamber and the voices that are supportive of the Government's strategy, as well as the concerns that have been indicated.

For decades, the UK has failed to build the capacity needed to match people's growing desire for travel. The revised aviation passenger forecasts published in October show that the need for additional capacity in the south-east is even greater than was previously thought. There is a significant cost—tens of billions of pounds—to failing to act, and there are potential benefits to acting.

I will come to the many issues that have been raised, but I start by reiterating why, for additional capacity in the south-east, the Government's preference is for a new north-west runway at Heathrow. The revised analysis shows that the north-west runway scheme will deliver the greatest benefits the soonest, and that it will continue to offer the greatest choice of destinations and frequency of vital long-haul routes. It has been asked how that relates to revised numbers for Gatwick, and I emphasise that the decision is not purely an economic one. It is also a question of when those benefits are delivered, the strategic nature of the location and the vastly greater volume of freight that goes through Heathrow.

That is the Government's preference at present, but I emphasise that no final decision—indeed, no decision of any kind—has been taken on the matter. To that extent, to answer the right hon. Member for Twickenham, the Government are absolutely open to contrary arguments and considerations, within their stated preference.

Zac Goldsmith: Will the Minister give way?

Jesse Norman: I will finish the thought, if I may. I have relatively little time remaining, and lots of questions have been asked.

As the right hon. Member for Twickenham knows, not only is the whole process governed under statute by the Planning Act 2008, but an independent former lord justice of appeal, Sir Jeremy Sullivan, has the specific job of advising on the consultation process. That is designed to give the public comfort, and to support the importance and independence of the process.

It was found that a new north-west runway would deliver benefits of up to £74 billion to passengers and the wider economy over 60 years, and that it would offer the greatest benefits for at least the first 50 years. That will secure the UK's status as a global aviation hub. This is a national project in the national interest that enhances the country's ability to compete with other European and middle eastern airports. It will help UK businesses to connect with markets by delivering an additional 43,000 long-haul services from across the UK in 2040, and it will provide the kind of domestic connectivity that will fuel regional growth across the UK—the important point made by my hon. Friend the Member for Ayr, Carrick and Cumnock (Bill Grant) and the hon. Members for Strangford (Jim Shannon) and for Kilmarnock and Loudoun (Alan Brown).

There is a wide range of views, which is why the matter has been the subject of one of the largest consultations ever undertaken and why the Government have been keen to ensure that the consultations were full and fair. Hon. Members have mentioned the enormous

[*Jesse Norman*]

amount of literature that has been posted out, and rightly so; a very keen effort is under way by the Government, regarding the NPS consultation, and by Heathrow—an entirely independent, separate entity—to gather public information. On the Government side, that includes delivering 1.5 million leaflets and holding dozens of information events and other such consultations.

It is also worth noting that, as the right hon. Member for Twickenham mentioned, Heathrow airport launched its own consultation on 17 January. Of course, there are differences between the aspects on which Heathrow has been consulting and the proposals in the NPS. That is to be expected from a system that is run in a non-judgmental and independent way. That consultation is set to run for 10 weeks and will close on 28 March, with 40 public information events to be held. For what it is worth, all hon. Members should thoroughly encourage the public—those affected and those with a wider interest—to take part in it. It is the first opportunity for the public to comment on and inform the proposals of Heathrow Airport Limited directly, and potentially to shape them.

Zac Goldsmith: As the right hon. Member for Twickenham (Sir Vince Cable)—my neighbour—has said, we know that the economic benefits of the two options on the table are broadly in the same area, in terms of connectivity. Heathrow is already the most polluting airport in Europe, and it will become more so. It is the noisiest airport in Europe, and it will become more so. It is the most expensive option, and the most legally difficult to deliver. Does the Minister at least understand why people who question the Government's decision suspect that it may be born not of a rational process of elimination, but of a form of crony capitalism? It is hard to understand why the Government would opt for the option that has so little going for it.

