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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 7 February 2018

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Leaving the EU: Cross-border Trade

1. **Stephen Gethins** (North East Fife) (SNP): What recent discussions she has had with the Irish Government on cross-border trade after the UK leaves the EU. [903756]

2. **Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): What recent discussions she has had with the Irish Government on cross-border trade after the UK leaves the EU. [903757]

The Secretary of State for Northern Ireland (Karen Bradley): I have regular conversations with the Irish Government on a range of issues. We both recognise the importance of the trade that takes place across the island of Ireland, which is worth some £4 billion to the Northern Ireland economy. Equally, though, we must not forget the importance of the GB markets to Northern Ireland, where sales are worth some £14.6 billion. We are committed to protecting both these vital markets.

Stephen Gethins: Scottish Government analysis has shown that a no-deal scenario could cost Scotland up to 8.5% of its GDP. Government analysis suggests that Northern Ireland could be cost up to 12% of its GDP. Does she believe any analysis she has seen, and is this too high a price to pay to keep a Tory civil war from breaking out?

Karen Bradley: My right hon. Friend the Secretary of State for Exiting the European Union has dealt with the issues concerning the leaked report. It is important to state that the UK Government want to achieve a good deal for the whole United Kingdom that protects the economic integrity of the United Kingdom.

Stuart C. McDonald: If this Government are so determined to take us out of the customs union and the single market, how do they see us avoiding a hard border on the island without having a hard border in the Irish sea?

Karen Bradley: The United Kingdom Government have been clear that we do not want to see a hard border between Northern Ireland and the Republic. The Irish Government have said the same, as has the European Commission. I think it is clear that we will make sure there is no hard border.

Dr Andrew Murrison (South West Wiltshire) (Con): The voice of Wales and Scotland is being heard loud and clear in the current Brexit negotiations. That of Northern Ireland most certainly is not, because of the impasse. In answer to Questions 4 and 5, the Secretary of State will no doubt say that the solution is the restoration of the Executive, but if the Executive is not restored, what will she do to make sure the voice of Northern Ireland is heard in the current negotiations in Brussels?

Karen Bradley: I thank my hon. Friend, the Chair of the Northern Ireland Affairs Committee. He will know that I have been working extraordinarily hard over the last few weeks on talks, and I will address those matters when I answer Questions 4, 5 and others. The important point is that for Northern Ireland's voice to be heard in the way the Scottish and Welsh voices are heard, we need a devolved Government in Stormont. That is what we are working towards.

Kevin Foster (Torbay) (Con): I welcome the Secretary of State to her place and the fact that she is in discussions with the Irish Government. In her discussions, has she reflected with the Irish Government on what would happen to cross-border trade if one part of these islands that was in the common travel area joined Schengen, as the Scottish National party keeps arguing for? That would see a border not just in the Irish sea but across this island.

Karen Bradley: We are clear that the economic and constitutional unity of the United Kingdom is fundamental to all we are doing, and we are determined to ensure that the UK single market—the most important single market to Scotland and to Northern Ireland—is retained.

Jim Shannon (Strangford) (DUP): Bearing in mind that the United Kingdom is Ireland's largest trading partner and that 30% of all employment in Ireland is in sectors that are heavily related to UK exports, will the Secretary of State outline what discussions have taken place to ensure that this mutually beneficial partnership continues unhindered by the petty point scoring, statement making, headline grabbing whims of EU leadership?

Karen Bradley: The hon. Gentleman puts his point more eloquently than I could ever dream of.

Kate Hoey (Vauxhall) (Lab): Given that the Irish Republic would lose out most if there was not a good deal with the European Union, is the Secretary of State making it clear to all the Irish Ministers she is meeting that they have a role to play with the European Union and that they should be standing up for their country's attitudes and making sure we get a good deal, which is to their benefit?

Karen Bradley: The reality is that a good deal is a win-win for everybody—not just Ireland but all the EU27 member states. Not having that is a lose-lose; nobody benefits from not having a good deal.

Deidre Brock (Edinburgh North and Leith) (SNP): The Prime Minister has been clear that there will be no continuing customs union between the UK and the EU. Does the Secretary of State agree that that means a divergence of regulations between Ireland and Northern Ireland and that paragraph 49 of December's agreement must be activated? In that case, will she tell us what "specific solutions to address the unique circumstances of the island of Ireland" she is proposing?

Karen Bradley: The hon. Lady makes the point that there are unique circumstances in Northern Ireland—unique anywhere across the whole of Europe—and those unique circumstances have to be reflected. The UK Government's intention is to resolve the matter of north-south trade—and east-west trade—through the overall UK-EU agreement, but we are absolutely determined to make sure that we respect the integrity of the north-south border and that we respect the agreements that were made in Belfast nearly 20 years ago.

Stephen Pound (Ealing North) (Lab): May I welcome the glistening new team to the Front Bench? I am sure the whole House agrees with me in saying how pleased we are—we are absolutely delighted—that the Secretary of State's predecessor is recovering so well from his surgery. May I particularly welcome the Parliamentary Under-Secretary? He is the eighth Minister that I have had the privilege of shadowing; I do not know whether this attrition is anything to do with my personal behaviour, but I plead not guilty.

Now that the new team have had a chance to find their way around, particularly on the border, and they have studied the issue of the electronic border, do they believe that such a frontier is feasible or is it just a fantasy?

Karen Bradley: I thank the hon. Gentleman for his warm words. I too pay tribute to my predecessor, who I am pleased to say is recovering well at home. I know the whole House wishes him well, wishes him a speedy recovery and looks forward to welcoming him back to this Chamber.

The hon. Gentleman refers to the matter of the border. We are determined that there will be no new physical infrastructure at the border, and we will maintain things such as the common travel area, which has been in existence since well before the EU.

Apprenticeships

3. **Maria Caulfield** (Lewes) (Con): What steps are being taken to increase the number of apprenticeships in Northern Ireland. [903758]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Shailesh Vara): I too thank the hon. Member for Ealing North (Stephen Pound) for his kind words of welcome. He and I have worked together on a number of issues, but this is the first time we have met across the Dispatch Boxes, and I look forward to constructive engagement with him and his team.

On my hon. Friend's question, this Government are committed to reaching our pledge of 3 million apprenticeships by 2020. Through our industrial strategy,

we are committed to helping young people across the country to develop the skills they need for the future. My hon. Friend will appreciate, however, that delivering apprenticeships in Northern Ireland is a devolved matter. As such, that is another reason why we need to see a restored Executive up and running.

Maria Caulfield: Employers in Northern Ireland recently told members of the Northern Ireland Affairs Committee that while there is no Northern Ireland Executive in place they are having to pay the apprenticeship levy but have no access to the funds to take on apprentices, because without an Executive the block grant is not being distributed. The apprenticeship levy in Northern Ireland is turning into a stealth tax for businesses. Does the Minister agree that this is another reason why we urgently need a Northern Ireland Executive in place?

Mr Vara: My hon. Friend makes a very good point, and gives an excellent example of why it is so important that we have a devolved Assembly up and running again. Important decisions, such as the one she mentioned, need to be taken, and that is why we need the Assembly up and running as soon as possible.

Paul Girvan (South Antrim) (DUP): It is worrying that we hear of the loss of apprenticeships, and yesterday we had an announcement that Williams Industrial Services in my constituency has actually gone into administration. What help will the Minister give us to ensure that we retain manufacturing and the apprenticeships there?

Mr Vara: May I say at the outset that I am very sorry to hear about the position of the company in the hon. Gentleman's constituency? I very much hope that the employers will follow all the legal processes by way of consultation and everything else that needs doing as far as the employees are concerned.

On the promotion of more jobs, it is clearly important that the devolved Assembly is up and running because it has a critical role to play. In the absence of such a devolved Assembly, however, I assure him that my right hon. Friend the Secretary of State and I are doing all we can. Indeed, only recently we met Invest NI with a view to seeing what is happening in Northern Ireland and what we can do to help.

Theresa Villiers (Chipping Barnet) (Con): One of the best apprenticeships programmes is run by Bombardier. Does the Minister agree it is fantastic news for those apprentices that the complaint against Bombardier has been soundly rejected?

Mr Vara: I thank my right hon. Friend for her comments. It is very welcome news that the United States International Trade Commission unanimously agreed with Bombardier, and we very much look forward to working with Bombardier, which plays such a critical role in the UK economy, particularly in Northern Ireland.

Devolved Government

4. **Vernon Coaker** (Gedling) (Lab): What progress has been made in talks on the restoration of devolved government. [903759]

5. **Nigel Mills** (Amber Valley) (Con): What steps her Department is taking to facilitate the restoration of devolved government. [903761]

9. **Charlie Elphicke** (Dover) (Ind): What progress has been made on restoring devolved government in Northern Ireland. [903765]

13. **Bob Blackman** (Harrow East) (Con): What progress has been made on the restoring devolved government in Northern Ireland. [903769]

The Secretary of State for Northern Ireland (Karen Bradley): With your permission, Mr Speaker, I would like to update the House on the talks, so I ask for your forbearance while I give an answer that is slightly longer than usual. Over the past weeks, the political parties—particularly the Democratic Unionist party and Sinn Féin—have engaged in discussions on the key issues that remain to be resolved. They have done so with the continuous support of the UK Government and, in accordance with the three-strand approach, the Irish Government. Those discussions have built on the progress that was made in previous talks to reduce further the gaps between them. An accommodation between the parties has not yet been reached, but there is no doubt as to their collective commitment towards the restoration of devolution. I firmly believe that an agreement in the coming days, while not certain, is achievable. That remains my focus.

Vernon Coaker: In welcoming the Secretary of State to her new post, may I gently say to her that she should have been making a statement on this today? Every party in Northern Ireland says that it wants a deal, but significant gaps remain. Can she outline what those gaps actually are, and what she is doing to try to resolve them and bring people together?

Karen Bradley: I gently say to the hon. Gentleman, who is greatly distinguished in this area and knows Northern Ireland politics well, that we are at a very sensitive stage in discussions. I have been committed to making no running commentary on the talks while they are ongoing. There have been very intense and detailed discussions. I believe that we can reach an outcome, but I will do nothing that might jeopardise that.

Nigel Mills: Will the Secretary of State set a deadline for the talks so that the people of Northern Ireland know when they will have some government back, either in Northern Ireland or via direct rule from here?

Karen Bradley: I was clear at the outset that the talks would take weeks, not months. We have been in intensive discussions for two weeks now, and I hope to see the matter resolved as soon as possible.

Charlie Elphicke: Does the Secretary of State agree that in normal civil society a party that wins an election comes together and forms a Government, and parties that do not win an election and do not want to be in government go into opposition and hold that Government to account. Have we not now reached the stage in Northern Ireland where normal civil society ought to be operating?

Karen Bradley: I firmly agree that, after almost 12 months without devolved government, we absolutely need to have the Stormont institutions back up and running. The people of Northern Ireland voted for their politicians, and it is incumbent on those politicians to deliver. However, we respect the fact that this is a cross-party and cross-community resolution, as set out in the Belfast agreement. As I have said, I am determined to do everything possible to give this the best chance to succeed and to get devolved government back up and running, and I will do nothing to jeopardise that.

Bob Blackman: I welcome my right hon. Friend's commitment to ensuring that devolved government is restored as soon as possible. Does she agree that one of the stumbling blocks is that certain parties—namely, Sinn Féin—keep coming forward with new demands that were not part of the original aim of forming the Executive?

Karen Bradley: I apologise; I would very much like to give Members much more explicit and detailed answers, but that would simply not be appropriate at this stage. However, as before, I commit to returning to the House as and when I have something concrete to say on the matter.

Nigel Dodds (Belfast North) (DUP): I warmly welcome the Secretary of State to her new post—and the Under-Secretary of State—and wish her well in her continued efforts to facilitate talks in Northern Ireland. She knows that we are not the stumbling block to the restoration of the Executive. In the meantime, will she give a clear commitment to the people of Northern Ireland, and to this House, that the budget for Northern Ireland will be set as soon as possible, given that the head of the civil service has said

“we cannot go much beyond the beginning of February without clarity about how much departments and various public bodies are going to have to spend next year”

because the lack of a budget is affecting services, including health and social care? The current position is intolerable. We need a budget and we need it now.

Karen Bradley: I thank the right hon. Gentleman for his comments—he and I have discussed this issue. He will know that my predecessor took action on the matter, and obviously I have had discussions with the civil service in Northern Ireland. I have met some very dedicated public servants who are doing their best to deliver, but in the absence of devolved government that is becoming increasingly difficult. That is why we need devolved government, and we need it quickly. I understand the point he makes. My predecessor took action on the matter and I am sure that he will be assured by that.

Nigel Dodds: I am grateful to the Secretary of State, in so far as that goes, and I look forward to her bringing forward proposals, without prejudice to the ongoing negotiations, so that we do not have a situation in which Departments, people and services are suffering. Does she agree that the recent statement by Alex Maskey of Sinn Féin about Northern Ireland being a “putrid little statelet”, justifying IRA murder in order to bring about rights, shows the sheer disgrace, irony and hypocrisy of Sinn Féin preaching rights and equality by justifying murder and disrespecting the state of Northern Ireland?

Does she agree that that sort of attitude must stop? If respect is to mean anything, it has to mean Sinn Féin showing respect towards Unionists and those who believe in the Union.

Karen Bradley: I think this shows that it is incumbent on everyone in public life to think very carefully about the words they use in public and the way they may be interpreted.

Owen Smith (Pontypridd) (Lab): I too welcome the Secretary of State and the Under-Secretary. I look forward to working with them and of course wish the Secretary of State's predecessor a speedy recovery.

We understand that the Secretary of State will not want to give a running commentary on the talks, but there is enormous frustration in Northern Ireland after a year in limbo, with successive Secretaries of State telling us exactly the same thing. Can she at least confirm that one of the big sticking points in the talks is rights—not just language rights, but marriage equality rights? Can she tell us whether she will consider taking that issue off the table by legislating for equal marriage rights in Northern Ireland, which are enjoyed in Staffordshire?

Karen Bradley: I thank the hon. Gentleman for his comments. As I said, I do not wish to say anything at this stage—I know it is frustrating for all that I cannot say more, and I am frustrated too—but I will come to this House and make a full statement as and when I am able to. Equal marriage is clearly a devolved issue and quite rightly should be legislated for in Stormont. That is the right place for this legislation to be enacted, and I look forward to a devolved Government being in place that can do that. He will recall that when the matter was debated in this Chamber for our constituents in England and Wales, these Benches were entitled to a free vote and Members of Parliament voted in line with their conscience.

Owen Smith: And the right hon. Lady will know that Northern Ireland did have a vote in the Assembly on this issue in November last year. It voted in favour of taking forward marriage equality for Northern Ireland, so she could show leadership on this issue and respect devolution, and potentially bring forward the prospect of devolution being resolved. Will she answer a very simple question that I think many people in Northern Ireland will want me to ask: what is she going to do differently in the weeks and months ahead to show leadership and break the deadlock?

Karen Bradley: The talks have resumed. They are detailed and intense. The parties are engaged and are working late into the night most nights to reach a resolution. I think that the politicians in Northern Ireland understand the frustration of the people of Northern Ireland and want to deliver for them, but there are differences that need to be overcome. I am doing everything I can to try to get a resolution so that accommodation can be found and devolved government can be restored.

Lady Hermon (North Down) (Ind): I would like the Secretary of State just to take a few moments to explain to the House and the people in Northern Ireland the

level of engagement with the smaller parties in Northern Ireland—the Alliance party, the Social Democratic and Labour party, and the Ulster Unionist party—in the recently resumed talks. I have had it reported to me that they had a cup of tea and a bit of a chat, and said, “Thank you and goodbye, see you on Thursday.” I cannot believe that that was the level of engagement, so would the Secretary of State give some reassurance about the level of engagement with smaller parties, please?

Karen Bradley: All parties have been included within the talks process since 24 January. I have met all the main party leaders on a number of occasions, including at the roundtable on Monday, and we are due to hold another one later this week. The hon. Lady will understand that unless the two big parties—the Democratic Unionist party and Sinn Féin—can reach an agreement, we are not able to achieve devolved government, so it is right that there is detailed, bilateral discussion between those two parties. Yesterday, for instance, I spoke to or met all the party leaders.

Frictionless Border

6. **Tony Lloyd (Rochdale) (Lab):** What discussions she has had with the Irish Government on maintaining a frictionless border on the island of Ireland. [903762]

11. **Andrew Rosindell (Romford) (Con):** What assessment she has made of progress on maintaining a seamless border between Northern Ireland and the Republic of Ireland after the UK leaves the EU. [903767]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Shailesh Vara): We speak regularly with our counterparts in the Irish Government on a range of issues. In the joint report agreed with the EU at the December European Council, we reached an agreement that will maintain the common travel area. We also agreed that any future arrangements agreed between the UK and the EU must be compatible with the UK Government's commitment to avoiding any physical infrastructure on the border between Northern Ireland and Ireland. We will continue working closely with the Commission to agree a legally binding text for the commitments made in December.

Tony Lloyd: If the Government are committed to regulatory alignment on both sides of the Irish border, has it made it easier that the Prime Minister has declared that there will be no membership of the customs union or single market?

Mr Vara: Let us be absolutely clear: we have said we will be leaving the customs union and single market. We hope in phase 2 of the negotiations to secure the best possible trade deal with the EU, but we are committed to a frictionless border.

Andrew Rosindell: Does the Minister agree that once the UK leaves the EU we will have a duty to protect the rights of Irish citizens under UK law, through the common travel area, which predates Britain's membership of the EU?

Mr Vara: My hon. Friend makes an excellent point and is right that the reciprocal rights under the common travel area between the UK and Ireland predate either country's membership of the EU. I can assure him that the joint report from last December contains a commitment to maintaining the common travel area arrangement.

Sammy Wilson (East Antrim) (DUP): A recently published European Parliament report has indicated that it will be possible to have a frictionless border after we leave the EU, but is the Minister not concerned about the friction in relations between the UK Government and the Irish Republic? Will he comment on the threat issued by the Irish Foreign Minister yesterday that he will block negotiations unless legislation is introduced to force the Northern Ireland Assembly to introduce EU regulations?

Mr Vara: All the parties involved recognise that this is a difficult negotiation, but we are all committed to being flexible and coming up with innovative solutions. Our relationship with Ireland goes back centuries: trade, geography, history and so on. We have an excellent working relationship with Ireland. We hope to continue that relationship to secure the best solution possible to the issue of the border between Ireland and Northern Ireland.

Paul Masterton (East Renfrewshire) (Con): Will the Minister confirm that whatever arrangements are needed to achieve a frictionless border between north and southern Ireland will apply to the whole UK?

Mr Vara: I can assure my hon. Friend that we are committed to the constitutional and economic integrity of the UK. That will stay as it is currently.

Leaving the EU: Transitional Arrangements

7. **Chris Law** (Dundee West) (SNP): What discussions she has had with Cabinet colleagues on negotiating a transitional arrangement with the EU that benefits Northern Ireland after the UK leaves the EU. [903763]

14. **Tommy Sheppard** (Edinburgh East) (SNP): What discussions she has had with Cabinet colleagues on negotiating a transitional arrangement with the EU that benefits Northern Ireland after the UK leaves the EU. [903770]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Shailesh Vara): My right hon. Friend the Secretary of State for Northern Ireland has regular conversations with Cabinet colleagues on a range of EU exit issues, including on an implementation period. We recognise the importance of negotiating an implementation period that benefits the whole UK, including Northern Ireland. [Interruption.] We welcome the EU's agreement to negotiate an implementation period. The precise terms should be agreed as quickly as possible to provide vital certainty to businesses and citizens. [Interruption.]

Mr Speaker: Order. It is most unfortunate that neither the Minister's mellifluous tones nor the content of his answer could properly be heard because of the number of private conversations. I think he deserves a more attentive audience.

Chris Law: Thank you, Mr Speaker. I grasped the word "negotiation" in there. Has the Secretary of State agreed a concession in those negotiations with the Brexit Secretary that will allow Northern Ireland to remain part of the single market and customs union, while the UK leaves, to avoid a hard border—yes or no?

Mr Vara: I say again that the United Kingdom is committed to leaving the single market and customs union and to the integrity of the constitution and our economy.

Tommy Sheppard: I think that we are all a little confused about how the Government intend to avoid a hard border on the island of Ireland. The Minister's Cabinet colleagues are falling over themselves to secure the maximum possible separation from the EU and the least possible realignment. Has he ruled out the idea of separate arrangements for Northern Ireland governing trade and commerce, or not?

Mr Vara: Let me say again that the constitutional and economic integrity of the United Kingdom remains. We are in phase 2 of the negotiations, and these matters are currently being discussed. I am sure that all the parties—Ireland, the United Kingdom and the European Union—recognise the difficulty of the issue and will be as flexible and innovative as possible.

Ian Paisley (North Antrim) (DUP): Does the Minister agree that it is about time the Government demonstrated a "no surrender" attitude to the EU bureaucrats who try to blackmail us and bully us over flights, passenger duty and everything else? Stand up to them, man! Stand up to the EU, and let us get on with leaving it. [Interruption.]

Mr Vara: Let me just say—[Interruption]—that my right hon. Friend the Prime Minister will stand up to anyone and everyone when it comes to maintaining the best interests of the United Kingdom. [Interruption.]

Mr Speaker: Order. There is far too much noise in the Chamber. Let us hear Thangam Debonnaire.

Thangam Debonnaire (Bristol West) (Lab): The Good Friday agreement was one of the greatest legacies of the last Labour Government. Is the Minister content that messing up the border issue could make destroying the Good Friday agreement one of this Government's legacies?

Mr Vara: I assure the hon. Lady that the joint report published in December this year by the European Commission and the United Kingdom makes it absolutely clear that the Belfast agreement remains intact, and all of it will remain intact.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [903806] **Liz McInnes** (Heywood and Middleton) (Lab): If she will list her official engagements for Wednesday 7 February.

The Prime Minister (Mrs Theresa May): I know that the whole House will join me in paying tribute to Captain Dean Sprouting, who died in a road traffic

accident in Iraq on 31 January. His death was not the result of enemy activity. I know that Members in all parts of the House will want to join me in offering condolences to his family and friends at this difficult time.

One hundred years ago yesterday, women won the right to vote. [HON. MEMBERS: "Some women."] Indeed: some women. I am pleased to say that universal suffrage did come for women 10 years later, under a Conservative Government. I am sure that the whole House will want to join me in marking the heroic and tireless struggle that led to women having the vote, because it forever changed our nation's future.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Liz McInnes: My constituent Natasha Dudarenko suffers from Fanconi anaemia, a debilitating disease that carries a high risk of cancer. Natasha was receiving lifetime disability living allowance, which was removed following an assessment for the personal independent payment. When she appealed, she was told that because she had a degree, she did not need as much support. I am sure the Prime Minister is aware that diseases, including cancer, are no respecters of qualifications. What urgent action will she take to improve the quality and standard of PIP assessments?

The Prime Minister: Obviously, the Department for Work and Pensions is constantly looking at the standard of the PIP assessments that are being made. I am sorry to hear of the case that the hon. Lady has described. I think that most people will be very concerned after hearing about it, and I am very surprised at the judgment that was made in relation to that individual. I suggest that the hon. Lady sends us the details of the case, and we will ensure that it is looked into.

Craig Mackinlay (South Thanet) (Con): My right hon. Friend will be aware of UKIP-led Thanet Council's broken election promise to support the reopening of Manston as an airport. On the basis that the Manston site was to be redesignated as "mixed use", with thousands of houses, local councillors sensibly rejected the plan, and I salute them for doing so. Can my right hon. Friend assure me that Thanet will now be given as much time as is reasonably necessary—perhaps under a new administration—to get our local plan right?

The Prime Minister: My hon. Friend is right to raise this matter on behalf of his constituents. I understand that Thanet District Council has not adopted a local plan since 2006, which is why my right hon. Friend the Housing Secretary has written to the district council to begin the formal process of considering intervention. This is a very serious step that shows that the council has not been doing what it should be doing in relation to a local plan. So my right hon. Friend the Secretary of State is now considering whether to intervene, and he will make an announcement in due course.

Jeremy Corbyn (Islington North) (Lab): I join the Prime Minister in paying tribute to Captain Dean Sprouting from Jarrow on his death and in offering our condolences to his family on the terrible incident that happened.

It is of course the anniversary of women first getting the right to vote in 1918, and I pay tribute to all those who campaigned all over the country to achieve that right. We should understand that our rights come from the activities of ordinary people doing extraordinary things to bring about democracy and justice within our society, and those women who suffered grievously, being force fed in Holloway prison in my constituency, and those who suffered so much need to be remembered for all time. Working-class women as well as many other women fought for that right, and it is one we should all be proud of.

With crime rising, does the Prime Minister regret cutting 21,000 police officers?

The Prime Minister: May I first say to the right hon. Gentleman that we should be saluting all those who were involved in that struggle to ensure that women could get the right to vote? I was very pleased yesterday to have the opportunity to meet Helen Pankhurst, the great-granddaughter of Emmeline Pankhurst, and to see that that memory is being kept going. As I said yesterday in my speech, I heard about the suffragettes' fight from my late godmother, whose mother was a suffragette and both of whose parents knew the Pankhursts.

The right hon. Gentleman raises the issue of police numbers and crime. What we actually have seen from the crime survey is that crime is now down at record low levels. That is what has been achieved, and it has been achieved by a Conservative Government who at the same time have been protecting police budgets.

Jeremy Corbyn: Recorded crime is up by one fifth since 2010 and violent crime is up by 20%, and during the period when the Prime Minister was Home Secretary £2.3 billion was cut from police budgets. Her Majesty's inspectorate of constabulary warns that neighbourhood policing risks being eroded and the shortage of detectives is a "national crisis". Does the Prime Minister think the inspectorate is scaremongering?

The Prime Minister: The right hon. Gentleman mentions the issue about recorded crime, and one of the challenges we have seen in the police in recent years is ensuring we get proper recording particularly of certain types of crime. I am pleased to say that we have seen improvements over the past seven to eight years in the recording by the police of certain types of crime.

The right hon. Gentleman also talks about the issue of police budgets. As I have said, this is a Government who are protecting police budgets, and I might remind him that the Labour party's former shadow Home Secretary, now the police and crime commissioner for Greater Manchester, himself said that the police could take an up to 10% cut in their budgets.

Jeremy Corbyn: The inspectorate also found that the police are failing to properly record tens of thousands of offences, and in addition to cutting 21,000 police officers, the Government have cut 6,700 police community support officers. The chief constable of Bedfordshire says:

"We do not have the resources to keep residents safe... The position is a scandal."