Jesse Norman: Given the minuscule amount of time remaining and my desire to allow the right hon. Member for Twickenham to speak at the end, I will be very brief. I absolutely register my hon. Friend's point. Air quality has been extensively discussed today. I remind him that the Government have assessed the impact of the Heathrow north-west runway scheme on the air quality plan. Within that analysis, it appears to be compliant, and that is before taking account of any mitigation measures that Heathrow could apply. That is the basis on which the Government are proceeding.

I will pick up on a couple of other quick points in the minute or so that remains to me. There has been some concern about different costings over surface access. The Government do not recognise TfL's numbers, which appear to include schemes that are not directly related

to Heathrow. The infrastructure contribution that the Government make will be related not to the airport, but to the other incidental benefits that transport has for users.

In response to the hon. Member for Ealing North (Stephen Pound), it is worth mentioning that he should recognise that Heathrow is substantially better equipped to handle cargo volumes. To take non-EU cargo alone—the wider world, as it were—Heathrow handled about £130 billion of cargo to those countries in 2016, compared with less than £1 billion out of Gatwick. Such significant differences play a part in the wider economic picture that is being built up.

Finally, on the detail on flights, proposals to change the UK's airspace need to follow the Civil Aviation Authority's airspace change process, which is the regulatory process that the Government have adopted. It is not in the Government's hands to vary that in this context. As with other aspects, we will follow due process.

5.28 pm

Sir Vince Cable: I will wind up quickly. I thank hon. Members, who have given their diverse views and argued their cases extremely well. I want to reiterate a few points. As far as the responsiveness of the Government is concerned, I am gratified that the Minister said in his concluding remarks that they still have an open mind. Many past comments cast some doubt on that. I am also grateful that the hon. Member for Kingston upon Hull East (Karl Turner) said that the Opposition are approaching the issue pragmatically and in terms of tests, and that they have not come to a final conclusion on it. Those responses give me some encouragement that there is a lot more to argue for.

I emphasise the basics of the argument: the NPS revisions—the new round of evidence that has been produced—point clearly to the fact that the Minister's initial comment is simply wrong. There is no suggestion any longer that this is the best economic option; it clearly is not. The Government's own figures and analysis show that Gatwick would be better for the national economy. As the hon. Member for Richmond Park (Zac Goldsmith) said in his last intervention, it is not just that Gatwick would be better for the national economy, but that Heathrow would be far more polluting, would have a far more damaging noise impact on people under the flight path and would be very much more expensive for Government and passengers. I welcome the responses that we have received.

Question put and agreed to.

Resolved,

That this House has considered public consultations on Heathrow airport.

5.30 pm

Sitting adjourned.

Written Statement

Wednesday 24 January 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Overseas Entity Beneficial Ownership: UK Public Register

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths): I am today confirming to Parliament the Government's timetable for implementation of their policy to achieve greater transparency around foreign entities that own or buy property in the UK or participate in UK Government procurement. This will set down in legislation the commitment made at the 2016 Anti-Corruption summit and reaffirmed in the UK's anti-corruption strategy, published in December.

The Government intend to legislate to establish a public register of beneficial owners of non-UK entities that own or buy UK property, or which participate in UK Government procurement. They will publish a draft Bill before the summer recess this year. This will be a significant piece of legislation that delivers a streamlined policy, consistent across the UK, where currently the land registries for England and Wales, for Scotland and for Northern Ireland have taken different approaches to land registration and registration of overseas entities.

The Government intend to introduce the Bill to Parliament early in the second Session. Following Royal Assent and the making of secondary legislation, the Government intend that the register will be operational in 2021.

Separately, I will be publishing a response to my Department's call for evidence last year on this policy very shortly that will provide more detail on responses received and our proposed approach.