Too many people do not feel safe, and too many people are not safe. We have just seen the highest rise in recorded crime for a quarter of a century. The chief

constable of Lancashire said the Government's police cuts had made it much more difficult to keep people safe. Is he wrong?

The Prime Minister: On the issue of recording crime, the right hon. Gentleman mentions HMIC, and when I was Home Secretary, I asked HMIC to look at the recording of crime to ensure that police forces were doing it properly. Indeed, some changes were made as a result, so we now see better recording of crime. We also see £450 million extra being made available to the police. Over the past few years, we have also seen the creation of the National Crime Agency, and our police forces are taking more notice of helping to support vulnerable victims and doing more on modern slavery and domestic violence—taking seriously issues that were not taken seriously before.

Jeremy Corbyn: If you ask the inspectorate to look at unrecorded crime and it tells you what is going on, the least you could do is act on what it tells you. I want to quote something that may sound familiar to the Prime Minister:

“The first duty of the Government is to protect the public and keep them safe, and I have to say to the Government that they are not putting enough focus on police resources.”—[*Official Report*, 18 January 2018; Vol. 634, c. 5.]

If she casts her eyes to the far Conservative Back Benches, she will see the hon. Member for Shipley (Philip Davies), and that is what he said about her Government and what they are doing. Gun crime has increased by 20% in the past year, and the chief constable of Merseyside recently said:

“So have I got sufficient resources to fight gun crime? No, I haven't.”

Does the Prime Minister think he is crying wolf?

The Prime Minister: The right hon. Gentleman cannot get away from the fact that the Government are protecting police budgets. In fact, we are not just protecting police budgets, but increasing them with an extra £450 million. We are also ensuring that our police have the powers that they need to do the job that we want them to do. I seem to remember that the right hon. Gentleman does not have that good a record when it comes to increasing the powers for the police to do their job.

Jeremy Corbyn: Since 2015, direct Government funding to the police has fallen by £413 million, and Chief Constable Dave Thompson of West Midlands police said:

“The current flat cash settlement for policing means force budgets will fall in real terms.”

In addition to police cuts, other public service cuts are clearly contributing to the rise in crime: 3,600 youth workers have lost their jobs; 600 youth centres have been closed and boarded up; the probation service has been cut and privatised; and reoffenders are committing more offences. When it comes to tackling crime, prevention and cure are two sides of the same coin, so why are the Government cutting both of them?

The Prime Minister: We have put in place various pieces of work on anti-knife crime, on serious violence and on issues such as domestic violence. But I come back to the point I made in my last response: the right hon. Gentleman voted against changing the law so that anyone caught carrying a knife for a second time would

face a custodial sentence. He has called for much shorter sentences for those who break the law. He might want to reflect on the fact that knife crime fell when there was a Conservative Mayor in London, but knife crime is going up now that there is a Labour Mayor in London.

Jeremy Corbyn: I am very clear that crime is of course wrong. The way to deal with it is by having an effective probation service, by community service orders and by the rehabilitation of offenders. What the Prime Minister said goes to the heart of her record: she was Home Secretary for six years, but crime is up, violent crime is rising, police numbers are down and chief constables are saying they no longer have the resources to keep communities safe. After seven years of cuts, will the Prime Minister today admit that her Government's relentless cuts to the police, probation and social services have left us all less safe? The reality is that we cannot have public safety on the cheap.

The Prime Minister: The right hon. Gentleman really needs to reflect on what Labour would be doing if it was in government. You can only pay for our public services if you have a strong economy. What would we see with the Labour party? We do not need to ask ourselves what we would see, because the shadow Chancellor's adviser told us at the weekend:

“We need to think about the obvious problems which might face a radical Labour government, such as capital flight or a run on the pound”.

That is what Labour would do: bankrupt Britain. The police would have less money under Labour than under the Conservatives.

Q3. [903808] **Rehman Chishti** (Gillingham and Rainham) (Con): While I have been travelling around the country to meet people from diverse communities, members of the Jewish and the Muslim communities have raised the point that the Coroners and Justice Act 2009 should specifically take into account people's faith considerations, because in their faiths, loved ones must be buried within 24 hours. Will the Prime Minister join me, my hon. Friend the Member for Maidstone and The Weald (Mrs Grant) and faith communities in looking at this very important matter?

The Prime Minister: I thank my hon. Friend for raising that point on behalf of communities across the country, which he does from the unique position of his own experience and understanding of these issues. It is important that we take account of specific requirements of someone's faith, especially when they have lost a loved one and are grieving. Although, as he will be aware, coroners are independent judicial office holders, I understand that the Ministry of Justice is speaking to the Chief Coroner about this point to see what more can be done. I am sure that my right hon. Friend the Lord Chancellor will be happy to meet my hon. Friend to discuss the issue further.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Yesterday it was announced that 10 Royal Bank of Scotland branches in Scotland that had been earmarked for closure are to be reprieved. I am grateful for that news, which comes on the back of community pressure and the leadership that has been shown on this issue by the Scottish National party.

On three occasions, I have asked the Prime Minister at Prime Minister's questions to call Ross McEwan into No. 10 Downing Street. Will she accept her responsibilities, given that we own RBS? Now that we have saved 10 branches, will she call in Ross McEwan and join us in calling for all the branches to remain open?

The Prime Minister: As I have said before, it is of course important that customers, especially those who are vulnerable, can call on the services they need. Obviously I welcome the Royal Bank of Scotland's decision, which is a commercial decision for the bank. If the right hon. Gentleman is so keen on ensuring that people, including perhaps those in remote communities, have access to the services that they need, he should ask himself why the Scottish Government have been such a failure in ensuring that people in remote communities have broadband access to online banking. The Scottish Government need to get their act together because, quite simply, Scotland under the Nats is getting left behind.

Ian Blackford: That was pathetic. The Prime Minister has not lifted a finger; we saved the banks.

Yesterday we celebrated the achievements of the suffragette movement, which was about democracy, equality and fairness for women. However, today in the United Kingdom, 3.8 million women are not receiving the pension to which they are entitled. A motion in this House last November, which received unanimous cross-party support—the vote was 288 to zero—called on the Government in London to do the right thing. Will the Prime Minister do her bit for gender equality and end the injustice faced by 1950s women?

The Prime Minister: As people are living longer, it is important that we equalise the pension age of men and women. We are doing that, and we are doing it faster. We have already acted to give more protection to the women involved. An extra £1 billion has been put in to ensure that nobody will see their pension entitlement changed by more than 18 months. That was a real response to the issue that was being addressed. If the right hon. Gentleman wants to talk about equality, he has to recognise the importance of the equality of the state pension age between men and women.

Q5. [903810] Philip Davies (Shipley) (Con): I never thought I would see the day when where I lead, the Leader of the Opposition follows—there is clearly hope for him yet.

Last year, the Government advertised for the post of disability commissioner. My noble Friend Lord Shinkwin applied for the position and was appointed to it, yet only a few weeks later he was told by the Equality and Human Rights Commission that the post had been abolished altogether. Was the Prime Minister consulted about that decision? Does she agree with the decision to abolish that post? If not, may I ask her to urge the Equality and Human Rights Commission to reinstate the post of disability commissioner and reinstall Lord Shinkwin to his rightful place?

The Prime Minister: I thank my hon. Friend for raising this point. I have known Lord Shinkwin for many, many years. He has been a valiant champion of the rights of disabled people over those years. His own experience and his work in public life, particularly in the

other place, are a fine example of how disabled people can be standing up, speaking up and ensuring that they take their rightful place in public life.

On the issue of the disability commissioner, the EHRC is an independent body, and it was its decision to abolish the disability commissioner. The question is: what is being done to help disabled people and how can we ensure that we are helping them? That is why we are committed to tackling the injustices that they face. We are spending more than £50 billion a year on benefits to support disabled people and people with health conditions—that is a record high. But, of course, we do want to ensure—I urge the commission to do this—that the EHRC pays proper attention to the needs and rights of disabled people, because that is an important part of its remit.

Q4. [903809] Jenny Chapman (Darlington) (Lab): My constituents' son was killed by a learner driver who was taking a lesson. With one in four young drivers being involved in an accident within the first two years of starting to drive, and 400 deaths or serious injuries on our roads involving young drivers each year, will the Prime Minister meet me and my constituents to hear their story, and consider introducing a graduated licensing system for the UK, as other countries have done?

The Prime Minister: Obviously, the hon. Lady raises an important issue. I will certainly look at her request and I will also ask the Department for Transport to do so. As she says, too many people suffer loss and tragedy at the hands of learner drivers in these circumstances, and we will certainly look at that.

Q7. [903813] Dr Andrew Murrison (South West Wiltshire) (Con): The Royal Marines are the most adaptable of our elite infantry. They are central to our amphibious capability and provide much of our special forces. Does the Prime Minister agree that reducing them further at this stage would be inconsistent with this Government's strong record on defence and security?

The Prime Minister: The Royal Marines do indeed play a vital role in defending our country and I pay tribute to them for all that they do. Protecting the UK is, of course, our priority. As my hon. Friend will know, we have in place a review—a modernising defence programme—that is about ensuring that our defence capabilities meet the rapidly changing and evolving threats that we face. That is the right thing for us to do. Of course, any comments and suggestions that have been made about cuts to defence are purely speculative, and I remind him and other hon. Members that in fact we are committed to increasing our spending on defence.

Mr Speaker: In offering him best wishes for his birthday on Sunday, I call Mr Dennis Skinner.

Q6. [903811] Mr Dennis Skinner (Bolsover) (Lab): I didn't know about that. I don't celebrate things like that—I don't think you should celebrate age.

Anyway, there is another group of people who need help, and they are the people who work in the national health service. What they told me last week was that the best period they ever experienced was under a Labour Government when they had the money increased from

£33 billion in 1997 to £100 billion in 2010. That was a golden period. Why did that Government do it? How did they do it? The then Chancellor of the Exchequer put 1% on national insurance and, in hypothecation terms, that went directly to the health service. It is called long-term stability. Under this Government, people do not know whether they are coming or going. It is high time that this Government did the same as we did between 1997 and 2010—get weaving!

The Prime Minister: And happy birthday, Dennis.

The hon. Gentleman asks why the Labour party was in a position of being able to spend more on public services. I will tell him why: because a Conservative Government had left a golden economic legacy.

Mr Speaker: I call Alberto Costa. [HON. MEMBERS: “More!”] Order. Mr Costa, I do not think you knew how popular you are.

Q9. [903815] **Alberto Costa** (South Leicestershire) (Con): Conservative-led Harborough District Council has recently refused IDI Gazeley’s proposed expansion of the enormous Magna Park logistics park in my constituency. Given the Prime Minister’s recent welcome remarks about sustainable developments, will she please arrange for me to meet the relevant Ministers to discuss the creation of a national planning framework for the future location of these enormous logistics parks?

The Prime Minister: My hon. Friend raises an important point, and this matter is obviously of considerable interest to his constituents. Of course we need to get the right balance between enabling development to take place, and therefore growth, and continuing to protect and enhance our natural environment. The purpose of the planning system is to contribute towards achieving that sustainable development. On the specific issue of logistics parks, I am sure that a Housing, Communities and Local Government Minister—indeed, perhaps my right hon. Friend the Secretary of State—will be happy to meet my hon. Friend to discuss that issue.

Q8. [903814] **Ged Killen** (Rutherglen and Hamilton West) (Lab/Co-op): Is the Prime Minister aware that if a universal credit claimant forgets their username or password, they must attend a face-to-face interview at a jobcentre to have it reset? The Secretary of State for Work and Pensions cannot give a date for when that will be fixed, so will the Prime Minister commit to no further jobcentre closures until universal credit claimants can access basic online functions, as are available for Her Majesty’s Revenue and Customs and for banking?

The Prime Minister: I will ask my right hon. Friend the Secretary of State for Work and Pensions to look carefully at ensuring that a date is identified for when that change will be made.

Q10. [903816] **Alec Shelbrooke** (Elmet and Rothwell) (Con): According to Library statistics, around 3,400 people in my constituency were diagnosed with cancer last year. Cancer survival rates have meant that 7,000 people are alive today who might not have been if the 2010 survival rates had stayed the same. Does my right hon. Friend see that as a testament to the NHS and the Government’s investment in it, and does she welcome that news while recognising that we need to do more?

The Prime Minister: I absolutely agree with my hon. Friend. It is very good news that there are 7,000 more cancer sufferers alive today than there would have been had we simply continued with the way we were in 2010. I am very happy to join him in welcoming that news. Cancer survival rates have increased year on year, but of course we want them to increase even further. Last year, there were 7 million more diagnostic tests than in 2010, and 290,000 patients started treatment for cancer—that is 57,000 more than in 2010. My hon. Friend is absolutely right that although we should welcome the improvements that have been made and congratulate and thank the NHS staff for all they have been doing, there is more for us to do. That is why we are backing up our plans for cancer with a further £600 million to implement the cancer strategy for England.

Q12. [903818] **Stephen Morgan** (Portsmouth South) (Lab): As we heard earlier, the Prime Minister continues to be in denial about rising crime and falling police numbers. Despite her repeated assurances, budgets have not been protected for my local police force, which has already lost £80 million and 1,000 police officers. Will she meet me and a delegation of Portsmouth small businesses, which do so much for my local economy yet have seen significant rises in break-ins and crime as a result of Tory cuts?

The Prime Minister: Obviously I will look at the hon. Gentleman’s request, but those who are concerned about the way in which policing is being undertaken in their area should actually speak to their local police, who make operational decisions about what is happening. We have protected overall police spending and continue to do so. Indeed more money is being put into the police. I remind him that it was a Labour shadow Home Secretary who said that police budgets could be cut by 10%.

Q11. [903817] **Derek Thomas** (St Ives) (Con): NHS figures show that, in the south-west, the growth in NHS funding is 2.2% less than the national average. It is also true that the situation is more challenging in the south-west because of an ageing demographic and issues due to sparsity. Does my right hon. Friend agree that providers in the south-west, including NHS Kernow, deserve their fair share of NHS funding? Will she take action to address this inequality?

The Prime Minister: The national formula, which is the basis for calculating the funding for clinical commissioning groups, takes into account a large number of factors, including rurality and demographics, which are the factors that my hon. Friend suggests need to be considered. NHS Kernow did see an increase in its funding this year and it will see a further increase next year, taking its funding to more than £760 million. That is part of our commitment to ensuring that we put extra funding into the NHS, but of course we continue to look at ensuring that the distribution of that funding takes account of all the factors that it needs to.

Q13. [903819] **Layla Moran** (Oxford West and Abingdon) (LD): Under the Vagrancy Act 1824, rough sleeping is illegal. The Act was used nearly 2,000 times last year to drag homeless people before the courts. Scotland and Northern Ireland have already repealed it, so will the

Prime Minister support my Bill to consign this heartless, Dickensian law to the history books across the whole United Kingdom?

The Prime Minister: We recognise that we need to take action in relation to rough sleeping, which is why we are putting more money into projects to reduce rough sleeping. That includes projects such as Housing First, which are being established in a number of places to ensure that we can provide for those who are rough sleeping. None of us wants to see anybody rough sleeping on our streets, which is why the Government are taking action.

Sir William Cash (Stone) (Con): Today is the anniversary of the signing of the Maastricht treaty, and we have come a very long way. May I congratulate my right hon. Friend on her approach to the customs union? May I also mention the fact that, in the Liaison Committee last December, I warned her about ultimatums from the EU, as I did again in my urgent question only last week? Will she be good enough to be very robust when discussing these matters in the Brexit Committee, as I am sure that she will be, so that we ensure that we repudiate any of these EU threats?

The Prime Minister: At the time when the Maastricht legislation was going through this House, I suspect that there would not have been many thinking that my hon. Friend would stand up to recognise the anniversary of the signing of the Maastricht treaty. I suspect that he feels able to do so only because we are coming out of the European Union. I assure him that we will be robust in our arguments. As I have said right from the very beginning, we will hear noises off and all sorts of things being said about positions, but what matters is the position that we take in the negotiations as we sit down to negotiate the best deal. We have shown that we can do that; we did it December and we will do it again.

Q14. [903820] **Thelma Walker (Colne Valley) (Lab):** Kirklees Council, which serves my constituency of Colne Valley, has already had its budget cut by nearly £200 million, with a possible £45 million of cuts still to come. Which of the following things would the Prime Minister recommend that it cuts next: care for an older person with dementia; emptying the bins; providing hot school meals for vulnerable children; libraries, leisure centres and museums; or supporting the 24% of children living in poverty? Your choice, Prime Minister.

The Prime Minister: I would have thought that the hon. Lady should be welcoming the improvements that have taken place in her constituency, welcoming the many more children who are in good or outstanding schools as a result of this Government, welcoming the extra health funding, welcoming—[*Interruption.*]

Mr Speaker: Order. The Prime Minister is in the middle of giving her answer—perhaps she has concluded it—and Members must not shout at the Prime Minister when she is doing so. The Prime Minister has concluded; I call Chris Philp.

Chris Philp (Croydon South) (Con): Recent reports have suggested that the European Commission is asking that we enter into certain limited, legally-binding agreements

in relation to bits of our exit in isolation. Will the Prime Minister confirm that it remains the Government's policy that nothing is agreed until everything is agreed, and that we will therefore only enter into a legally-binding agreement in relation to the entire exit agreement, not just parts of it?

The Prime Minister: My hon. Friend is right. It was reflected in the joint report published in December that nothing is agreed until everything is agreed. The negotiations that are now taking place are to put greater detail into the definition of the implementation period, and we expect to do that by the March European Council. Alongside side that, the negotiations will look at the legal basis of the withdrawal agreement. Of course, both the withdrawal agreement and the implementation Bill will have to come to this Parliament for agreement in due course. At that stage, I would expect to have the future relationship set out in a way that means people are able to look at the whole package when they come to make that decision.

Sir Vince Cable (Twickenham) (LD): The Prime Minister knows that one of the key objectives of American trade negotiators in any future deal after Brexit is to secure access for American companies to do business in the NHS. Will she give an absolute guarantee that the NHS will be excluded from the scope of those negotiations? Will she also confirm that she has made it absolutely clear to President Trump in her conversations with him that the NHS is not for sale?

The Prime Minister: We are starting the discussions with the American Administration, first of all looking at what we can already do to increase trade between the US and the United Kingdom—even before the possibility of any free trade agreement. The right hon. Gentleman does not know what the American Administration are going to say about their requirements for that free trade agreement. We will go into those negotiations to get the best possible deal for the United Kingdom.

Michelle Donelan (Chippenham) (Con): A recent report by Open Doors highlights the top countries where Christians suffer horrific persecution. We need to take action and send a signal to other nations. These countries are often associated with luxury holidays. Will the Prime Minister consider earmarking a specific fixed percentage of international aid to go towards tackling religious persecution?

The Prime Minister: I know that this is an issue of concern to many Members of the House. I was pleased, a matter of weeks ago, to meet Father Daniel from Nineveh and Idlib, who talked about the very real persecution that his congregation were suffering and had suffered in the past. He presented me with a bible that was burnt; it had been rescued when a church had been set on fire. This is a real issue. All our aid is distributed on the basis of need in order to ensure that civilians are not discriminated against on the basis of race, ethnicity or religion. We are working with Governments, the international community and the United Nations to support the rights of minorities and to ensure that our aid reaches those in need. We will,

of course, further explore what more support we can give to ensure that we address the persecution of religious minorities.

Hilary Benn (Leeds Central) (Lab): The Prime Minister will be aware that all free trade agreements involve some customs checks and, therefore, infrastructure at frontiers, which would be completely incompatible with maintaining an open border between Northern Ireland and the Republic. As the Cabinet Sub-Committee will apparently finally get around to discussing this today, will the Prime Minister explain to the House why she is so opposed to the UK remaining in a customs union with the EU? Not only would this be better for the British economy than a vague “deep and special partnership”—whatever that is—but it would help to ensure that that border remains as it is today, which is what we all want.

The Prime Minister: The United Kingdom is leaving the European Union. That means that we are leaving the single market and the customs union. If we were a full member of the customs union, we would not be able to do trade deals around the rest of the world. And we are going to have an independent trade policy and do those deals. The right hon. Gentleman asks about customs arrangements. Well, I suggest that he looks at the paper published by the Government last summer.

Robert Halfon (Harlow) (Con): The brain injury charity, Headway, says that a family recently had to pay £1,500 over 15 weeks in hospital car parking charges. CLIC Sargent says that families who visit their children who are sick with cancer have to pay hundreds of pounds in parking charges. Despite Government guidelines, 50% of hospitals charge for disabled parking, and staff—from nurses to hospital porters—have to pay hospital car parking charges. Given the unanimous support for the motion in the House of Commons last week, will the Prime Minister address this social injustice and abolish hospital car parking charges once and for all?

The Prime Minister: I recognise that my hon. Friend has been campaigning on this issue for some time. As he says, we have set strong guidance for hospital trusts on the issue of car parking charges, and we do of course look to ensure that it is being met. Individual hospitals are taking their own decisions on this matter, but it is right that the Government have set very clear guidelines for those hospitals as to how they should approach this.

Helen Goodman (Bishop Auckland) (Lab): The Prime Minister has done much to tackle modern slavery. My constituent was trafficked here as a child, sold at least once on the long journey, and then forced to work in the dark in a cannabis factory for years. Now the Home Office is proposing to send him back to Vietnam. Will the Prime Minister intervene not just in this case but in this complex and confused area of the law?

The Prime Minister: I recognise that, as the hon. Lady says, there are cases that are complex in terms of the legal application. My right hon. Friend the Home Secretary has heard the case that the hon. Lady has set out and will, I am sure, look at that particular issue—both the individual case and the wider point that she is making. As we know, the best possible solution to this, which we all want to ensure, is for people like her constituent not to be trafficked into the UK in the first place to work in these cannabis factories.

Bill Grant (Ayr, Carrick and Cumnock) (Con): Like many, I am delighted to note the good progress in lifting the ban on beef exports to China. What is my right hon. Friend doing to ensure that we are able to export Scotch beef and other Scottish products such as whisky to other parts and all parts of the world?

The Prime Minister: I was very pleased that when I was in China last week we were able to work with the Chinese Government towards the opening up of the Chinese market, particularly to beef products and dairy products, which are two key issues for the United Kingdom. I am also pleased to say that the chief executive of the Scotch Whisky Association was on the business delegation with me, and was doing everything that she does, most ably, to promote the interests of Scotch whisky. Of course, the answer to my hon. Friend’s question is that we are making sure that we can have an independent trade policy, developing trade deals around the rest of the world, which means that good Scottish products, and indeed good products from the rest of the UK, can be sold around the world.

Jack Dromey (Birmingham, Erdington) (Lab): Centuries-old GKN, a world-class company and Britain’s third-biggest engineering company, is facing a hostile takeover by Melrose, leading to break-up, sell-off, closures and redundancies. That would make a mockery of industrial strategy. The Government have the power to intervene because of the defence work carried out by GKN. Will the Prime Minister act in the national interest and block this unwanted takeover?

The Prime Minister: Of course, the Business Department will be looking closely at, and has been following closely, the issue that the hon. Gentleman has raised. I can assure him that I, and the Government as a whole, will always act in the UK national interest.

Maggie Throup (Erewash) (Con): With one of the largest undeveloped brownfield sites in the country located in my constituency in Stanton, will my right hon. Friend explain to the House how the new housing infrastructure fund will help Erewash residents to buy a new home?

The Prime Minister: The housing infrastructure fund is a very important development. One of the major complaints that constituents—residents—often have when they see the possibility of development in their area is lack of infrastructure. The housing infrastructure fund enables that infrastructure to be put in place so that it can support developments in a way that helps to support local residents. I am very pleased by the Housing Secretary’s announcement of nearly £900 million last week. We are seeing real interest in the housing infrastructure fund. It is making a difference. It is enabling more homes to be built and more of my hon. Friend’s constituents to buy their own home.

Alison Thewliss (Glasgow Central) (SNP): My constituent is 58. She has COPD, four pins in her leg, and a walking frame, and is just out of hospital after having blood clots in her lung. She got a taxi to Bridgeton jobcentre yesterday, only to find the doors locked because the Government closed it on Friday. Will the Prime Minister apologise for not having told my constituents in Bridgeton,

or any of the constituents, apparently, whose jobcentres are being closed; will she refund my constituent the £10 she spent on a taxi; and will she apologise for this absolutely ridiculous situation?

The Prime Minister: I say to the hon. Lady that, yes, we are seeing some jobcentres being closed in Scotland. There is not going to be any decrease in the level of service that is offered to the people of Scotland. We are increasing the number of work coaches across the country. What we are doing is ensuring that we can continue to provide a good service to the people of Scotland.

Vicky Ford (Chelmsford) (Con): Intimidation on social media is a growing issue for many people across the country, especially for women standing for election, as yesterday highlighted. Can my right hon. Friend update us on the progress that is being made and does she agree

that we should take no lessons from a party whose shadow Chancellor has called for violence against women on this side of the House?

The Prime Minister: May I say to my hon. Friend that I think this issue is a particularly important one? I said yesterday, as indeed my right hon. Friend the Home Secretary said at the weekend, that we are consulting on a new offence of intimidation of election candidates and campaigners. That follows the report from Lord Bew and his committee about the degree to which there was intimidation at the last general election, particularly intimidation of women, BME candidates and LGBT candidates. This is an absolute disgrace and it has no part in our public life. I would urge the shadow Chancellor, once again—he keeps refusing to do this—to apologise to my right hon. Friend the Secretary of State for Work and Pensions for saying that she should be lynched.

Taylor Review

12.47 pm

Rebecca Long Bailey (Salford and Eccles) (Lab) (*Urgent Question*): To ask the Secretary of State for Business, Energy and Industrial Strategy if he will make a statement on the Government's response to the Taylor review.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths): I am delighted to set out the Government's response to the review of modern working, which was led by Matthew Taylor. He set out his ambition that the Government should place as much emphasis on creating quality jobs as they do on the number of jobs. Good work and developing better jobs for everyone in the British economy are at the centre of the industrial strategy vision.

The Prime Minister has repeatedly said that, as we leave the European Union, there will be no roll-back of employment protections, but today we are committing to go further and to seek to enhance rights and protections in the modern workplace for even more people. We will support employers who give individuals their correct employment rights, but we will prevent undercutting by unscrupulous employers who try to game the system, by clearly defining who is employed and who is not. We will extend the right to receive a payslip to all workers, including a statement of the hours that they work. We are requiring employers to clearly set out written terms from day one of the employment relationship, and to extend that to all workers. We are taking forward 52 of the 53 recommendations in the Taylor review, and all but one of the recommendations from the joint report of the Business, Energy and Industrial Strategy Committee and the Work and Pensions Committee.