[HCWS425]

Petition

Wednesday 24 January 2018

OBSERVATIONS

HEALTH AND SOCIAL CARE

Emotional Assistance Pet Act

The petition of residents of the United Kingdom,

Declares that there is compelling evidence from clinical and laboratory studies that interacting with pets can be beneficial to the physical, social and emotional well-being of humans and that the human-animal emotional bond does not differ from the one that we sustain in relation to close family members; further that the twenty-first century is the beginning of the revolution in ethics related to scientific evidence regarding consciousness in animals—now confirmed that it is astonishingly close to humans; further that mental health services in the UK are overstretched, have long waiting times and a lack of specialist services in some regions; further that the Mental Health Foundation also recognises the value of “pet therapy” in suicide prevention and treating depression and treating depression leading to it; further that there is no scientific research (to support the thesis that tenants who have pets are worse, more difficult or cause more damage to properties than those who do not); and further that almost all tenancy agreements, by default, contain a no pet clause, which is nothing more than prejudiced practice, as a result, people who have pets are especially victimised in their attempt to simply put a roof over their heads in their difficult housing crisis context.

The petitioners therefore request that the House of Commons urges the Government to introduce legislation that recognises the importance of the emotional relationship of man and their non-human family members; further to put the interest of the most vulnerable and the public interest above the right of property owners if the property is a subject of commercial gain; and further that the legislation should allow the emotional support animal access in housing facilities, even when the complex has a no pet policy or breed/weight discriminatory policies.

And the petitioners remain, etc.—[Presented by Grant Shapps, *Official Report*, 15 November 2017; Vol. 631, c. 3p.]

[P002079]

Observations from the Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price):

The Government recognise that there is emerging evidence that there may be health benefits to using pets as therapy for people with complex needs, and we would want to see commissioners and providers have the flexibility to be able to continue to explore the benefits of this, as well as other types of therapy and support. This is why we have given Clinical Commissioning Groups the freedom to commission innovative services where they meet the health needs of local populations.

Legislation to enshrine the use of animals as therapy would be disproportionate, in regards to a relatively small area of health provision.

We appreciate the problems that families with pets can face in finding accommodation in the private rented sector.

All private landlords and letting agents operate on a commercial basis and, as for any business, it is reasonable for them to seek to reduce their risks. Not all properties are equally suitable for families with pets and the Government would not seek to intervene in commercial decisions as to how properties are marketed to different types of tenants.

ORAL ANSWERS

Wednesday 24 January 2018

	<i>Col. No.</i>		<i>Col. No.</i>
PRIME MINISTER	254	SCOTLAND—continued	
Engagements	254	Hospital Car Parking Charges	254
SCOTLAND	245	Leaving the EU: Common Frameworks	254
City Region Deals	252	Leaving the EU: Devolution of Powers	245
Economic Development: Cross-border		Leaving the EU: Economic Opportunities	253
Co-operation	251	Renewable Energy Sector	252

WRITTEN STATEMENT

Wednesday 24 January 2018

	<i>Col. No.</i>	<i>Col. No.</i>
BUSINESS, ENERGY AND INDUSTRIAL		
STRATEGY	11WS	
Overseas Entity Beneficial Ownership:		
UK Public Register	11WS	

PETITION

Wednesday 24 January 2018

	<i>Col. No.</i>
HEALTH AND SOCIAL CARE	5P
Emotional Assistance Pet Act	5P

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CONTENTS

Wednesday 24 January 2018

Oral Answers to Questions [Col. 245] [see index inside back page]

Secretary of State for Scotland
Prime Minister

Presidents Club Charity Dinner [Col. 269]

Answer to urgent question—(Anne Milton)

Multi-employer Pension Schemes [Col. 281]

Motion—(Alan Brown)—agreed to
Bill presented, and read the First time

Opposition Day [8th allotted day]

Refugees and Human Rights [Col. 284]

Motion—(Emily Thornberry)—agreed to

Carillion and Public Sector Outsourcing [Col. 335]

Motion—(Jon Trickett)—agreed to

Petition [Col. 376]

South-eastern Rail Franchise [Col. 377]

Debate on motion for Adjournment

Westminster Hall

British Armed Forces: Size and Strength [Col. 127WH]

Public Transport: Boxing Day 2018 [Col. 151WH]

Pubs Code 2016 [Col. 157WH]

RBS Closures (Argyll and Bute) [Col. 178WH]

Heathrow Airport: Public Consultation [Col. 187WH]

General Debates

Written Statement [Col. 11WS]

Petition [Col. 5P]

Observations

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