For workers on zero-hours contracts, we are creating a right to request a stable contract. For the first time, the state will take responsibility for enforcing a wider set of employment rights, including sick pay and holiday pay, for the most vulnerable of workers. Employers who lose tribunal claims against staff and are found to have had no regard to the law will face fines of up to £20,000, quadrupled from the current £5,000. We will also ensure that employment tribunal awards are paid correctly.

The Government are very grateful to Matthew Taylor and his panel, as well as to the many individuals and organisations who contributed to the review. I would also like to thank the BEIS, Work and Pensions and Scottish Affairs Committees for their contribution to this work. Through our response, we are acting to ensure good work for all, to protect the rights of those on low pay and to ensure that more people get protection, security and certainty in the work they do.

Rebecca Long Bailey: The tragic case of Don Lane, a DPD gig worker, epitomises the precarious and unstable working life many people face and the failure of the Government to protect workers. They needed to do something bold today, but it appears that they are simply papering over the bleak realities with rhetoric. Launching four consultations, merely considering proposals, and tweaking the law here and there is not good enough. How would any of this have actually helped Don Lane? It simply would not—that is the fact of the matter.

So I ask the Minister: which rights will apply to which workers from day one? How will they be quantified for zero-hours workers? Why, despite public support,

have the Government not protected agency workers by abolishing undercutting through the Swedish derogation? How does a right to request more stable hours differ from the current position? Without an obligation on the employer to accept such a request, it is meaningless. Why have the Government not brought forward any meaningful proposals to protect gig workers? Defining working time misses the point. We needed clarity on workers being paid when they are logged into apps waiting to receive jobs, as well as clear and urgent direction on the legal status of gig workers. Why was there not even one mention of trade unions? On the genuinely self-employed, we see the creation of a website allowing the self-employed to talk to each other—well, bravo! Why is there no system of support and no recognition of the precariousness of their situation? This is simply window dressing.

What we needed today was radical new architecture of the law at work to protect workers, in which the genuinely self-employed are offered key protections and the involvement of workers through their trade unions is crucial. We saw none of that, and to miss those things out of any recommendations is to miss the ocean and look at the pebbles underneath.

Andrew Griffiths: I have to say that I share the hon. Lady's desire to improve the rights and protections for the workers we represent in our constituencies. It is disappointing that in her long response she was unable to welcome any of the steps we are taking. As a result of the actions set out in our response to this review, millions of workers will have greater rights and access to more protection. Indeed, I argue that we can rightly claim to be leading the world in improving the quality of work for our constituents.

The hon. Lady seems to argue that it is wrong to be consulting on these issues. I hope the House will understand that in addressing the issues she raises—such as employment status in the gig economy, the rights of agency workers and better transparency in the workplace—we are modernising employment law to make it fit for the future world of work. We are seeking expert views on how to do that, which is absolutely right. Our intention is clear, and we are consulting the experts on how we deliver on that promise. Matthew Taylor himself has said that these issues are complex and we must take time to get them right, but the House should be clear that we are consulting on them in order to act. Rather than rolling back employment legislation, which we are sometimes accused of, we are improving the rights of workers and the enforcement of those rights.

The hon. Lady mentions the very regrettable case that has been in the newspapers over the past few days. I extend my sympathies to the family of the individual concerned. I cannot speak about individual cases, but I direct her to page 15 of our response. It clearly sets out what we are going to do to ensure we have the correct definition of workers' status, so they can have access to the kind of things she is talking about—sick pay, days off and the ability to attend doctor appointments if necessary.

Sir Desmond Swayne (New Forest West) (Con): Is competition for workers in a fully employed market not the best engine for driving forward improved conditions?

Andrew Griffiths: I thank my right hon. Friend for reminding us that we have record numbers of people in work. Unemployment is at its lowest rate for 40 years. It is true to say that the labour market is tightening, but I see that as an opportunity. Businesses are realising that if they want to retain their best workers they need to offer the best possible arrangements for those workers. We are also clear that whatever the situation, we want to act to protect the most vulnerable workers in our society. That is what we are doing in the Matthew Taylor report: we are giving them the protection they need.

Chris Stephens (Glasgow South West) (SNP): The Government's response does not address the issue of bogus self-employment, which affects 1.8 million workers. The right to request is different from an actual right enshrined in law. Has the Minister looked at the contents of the Workers (Definition and Rights) Bill, in my name, which addresses many of these issues? Will the Government look at simplifying the definition of a worker to one definition, to eradicate bogus self-employment? Will they look to legislate to ensure that workers have a fixed and regular-hours contract? Will they address the issue of late-notice shift changes and cancellations, which affect those with caring responsibilities? What protections are there for workers under contractor liability where an employer ceases trading or absconds?

Andrew Griffiths: I thank the hon. Gentleman for that question. What I would say is that this is addressed in our response to the Matthew Taylor review. What he is talking about is the need for a better definition of workers' status, be that employed, self-employed or worker. We are consulting to make sure we address those points, and I am very happy for him to be a part of that consultation. I am very happy to talk to him and to talk about his Bill, but we are clear that by having a definitive definition of people's employment status we can solve some of the problems he highlights.

Heidi Allen (South Cambridgeshire) (Con): Having sat on the joint BEIS and Work and Pensions Committee, I am really pleased to hear from the Minister today that the Government will adopt its recommendations. The area of case law on the meaning of "worker" is really complicated, so I understand the need for consultation to understand it. We heard evidence of Uber and Deliveroo not treating their self-employed workers as if they were employees. It is a complex area. I urge the Minister to do this as quickly as possible, because there are other issues to consider, such as national insurance contributions and how the Child Support Agency deals with self-employed earners. This is a big, big area, so getting that clarification quickly would be welcome.

Andrew Griffiths: My hon. Friend makes that point very clearly, and I thank her for the contribution that she and her fellow members of the Committee made to our decisions. She is absolutely right that we need to get on with it, and that there is huge complexity in relation to people's status. If the only possible response, as it is at the moment, is to engage lawyers, go to the courts and undertake expensive litigation, that will not help the people she highlights at Uber, Deliveroo and so on. We are very clear about our intention, and we are getting on with the job to make it a reality.

Rachel Reeves (Leeds West) (Lab): I welcome the response to Matthew Taylor's review—seven months after he published it. The Minister's response today seems to be "we are now consulting the experts", but that is exactly what the Government did when they asked Matthew Taylor and his panel to undertake their review. I am afraid there is very little from the Government's response today that will do anything to genuinely help the bogus self-employed, including Don Lane, who are crying out for desperately needed reform. The Work and Pensions and BEIS Committees produced a Bill that the Government could take through Parliament, with cross-party support, to sort this out. The country is crying out for change. I urge the Government to be a little bit more ambitious.

Andrew Griffiths: I can reassure the hon. Lady that we are hugely ambitious. These proposals will help millions of workers. I pay tribute to the recommendations that her Committee and the Work and Pensions Committee made, and we are accepting all but one of the recommendations contained in that report. She will understand, as I think Matthew Taylor said when he gave evidence to the Committee, that this is hugely complicated, and we need to consult further. We are not consulting about whether we should do this; we are consulting about how we do it. I thank her for her contribution and reassure her that our ambition is strong.

Robert Halfon (Harlow) (Con): I strongly welcome the measures set out by my hon. Friend. Alongside the living wage, they give the belief that we are the true workers' party of the United Kingdom. Do the proposals also apply to apprentices, some of whom are not even paid the right apprentice wage?

Andrew Griffiths: I thank my right hon. Friend for his response and for the work he does to ensure that the Conservative party is the party of the worker. He is absolutely right: this Government are committed to ensuring that people get fair pay. That is why we are putting a record amount—£25 million—into enforcing the living wage and the national minimum wage. As a result of that record commitment, we have seen a record £11 million of wages recovered for some of the most vulnerable and low-paid workers in our society. I assure him that all workers, including apprentices, are on our radar. We are beefing up the enforcement teams, and we are going to make sure that workers get the pay they deserve.

Frank Field (Birkenhead) (Lab): As the Prime Minister established the Taylor review in response to a report written by Andrew Forsey in my office, I thank the Minister for his statement. Previously the Government rejected one of the Taylor recommendations, which was that if workers in the gig economy were required to turn up to work at their employer's request in times of low demand, they should still be paid the minimum wage. The Government rejected that proposal, thank God. Will the Minister again affirm that that is the Government's position?

Andrew Griffiths: I place on record our thanks to the right hon. Gentleman for his continued work in this area. He is right to say that that continues to be the

Government's position. However, we are consulting. The benefit to the employer is flexibility, but we have asked the Low Pay Commission to look again at whether people on zero-hours contracts should get some preferential, extra payment to compensate for the inconvenience.

Nigel Mills (Amber Valley) (Con): Can the Minister confirm the Government's plan in relation to employers' national insurance contributions, to ensure that the tax system is not incentivising unscrupulous businesses to pretend that their employees are self-employed?

Andrew Griffiths: Clearly that is very high on the agenda. The work we are doing in relation to status will ensure that people who are genuinely self-employed are classified as such. Employers who are trying to game the system by pretending that someone is self-employed when in fact they are working will be addressed. The reality is that if it looks like work and feels like work, it is work, and people should be paid in the same way.

Sir Vince Cable (Twickenham) (LD): The Minister will recall the Government's awkward embarrassment when they tried to align national insurance for the employed and the self-employed. Can he explain how the Government propose to deal with that outstanding anomaly?

Andrew Griffiths: I thank the right hon. Gentleman for that question. The Chancellor set out our approach to those matters, and I have nothing further to add at the moment.

Jeremy Lefroy (Stafford) (Con): I welcome the Government's position on this and urge them to make quick progress, but there is one area in which employment rights are potentially about to be seriously damaged: the right of British citizens to work in 30 other countries in the EU and the European economic area as we leave the EU. What are the Government doing to ensure that young people and others have the opportunity to go and work overseas, bringing great benefits to their own career and, when they return, to their businesses or the companies for which they work, which they have enjoyed for many decades?

Andrew Griffiths: I wondered how long it would be before we got on to the "B" word, Brexit. I know that my hon. Friend is hugely concerned about that, as are businesses large and small up and down the country. He will have to wait a little bit longer, I am afraid. That announcement will, I am sure, be made by someone higher up the food chain than I, but I can assure him that the concerns of workers and British business are being heard by Government.

Ms Angela Eagle (Wallasey) (Lab): Zero-hours contract carers get paid for face-to-face work, so they get paid for every 15-minute visit, but none of the travelling time in between. They often have fragmented contracts and have to be available for work throughout the seven days of the week, and they do not have proper time off. That is one example. Then we have couriers, who have to deliver more than 100 packages a day for 48p a package. They often have to keep driving 15 hours a day, six days a week, and they are called self-employed. Surely the Minister has got to end that appalling practice by

properly defining and enforcing employment law. Nothing he has said today has reassured me that he is going to help the 3.2 million people who are missing out on their basic employment rights.

Andrew Griffiths: Allow me to try to reassure the hon. Lady that those issues are being taken care of. She will be aware that a Green Paper on social care is imminent, and those social care issues will be covered within it. She talks about when workers in the gig economy are clocking on and off and what constitutes their working time. If she has read the report, she will know that we recognise that the law should be clearer about when people are being paid and the hours that they work. We will address that within the consultation and come up with firm proposals.

Alec Shelbrooke (Elmet and Rothwell) (Con): I warmly congratulate the Minister on the positive way he is taking forward the Taylor review and the Government's ambitions. Back in May 2014, I brought forward a ten-minute rule Bill to ban unpaid internships. In 2016, I introduced a private Member's Bill to ban unpaid internships—which the Labour party did not support, I hasten to add. When the Minister is dealing with the section of the Taylor review on unpaid internships, I urge him to liaise closely with our noble Friend Lord Holmes of Richmond, whose private Member's Bill on that issue is in Committee in the other place at the moment.

Andrew Griffiths: I thank my hon. Friend for the great effort and the huge amount of work he has put into standing up for the rights of those young people who are being abused in relation to internships. He has raised that issue many times in the House, and I can reassure him that we are cracking down on sectors where unpaid interns are doing the job of a worker. There will be proper enforcement, and young people who feel they are being abused in that way will be covered. The enforcement will be strengthened, and we will ensure that those people get the wage they deserve.

Tracy Brabin (Batley and Spen) (Lab/Co-op): While I of course welcome the publication of the Taylor review, may I press the Minister a little bit further? As my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) said, the Taylor review recommends ending the Swedish derogation that allows agency workers to be employed for extended periods on worse terms and conditions than the person working by their side on a more permanent contract. Is the Minister still considering that recommendation, or is he going to ignore it?

Andrew Griffiths: I can be absolutely clear with the hon. Lady that we are very attuned to the impact of the Swedish derogation and how it can be used unfairly on workers.

Ms Angela Eagle: What are you going to do?

Andrew Griffiths: The hon. Lady asks me what we are doing about it: we are specifically consulting. In the report, she will see that there are four consultations, and one specifically comes forward with proposals. [*Interruption.*] She may sigh, but we have to listen to the experts, and then we will deliver. We recognise the

[Andrew Griffiths]

difficulties in relation to the Swedish derogation. We want to extend the support both for agency workers and those who feel that they are being disadvantaged—[*Interruption*—on terms and conditions, exactly—and we will be taking this forward with firm proposals.

Mark Pawsey (Rugby) (Con): Is it not the case that the Government asked Matthew Taylor to undertake a report, Matthew Taylor brought forward some recommendations and the Government are getting on with implementing what Matthew Taylor asked the Government to do?

Andrew Griffiths: My hon. Friend has hit the nail on the head. We can see from the response of Opposition Members that they realise this Government are bringing forward protections for millions of workers. This Government are providing them with sickness pay and holiday pay, and the enforcement needed to make sure that those vulnerable people on the lowest pay get the pay they deserve.

Deidre Brock (Edinburgh North and Leith) (SNP): When Matthew Taylor came before the Scottish Affairs Committee, he spoke of the inspiration he derived from the Scottish Government's fair work convention. Will the UK Government be implementing something similar?

Andrew Griffiths: I thank the hon. Lady for that question, and for the work that the Scottish Affairs Committee has done. We took a great deal of interest in that work, which raised some very interesting points. She raises the issue in relation to Scotland. Our focus is clear: we are delivering on the commitments—the 52 commitments—in the Matthew Taylor report, and we will be doing so as a matter of urgency.

Ruth George (High Peak) (Lab): While I am sure that millions of low-paid workers will welcome the fact that the Government are going to issue four consultations, they may well be more concerned that the Government's own impact assessment on our leaving the European Union included the assumption that employment rights would be deregulated. Will the Minister tell the House which employment rights were included in the assessment, and whether the Government will make an ongoing commitment to maintain at least current employment rights?

Andrew Griffiths: I am sorry, but the hon. Lady clearly missed the three times I have said in response to this urgent question that not only are the Government committed to maintaining employment rights as they are currently set out, but we are going further in extending rights and protections to millions more workers. As a result of what we are doing by taking forward the brilliant work of Matthew Taylor, we will have employment protection that is not just as good as in the rest of Europe, but the best in the world.

Dan Carden (Liverpool, Walton) (Lab): Opposition Members have a longer memory than Government Members, because we remember that this Government took away employment tribunal fees support and disallowed people even from accessing justice in the workplace. This is too little too late—four consultations—because we need transformational politics when it comes to employment regulations in this country.

Andrew Griffiths: I do have a long memory. I have a memory of the recession brought on by the previous Government, and I have a memory of the millions of people unemployed as a result of their policies. We are talking about memory, but the hon. Gentleman seems to forget that today we have one of the most dynamic economies in the world, record employment, record low unemployment, a minimum national living wage of £7.50 that was introduced by this Government, record numbers of women in work and an economy that is the envy of many.

Liz Twist (Blaydon) (Lab): The general secretary of the TUC, Frances O'Grady, has said that these measures will do nothing to tackle the problem of what she describes as

“the hire and fire culture of zero-hours contracts or sham self-employment.”

I know my constituents in Blaydon, many of whom work in the gig economy, will be disappointed that the Government have not taken a more dynamic and firm approach in tackling such basic rights and are putting this out for a further period of consultation.

Andrew Griffiths: I would just remind the hon. Lady that if she actually reads the report, she will see that we are asking the Low Pay Commission to consider higher minimum wages for workers on zero-hours contracts—

Laura Pidcock (North West Durham) (Lab): Consider!

Andrew Griffiths: The hon. Lady says “Consider”, but I would have thought she was a supporter of the Low Pay Commission and that she would think this was a good idea.

We are creating a right for all workers on zero-hours contracts to request a more stable contract, and the Government want to go further than the Matthew Taylor report to address the issues of exclusivity of agency workers or those on zero-hours contracts. I would have thought that the hon. Member for Blaydon (Liz Twist) welcomed that; I know many in the trade unions organisation do.

David Linden (Glasgow East) (SNP): One of the issues not within the scope of the Taylor review was that of unpaid work trials, which is regrettable. However, on 16 March my hon. Friend the Member for Glasgow South (Stewart Malcolm McDonald) is bringing forward his Bill to end exploitative unpaid work trails. Will the Government be supporting it?

Andrew Griffiths: I thank the hon. Gentleman for his question. I am happy to meet his colleague to discuss his Bill.

BILL PRESENTED

VAGRANCY (REPEAL)

Presentation and First Reading (Standing Order No. 57)

Layla Moran, supported by Caroline Lucas, Wera Hobhouse, Christine Jardine and Jo Swinson, presented a Bill to repeal the Vagrancy Act 1824.

Bill read the First time; to be read a Second time on Friday 16 March, and to be printed (Bill 162).

Homelessness (End of Life Care)

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

1.16 pm

Sir Edward Davey (Kingston and Surbiton) (LD): I beg to move,

That leave be given to bring in a Bill to make provision about end of life care and support for homeless people with terminal illnesses, including through the provision of housing for such people; and for connected purposes.

Not having a roof over your head at night and being homeless on the streets must be frightening—cold, lonely, depressing. To be seriously ill, as well as homeless, seems to me to be beyond frightening, with people wondering when they will die, when the pain will stop and whether anyone will care or even notice. Yet homeless people are dying on Britain's streets, in our parks, in doorways or, if they are lucky, in ill-equipped hostels.

Although it is difficult to give precise figures on how many people are dying like this, the evidence we have from those working on the homeless frontline is that it is happening time and again. Homeless people are dying alone in pain in Britain in 2018. Let us look at some of the figures we do have. The average age at death of a homeless person is about 47 years. Homeless people are attending at A&E departments six times as often as people with a home. They are admitted to hospital four times as often, and they are staying three times as long.

I have spent a fair bit of time since last June's election finding out more about this horror, thanks to amazing organisations such as Pathway, St Mungo's, Hospice UK and Shelter, as well as some new work by the Care Quality Commission and some hard evidence and research by a range of academics, especially at University College London and the Faculty for Homeless and Inclusion Health. Listening to these experts and reading their work, including many interviews with homeless people themselves, I have been genuinely shocked about the wave of suffering right under our noses that we continue to ignore.

These same organisations are also doing incredible work to tackle this suffering. There are charities, GP practices, hospices and hostels around our country that are helping seriously ill homeless people, and showing what is possible when groups of professionals, volunteers and researchers come together and resolve to find solutions. Yesterday, I visited the Royal Trinity Hospice by Clapham common to see how one of Britain's amazing hospices has reached out to homeless hostels in its area to share the excellent palliative care it can provide.

My first message to the House today is a positive one: we can give decent end-of-life care to everyone, including the most marginalised homeless people, if we resolve to do so. We can as a Parliament say that no homeless person in this country, whoever they are and wherever they are from, need die on our streets.

I do not believe that legislation alone can ever deliver the lofty aims that we in this House often seek. The Bill alone will not be a magical cure. To reach the goal of good end-of-life care for society's most marginalised people, we will need better integration of services and new types of accommodation—most likely including specialist hospice hostels—and we will need to train

staff, in the NHS, in homeless hostels and in hospices. But the law can help, not least as a huge catalyst for change.

My starting place is the current housing law that states that somebody has no right to housing if they are "intentionally homeless". That is a curious legal phrase—cruelly curious—because, in truth, very few people deliberately aim to be on the streets. In my experience as a constituency MP, the vast majority of so-called intentionally homeless people want nothing more than a roof over their heads. However, this intentionality test has survived at the legal centre of most decisions on homelessness for over 20 years. Today, I am saying that the test should disappear for homeless people who are terminally ill. In future, if a doctor diagnoses a homeless person with advanced ill health and certifies that they expect that person to die within the next 12 months, that person would have an automatic legal right to appropriate housing, along with an appropriate package of care and support for their needs.

In discussing the detail for this simple idea with housing lawyers and palliative care experts, we soon focused on what would count as terminally ill, because estimating when someone is going to die is hardly an exact science. Moreover, we hope that good palliative care will extend life. The test we went for therefore comes from the best practice that GPs are being encouraged to adopt for all their patients—namely, that they should set up a palliative care register. GPs add patients' names to their palliative care register if they expect that they are at high risk of dying within the next 12 months. The trigger I am proposing for these new rights for seriously ill homeless people would therefore use a system that most doctors already have.

In many ways, what I am asking for is only a small change, but I believe that it could have profound effects on the lives and deaths of many homeless people. It would force housing departments in councils across England, and their social services departments, to act without question. I think that the Bill would add to the excellent work of the hon. Member for Harrow East (Bob Blackman), who piloted his Homelessness Reduction Act 2017 through the House. His Act will force councils to think harder and longer about preventing homelessness in the first place, and my Bill would force them to prevent people dying without a home.

The original idea for my Bill came from my wife, Emily, who is a housing lawyer specialising in social housing issues. In discussion with Emily and other housing lawyers, it became absolutely clear to me that the existing law does not go far enough. Dying homeless people need a new basic and automatic right to housing and care that their GP can trigger and that the council cannot question. The right that I am proposing is for appropriate housing, so the local authority will not be able to fob the person off with a bed and breakfast miles away. Indeed, under the Bill, the authority's social services department would have to get involved, too, by liaising with the GP and other parts of the health service to ensure that the right care and support is there.

I do not want to pretend to the House that implementing this will be easy. Homeless people can present with some of the most challenging health issues imaginable: a wide variety of mental health problems, drug and alcohol addictions and severe respiratory conditions. The evidence also suggests that the homeless often lose

[*Sir Edward Davey*]

trust in people—in the hospital doctors who had no choice but to discharge them back on to the streets and in the family members from whom they have become estranged. Their past use of the NHS can make it difficult to patch together a full medical history. They might have self-discharged from hospitals to feed an addiction, or because the institutional setting proved just too much for them. But it is the complex nature of the health and social needs of many homeless people that demands that we act. If we truly want to end health inequality in our country, we have to start with end-of-life care for the homeless, because the people this Bill is trying to help are currently experiencing the worst health care and outcomes of any group in our country.

Homeless people can find it difficult or even impossible to advocate for themselves, but with three quotes I want to let three homeless people speak to the House now:

“Bad death is being lonely...no friends around you when you’re passing away. Well, death is never really good, but at least it’d be better with friends around....you know, someone to hold your hand and whatever.”

“I think when you’re homeless and you’re out on the street so long, you’re surrounded by grief and death and a lot of stuff. It makes you cold. It makes you unfeeling towards people.”

“End of life? What end of life are you talking about? I’m on the street and nobody cares about me.”

Friends, please support the Bill. Let us show that we do care.

Question put and agreed to.

Ordered,

That Sir Edward Davey, Ms Karen Buck, Bob Blackman, Sir Vince Cable, Mr Kenneth Clarke, Caroline Lucas, Norman Lamb, Kate Green, Wera Hobhouse, Geraint Davies, Christine Jardine and Mary Creagh present the Bill.

Sir Edward Davey accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 16 March, and to be printed (Bill 163).

Police Grant Report

1.27 pm

The Minister for Policing and the Fire Service (Mr Nick Hurd): I beg to move,

That the Police Grant Report (England and Wales) for 2018-19 (HC 745), which was laid before this House on 31 January, be approved.

I would like to start by taking a moment to pay tribute to the hard work and dedication of our police officers. Of course, those who work in Parliament must never forget the ultimate sacrifice paid by PC Keith Palmer as he stepped forward to protect us in the line of duty. We also know from our constituencies that on every day and in every force, police officers take risks—sometimes extraordinary ones—to protect the public. They deserve our gratitude and, more importantly, our support.

The background to this debate is one of increased investment in policing since 2015. This year in England and Wales, we will invest £12.6 billion in our police system, compared with £11.9 billion in 2015-16, which represents an increase of around £700 million. Having seen evidence of changed demands on the police, we propose a settlement that increases total funding across the police system by up to £450 million in 2018-19. This will mean that, in 2018-19, we will be investing over £1 billion more in policing than we did in 2015-16, and that is at a time when public spending continues to be constrained due to the high borrowing that we inherited from the Labour party. I think that that is a significant statement of the priority that this Government attach to public safety.

Charlie Elphicke (Dover) (Ind): I am listening carefully to my right hon. Friend. I agree completely that he was right to reject the representations from the Opposition that proposed cutting police funding by 10%. Will he tell the House something about the reserves held by forces, because a number of them seem quite substantial?

Mr Hurd: I thank my hon. Friend for that intervention. I will come on to that point later in my remarks, but the fact is that the police system is sitting on reserves of about £1.6 billion, and those reserves have grown by more than a quarter of a billion pounds since 2011. In the interests of the taxpayer, we are pressing for greater accountability and transparency regarding how that public money will be used.

David Hanson (Delyn) (Lab): Will the Minister confirm that the central Government grant is flat for this year, and that in the millions of pounds he is talking about, the only increase will be picked from the pockets of taxpayers throughout the country?

Mr Hurd: The Labour party continues to peddle the lie that someone else will always pay. Each police force will get a flat-real increase—that is drawn up through flat cash from the centre and an increased precept from local taxation. That is the balance of the proposal in its entirety. There is no such thing as Government money; it is either tax or borrowing. Someone has to pay, so let us nail the delusion of the Labour party that someone else will always pay.

Mr Kevan Jones (North Durham) (Lab): Is it not a fact that between 2010 and 2015, the police budget from central Government was reduced by 5% every single year? The Minister makes the point that this is all taxpayers' money, but is it not the case that he is continuing to move the burden of taxation away from central Government and on to local ratepayers?

Mr Hurd: This is a false argument from the Labour party. The fact remains that when one looks at police funding, on average something like 70% of local police force funding across the system still comes from the centre. The settlement barely changes that. We are responding to calls from many police and crime commissioners for greater flexibility in their local precept. That is what we are delivering but, in the face of continued Labour smoke around police cuts, we cannot get away from the fact that as a result of the settlement, we will invest over £1 billion more in our police system in 2018-19 than we did in 2015-16.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): If everything is so rosy, why do we hear about a very different picture from chief constables and police and crime commissioners in their regular sessions before the Home Affairs Committee? I want to ask the Minister a specific question about funding for capital cities. I have repeatedly asked, as has the South Wales police and crime commissioner, for Cardiff to get additional resources, given its responsibilities as a capital city. Why are the Minister and the Government refusing to do that? Cardiff gets less funding per capita than the west midlands, Merseyside and Greater Manchester. Given our responsibilities as a capital city, surely that is not right.

Mr Hurd: I am happy to sit down with the hon. Gentleman personally to discuss that in more detail. I am not suggesting that everything is rosy in the world of policing, as the police face a very challenging set of circumstances, but I am announcing how we will increase investment in our police.

Tony Lloyd (Rochdale) (Lab): I wonder whether the Minister will accept this point. He tells us that there is a flat-cash settlement, which in effect is a cut from central Government at a time of massively increasing demand on our policing due to many different reasons, such as terrorism and organised crime. How can he possibly square the Government cut with that increase in demand and the fact that the public feel less secure?

Mr Hurd: The numbers cannot lie. As a result of the settlement, if PCCs do everything that we are empowering them to do, we, as a society, will be investing over £1 billion a year more in our police system than was the case in 2015-16. The Labour party can continue to talk the language of cuts, but the numbers tell a different story. There will be £1 billion a year of additional public money in our policing system next year compared with the position in 2015-16.

Sir Edward Davey (Kingston and Surbiton) (LD): Will the Minister give way?

Mr Hurd: I will give the right hon. Gentleman a bit more time to recover from presenting his excellent ten-minute rule Bill, so I will proceed with my argument.

When shaping the settlement, I spoke personally to every PCC and chief constable in England and Wales. The Home Office collaborated closely with the police's own demand and resilience review. I am incredibly grateful to frontline officers across the country who gave me their time and very candid opinions during my visits. I also thank Members from all parties who engaged with me on behalf of their local forces.

We heard three messages from that engagement. First, it is very clear that demand on the police has risen, and it has done so in areas of greater complexity and resource intensity. That does not mean that the British public are experiencing more crime. Indeed, the independent crime survey for England and Wales, which our independent statisticians confirm as being the most authoritative data on long-term crime trends, shows that the public's experience of crime has continued to fall. It is down by almost 40% since 2010. However, police-recorded crime, which is a different thing, has risen significantly since 2015. Again, the independent statisticians are clear that the drivers of that growth include improved police recording of crime, and the fact that more victims of high-harm hidden crimes, such as domestic abuse, modern slavery and child sexual exploitation, are coming forward—

Gloria De Piero (Ashfield) (Lab) *rose*—

Mr Hurd: I am sure that the hon. Lady will welcome that.

Gloria De Piero: When police cuts are made, it is our poorest communities that suffer most. Lone parents and the unemployed are twice as likely to be burgled as the average person, and the deprived and unemployed are twice as likely to be the victims of violent crime. Do not the police cuts show what side of the argument Conservative Members are on and who they stick up for? It is not the poor, who need the police more.

Mr Hurd: I could not agree more that the impact of crime falls hardest on the poorest communities. That is not in doubt, but I hope that, as a Derbyshire MP—

Gloria De Piero *indicated dissent.*

Mr Hurd: I beg the hon. Lady's pardon, but even if I have to shift my geography, I do not think that my argument will change. I hope that she welcomes the fact that Nottinghamshire police will receive £4.5 million more cash in 2017-18 and the statement from her PCC, Paddy Tipping, that he will use that money to recruit more police officers.

Sir Edward Davey: I thank the Minister for giving way and for allowing me time to recover. He keeps making a point about police reserves, but for the benefit of good public debate, will he tell the House—either today or in a letter—what the recommended level of reserves is? What do the Chartered Institute of Public Finance and Accountancy and Her Majesty's inspectorate of constabulary set out? Will he tell us the right level of reserves so that we may judge the comments that he keeps making?

Mr Hurd: As a Liberal Democrat who worked tirelessly in government to promote more open and transparent government, I am sure that the right hon. Gentleman

[Mr Hurd]

will have no problem with the principle of greater accountability and transparency around the use of public money, which is the kernel of the debate. The guidelines are not mandated. The advice that police treasurers get from the body he mentioned indicates that they should be thinking of about 3% to 5% of revenue as basic contingency reserves. The £1.6 billion that I cited in response to my hon. Friend the Member for Dover (Charlie Elphicke) represents around 15% of annual revenue, so the reserves that the police hold clearly go above what might be reasonably expected for pure contingency funding. That is absolutely fine, as long as the people whose money that is get a good explanation of what the money will be used for.

Charlie Elphicke: My right hon. Friend says that the right level for reserves is about 5% of revenue, but Gwent police's figure is 42% and that for North Wales police is about 24%. Does he know any reason why the reserves of those police forces are quite so high?

Mr Hurd: To clarify, the advice for treasurers, in terms of pure contingency funding, is that prudent levels would be about 3% to 5%. It might be entirely appropriate for police forces to hold significantly more than that, as Gwent does—it sits at the extreme end of the spectrum—but my point is: what will the money be used for? It is public money and we are entitled to know. There might be very good plans for how the money will be used, and those plans might significantly enhance the effectiveness of the police force, but to my eyes, there is insufficient transparency and accountability regarding how that money is used. At a time when the Labour party keeps talking about cuts to the police service, it remains an awkward fact that the police have increased their reserves by over a quarter of a billion pounds since 2010. That is public money that has not been used.

Chris Elmore (Ogmore) (Lab): I remind the Minister and the House that a reserve can only be spent once, and it is simply unsustainable to plan a police budget on the basis of one-off spending. If police authorities have plans to spend their reserves, what will the Minister's answer be when we set next year's police grant and those reserves are no longer there? We cannot keep spending reserves.

Mr Hurd: I accept that point, and I will address it in my remarks, but it does not undermine my central argument, which is not necessarily to criticise the level of reserves, but simply to say, "Tell us what you're going to spend it on," because it is the public's money.

Several hon. Members *rose*—

Mr Hurd: I need to move on to make sure that colleagues—

Stephen Doughty: I want to ask about the reserves.

Mr Hurd: There will be another opportunity to talk about the reserves later.

Richard Drax (South Dorset) (Con): Will my right hon. Friend give way?

Mr Hurd: As a courtesy to my colleague, I will give way.

Richard Drax: I am most grateful. My right hon. Friend is doing an excellent job under difficult circumstances—[HON. MEMBERS: "You created them."] I remind Members that the Labour party virtually bankrupted this country. We are dealing with the consequences of living within our means, and this—sadly—is one of them. May I put the record straight? The hon. Member for Ashfield (Gloria De Piero) cited a connection between of a lack of officers and the poor, and asked which side of the argument we were on. Members on both sides of the House believe in law and order whether you are rich or poor. I just wanted to put the record straight.

Mr Hurd: I could not agree more with my hon. Friend, which is part of the reason why we are making this commitment of additional investment in our police system.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Will the Minister give way?

Mr Hurd: Out of courtesy to the Chair of the Home Affairs Committee, I give way.

Yvette Cooper: The Minister will know that the Select Committee is undertaking an inquiry into the changing pressures on policing, and part of that will involve our looking at resources. Of course, the additional funding for counter-terrorism is welcome and extremely important, but the real-terms squeeze on police forces' core funding from central Government is a real concern for forces throughout the country. Given the changing patterns of crime, including the rise of not just violent crime, but online fraud—forces have told us that 95% of online fraud cases are not being investigated at all—as well as the pressures on support for vulnerable people, is he not worried in his heart of hearts that he is simply not providing forces with enough money to keep people safe?

Mr Hurd: No, I am not, and I will address that. I am grateful to the right hon. Lady for welcoming the increased investment in counter-terrorism policing, although I understand that her Whips will send her through the Lobby to vote against it. It will be interesting to see how she explains that to her constituents.

On the right hon. Lady's more general point, I am arguing that given our very constrained public finances, which I think everyone understands, the settlement is fair and comprehensive. It represents an increase of £1 billion in annual investment in our police system compared with 2016. There is a recognition that the pattern of demand on the police has changed significantly. They are doing more work in areas of greater complexity and resource intensiveness, and they are having to build the capability to tackle modern crime, not least cyber and online crime. The Minister for Security and Economic Crime, who is sitting next to me, is working hard to build those capabilities, with a significant budget.

Richard Burden (Birmingham, Northfield) (Lab): May I press the Minister further on counter-terrorism? A number of local forces are saying that the so-called new money for counter-terrorism is not new money, but has been financed by backfilling from neighbourhood policing. We all know that neighbourhood policing is vital to any long-term counter-terrorism strategy.

Mr Hurd: I need to correct that, because it is fake news. The money for counter-terrorism is ring-fenced—this is new money. I note the hon. Gentleman's concern, but I also note that, as I understand it, he will be voting against this money today.

I was talking about the serious changes in the nature of demand on police as a result of the increase in recorded crime. I was at pains to point out that some of the drivers of this growth in recorded crime are welcome, as they reflect improvements in the police recording of crime, following substantial criticisms from the inspectorate back in 2014. They also reflect the fact that more victims of high-harm hidden crimes are coming forward, which I am sure the whole House welcomes. We are also clear, however, that there is genuine growth in low-volume, high-impact violent crime, which concerns us all. That will be the focus of the Government's upcoming serious violence strategy.

Vicky Foxcroft (Lewisham, Deptford) (Lab): When will the Government publish that strategy?

Mr Hurd: We said that we would publish it in the spring. It comes on top of regulations to ban the sale of zombie knives, and a consultation on a range of new offences around the sale and possession of dangerous weapons.

In addition to the changes in demand I have outlined, there is the escalation and evolution of the terrorist risk. In the context of police resources, the point is that demand on the police has risen, which has put more pressure on our police—there is no doubt about that.

The second message we got from many PCCs and chiefs across England and Wales was a request for greater flexibility regarding the precept. PCCs are, of course, elected by their local populations, and many want a greater ability to determine how much local funding they can raise to deliver for their communities. The third message was a request for greater certainty over future funding so that PCCs are able to plan more effectively and free up reserves for investment. I am pleased to confirm that the Government have proposed a funding settlement that responds positively to all three messages.

Sir Edward Leigh (Gainsborough) (Con): I hope that my right hon. Friend will give me a nice answer, because I will be voting tonight as well. He knows that Lincolnshire police force has been historically very badly underfunded, and we are grateful to him for visiting Lincolnshire and taking an interest. What steps is he taking to improve the situation in Lincolnshire and support our excellent police and crime commissioner, Marc Jones, who is having to use funding flexibility to protect police numbers and effectively put up council tax. What is the Minister doing to help us in Lincolnshire?

Mr Hurd: My hon. Friend has been a tireless advocate for more resources for Lincolnshire policing. It is a stretched police force, but the PCC, Marc Jones, is doing an excellent job. I hope that my hon. Friend will welcome the fact that Lincolnshire will receive another £3.3 million next year, and if all goes well it will get something similar in 2020. He will know that the independent inspectorate notes that Lincolnshire is one of the forces that still needs to make efficiency improvements, but I undertake to work closely with that force to monitor the situation. As I said in the written statement accompanying the provisional grant, we have not lost sight of the fair funding review; we just feel that the comprehensive spending review, which will shape police funding for the next five years, is the most appropriate context for that work. I hope that the combination of those things will assure him of the sustainability and effectiveness of Lincolnshire policing.

Conor McGinn (St Helens North) (Lab): The Minister said that he had received three messages—let me give him a fourth one, from the people of St Helens: antisocial behaviour—up; robbery, theft and burglary—up; violent and sexual crime—up; police funding—down; police numbers—down. What is he going to do about it?

Mr Hurd: On one level, I understand what the hon. Gentleman is saying, but increased funding is going into his police system, and if he actually tells an honest story to his constituents about crime, he will refer them to the national crime survey, which shows that crime, in the experience of his constituents, continues to fall, alongside the national trend.

In terms of the shape of the settlement, I want to be clear that there will be no reductions in the amount of core grant paid to any PCC.

Mr Kevan Jones: Yes, there will be.

Mr Hurd: No, there won't. There will be no reduction in the amount of core grant paid to any PCC. This means that PCCs will keep all the benefits of tax-based growth in their area. That is a change, and one that West Midlands police, for example, were particularly keen on. That is a change: there will be no reduction in the amount of core grant paid to any PCC. We are also giving PCCs and Mayors more flexibility on their precepts. The settlement empowers them to ask their local residents to make a bigger contribution to support local policing. We want this to be affordable, at a time when money remains tight, so we have limited increases in local police precepts to an additional £1 a month—or 25p a week—for a typical band D household. If all PCCs use these powers, they will be able to invest, collectively, a further £270 million in 2018-19. Since 2016-17 local force funding has been protected in cash terms, including police precepts, but this settlement goes further. The combination of flat grant and rising precept in 2018-19 means that all PCCs can maintain their funding in real terms next year if they use the new council tax flexibility.

Mr Kevan Jones: I am sorry, but the Minister is completely wrong. Flat cash is a cut when inflation and other pressures on PCCs are taken into account. The hon. Member for Gainsborough (Sir Edward Leigh) asked what the Minister could do to help the Lincolnshire

[Mr Kevan Jones]

force. What the Minister is doing is pushing the increase on to local taxpayers. Why did he not say that to the hon. Gentleman?

Mr Hurd: I will make two points to the hon. Member for North Durham (Mr Jones), who, as ever, is thoughtful on these matters. The combination of flat-cash grant from the centre and an increase in precepts means overall net-net “flat real” for local police forces. [Interruption.] That is what I said, and that is what is true. Labour Members continue to ignore the second part of that combination, which is the increase in precepts. [Interruption.] I know that Labour Members have a problem with this, because they continue to pretend that someone else will pay. What we said in response to PCCs who wanted increased flexibility on precepts was that they should go to the people in their locality and say, “I should like to ask for an extra 25p a week as an additional contribution to local policing; would you accept that?” Where surveys have been carried out, PCCs have met with approval rates of between 75% and 80%, which suggests that that was the right question and the right answer.

Wes Streeting (Ilford North) (Lab): The Minister has just been caught red-handed trying to use smoke and mirrors to kid people that the flat-cash settlement that he is announcing today means that any increase in the precept will be wholly spent on additional resources for the police. That is simply not true. The truth is that the Government are cutting the resources that they are giving to every police force in the country, and are asking residents to foot the bill for a poorer service. That is a total disgrace, and the Minister should stop attempting to misdirect people who are following the debate.

Mr Hurd: I will take no lessons on distorting the truth from Labour Members who continue to peddle the lie that there is such a thing as free Government money, or that someone else will always pay. The response from people on the ground who were asked, “Are you prepared to put a bit more money in to support your local police?” was a resounding “Yes”. I am not misleading the House. The combination of flat cash from the centre and increases in precepts—the ability to maintain growth in council tax precepts—means that we have moved, at local level, from flat cash to “flat real”, before we come to the additional investment from the centre. That means that next year the Government will invest over £1 billion a year more in local policing than we invested in 2015-16.

Simon Hoare (North Dorset) (Con): On a point of order, Madam Deputy Speaker. Excuse my ignorance, but is it in order for an hon. Member to accuse a Minister of the Crown of misdirecting the House?

Madam Deputy Speaker (Dame Rosie Winterton): I think the spirit of the debate is that feelings are running high. I have not yet heard anything that I considered to be disorderly, but Members will obviously bear in mind that they should be careful about they say.

Mr Hurd: Thank you, Madam Deputy Speaker, and I appreciate the sentiments of my colleagues on the Back Benches.

I was talking about the additional investment that we are making from the centre. So far I have talked about what we are doing to enable PCCs to increase their investment as a result of increases in the local precepts, but we are also providing an extra £130 million for additional investment in national priorities such as digital technology and the police special grant. This is not somehow disconnected from the earlier conversation; it is about how we invest, as a country, in the police system.

The police special grant is an essential tool to help forces who face exceptional events, and it is right for us to do that. This year we are using it to help Greater Manchester and the Metropolitan police respond to the horrific terrorist attacks, as well as helping forces such as South Yorkshire to pay for very large investigations of child sexual exploitation. We are increasing special grant funding by more than £40 million next year to ensure that, for example, we can support the Met in providing security for the commonwealth summit in April.

We are also increasing our crucial investment in police technology. If we are to fully realise the potential benefits of mobile technology and ensure that officers spend as much time as possible on the frontline to protect the public, we must deliver modern 4G communications for the police service and key databases that can be accessed on the move, and must give the police the tools that they need to track down suspects as quickly as possible. That requires investment from the centre. We are, for example, creating a single national automatic number plate recognition system with a greatly enhanced ability to track vehicles and link different vehicles, locations and crimes in order to detect and prevent crime and safeguard vulnerable people.

Margaret Greenwood (Wirral West) (Lab): Will the Minister give way?

Mr Hurd: I have already taken a great many interventions from Labour Members, and I need to make some progress to allow the debate to flow.

Of course, the No. 1 responsibility of Governments is the safety of our citizens. The tragedy of five terrorist attacks in London and Manchester in 2017 has sadly reinforced the threat that we face from terrorism. It is therefore right that we are increasing funding for counter-terrorism policing both this year and next and it is disappointing that Labour Members will vote against that tonight. In September we announced £24 million of new money this year, which would go to forces throughout the country to meet the costs relating to the tragic terror attacks. I am also pleased to confirm that the Government have agreed to provide a further £4 million this year to meet the costs arising from the attack at Parsons Green. We are significantly increasing the counter-terrorism policing budget for 2018-19 to £757 million. That is £70 million more than was scheduled, and reflects the priority that we attach to the incredibly important task of protecting the public.

As well as increasing funding by around £450 million in 2018-19, we have signalled—and I think this is the first time we have done so in the context of police

grants—that we are prepared to protect Government grant and repeat the additional precept flexibility in 2019-20. That is a response to the calls from many PCCs and budget-holders for more forward visibility to help them to plan more effectively. We have made it clear that the 2019-20 local police settlement will depend on progress made by forces this year in three critical areas: productivity, financial efficiency and transparency about financial reserves, which we discussed earlier. All those need to be improved.

Stephen Doughty: South Wales police are already doing all those things. We have reduced the reserves to the minimum level allowed. We have collaborated hugely on bringing services together. Seven contact and control rooms have been reduced to one, and 18 custody facilities have been reduced to four. Our command unit structure has been streamlined, we have reduced the estate by a third, and we have reduced the fleet by 20%. The bottom line is that, with demand going up, we have reduced the reserves and made all those efficiency savings. Now the Minister is offering a flat-terms settlement, which is a cut. Where else do we go?

Mr Hurd: What I am actually offering is £6.7 million of additional cash investment in South Wales policing next year. I have taken on board everything that the hon. Gentleman has said, and I congratulate the leadership of South Wales police on what it has done to improve efficiency. The level of the reserves is not extravagant. Where I take umbrage with the hon. Gentleman is on the amount of investment, which, as I have said, will rise by £6.7 million next year. I hope he will welcome that.

Improved productivity means making better use of the most important asset in the police system, which is police officers' time. In 2018, in the modern age, that means making the most of the opportunity presented by digital and big data technology. For example, a growing number of forces—not least Lincolnshire, which was mentioned by my hon. Friend the Member for Gainsborough (Sir Edward Leigh)—now embrace mobile working. If all forces took advantage of mobile working like the best forces, that would mean that the average officer could spend an hour a day extra on the frontline, where hard-working officers want to be. It has the potential to free up the equivalent of 11,000 extra officers in England and Wales. That is the implication if best practice is extrapolated across the system.

More mobile working, better use of data and better connected systems are all critical to modern policing. That is why the Home Office is working closely with PCCs, chiefs and experts to shape a credible roadmap that can properly harness the power of digital technology to promote more effective policing. To give further support to that process of reform, we have ensured that police forces will benefit from the £175 million police transformation fund in 2018-2019. The fund, led by police, is delivering real results and enabling forces to invest in transformation and digitisation for the future.

When budgets are tight, we have to keep challenging inefficiency, so the Home Office is also working with the police leadership to develop plans to unlock an estimated £120 million-worth of efficiency savings from more collaborative procurement and shared systems. Finally, on behalf of the taxpayer we are pressing PCCs to

provide much better information on how they are using their £1.6 billion of financial reserves to improve services to the public. These reserves have risen by over £250 million since 2011. It is public money and the public deserve a proper explanation for how it is going to be used. That is why last week we published comparable national data on police reserves and new tougher guidance on the information PCCs must publish on their planned use of reserves. This is the shape of our proposed police funding settlement out to 2020.

What has been the reaction on the ground? Many PCCs have welcomed the funding settlement we set out in December. I am pleased to say that almost all PCCs in England have chosen to use this new council tax flexibility to determine how much local funding they can raise to deliver for their communities, and local people have shown their support. In Cumbria, 1,500 people responded to the consultation and over 70% of them indicated that they support the proposed precept increase. In Leicestershire, nearly three quarters of respondents voted for a £12 increase, and in Lancashire 78% supported increasing the police precept there by £12.

PCCs have been explaining to their communities why they have opted to make use of this ability to raise the extra funding. Most PCCs are intending to use this funding to protect or strengthen frontline policing in their force next year. For example, Matthew Scott, the PCC for Kent, announced that he will recruit up to 200 additional police officers next year, taking the total number of officers in Kent to its highest level since 2012. In Surrey, the PCC, David Munro, has proposed increasing the precept by £12 to protect local policing teams and respond to increasing threats such as cyber-crime and child abuse, while investing in efficiency programmes to give Surrey a police force fit for the future. In Humberside, PCC Keith Hunter has stated that by increasing the precept by £12 a month the force's recruitment plans will take them from the planned 1,867 police officers next year up to 1,925 officers by 2020.

Sandy Martin (Ipswich) (Lab) rose—

Mr Hurd: I am not going to take any more interventions.

In Nottinghamshire, PCC Paddy Tipping plans to increase police officer numbers up to 1,940, do more to tackle knife crime, and invest in a new custody facility capable of meeting current and future demands. These are just a few examples of how both Conservative and Labour PCCs are using this opportunity to improve the effectiveness of their service to the public.

We have listened to the police. We believe that, through the combination of the increased investment from this settlement, the scope for further efficiencies and productivity and the high level of reserves in the police system, the police have the resources they need to do the job. At the same time we are working with the police to lay the groundwork for the next spending review, which will include a final view on the fair funding formula. As I have said, we believe that the spending review is the right context for those decisions.

We are also supporting the police in other ways. We are ensuring that police have the full protection of the law when carrying out their duties. We are supporting the Assaults on Emergency Workers (Offences) Bill, which will increase the penalties available to those who attack emergency service workers. We are also helping

[Mr Hurd]

frontline officers to tackle crime by making sure that officers feel able to pursue suspected criminals where it is appropriate to do so by reviewing the legislation, guidance and practice around police pursuits.

The safety of the public is of course our first priority and we will continue to ensure that the police have the resource they need to cut crime, protect the public, and help victims to get justice quickly. I believe that what I am presenting today is a fair and comprehensive settlement within the constraints of the fiscal position we are in. It will see us raise our investment in policing to over £13 billion next year in England and Wales, an increase of over £1 billion since 2015-16.

I wish to end where I began: by recognising once more the exceptional attitude, hard work and determination of our brave police forces. I commend this motion to the House.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. Many colleagues wish to contribute, so after I have called the shadow Minister I will impose a time limit of 10 minutes.

2.4 pm

Louise Haigh (Sheffield, Heeley) (Lab): I want to start, as the Minister did, by paying tribute to the men and women who serve in our police service. The counterpart to this debate took place a little under a year ago, and no one could have imagined the unspeakable series of attacks that would follow in 2017. Throughout, our police service officers have risen to the highest standards of bravery, dedication and duty, truly honouring the founding principles of policing in the process. Chief among that covenant is that our police service depends ultimately on public support. After a year in which we have seen officers run into danger to keep the public safe, the police can rarely have counted on such strong public support as they enjoy today.

But I know from speaking to those officers that they are tired of warm words, backed up with no action from politicians. Today they are under sustained pressure the like of which the service has rarely, if ever, encountered, and today we have heard that there is not to be a single extra penny from central Government for local police forces.

Before I go into the detail of the funding settlement before us, I want to deal with the demand that the Minister says he recognises the police are under. Between 2010 and 2017 the average number of 101 and 999 calls has rocketed; in South Yorkshire it has tripled. Just last year 999 calls increased by 15%. Forces such as the West Midlands police are receiving the number of calls on one day in June that they used to receive only on new year's eve. In the last year overall crime has risen by 15%, the largest increase since records began, violent crime is up by 20%, robberies by 29% and sexual offences by 23%. Last year over 1.4 million more people than the year before experienced antisocial behaviour, while the number of orders handed out fell by a quarter. Yet those are only a tiny proportion of the issues our police have to deal with.

On becoming Home Secretary, the now Prime Minister told the police their only "mission" was "to cut crime. No more, and no less",

but 83% of calls to command and control centres are non-crime-related. They are calls associated with mental health—last year the Met took an average of one mental health call every five minutes—or with missing persons, a demand that has tripled for some forces over the last seven years. They are associated with a raft of vulnerabilities, because, as other services buckle, the police are relied upon more than ever as the social service of last resort.

Steve McCabe (Birmingham, Selly Oak) (Lab): Does my hon. Friend agree that, contrary to what the Minister has alleged, what Labour Members are doing today is standing up for their constituents and voting against cuts that are unsafe and putting our constituents at risk?

Louise Haigh: My hon. Friend is absolutely right. Today we will be voting against a completely inappropriate police funding settlement that leaves our communities exposed and the public at risk.

On top of all the demand I have listed, there is the unprecedented terrorist threat our country now faces. It is frankly unbelievable that, as the National Police Chiefs' Council has recognised, the report before us fails to meet those growing needs and exposes gaps in the protection of the public.

So we have no choice but to vote against the motion tonight. We do so for three key reasons. First, the report prescribes an eighth consecutive year of real-terms cuts in Home Office funding. Secondly, it pushes the burden on to hard-pressed local taxpayers, and the very areas that have seen the most substantial cuts will get the least, inevitably creating a lottery of winners and losers that has no place for public safety. Thirdly, it fails to meet the needs identified by police chiefs, first and foremost in the area of counter-terrorism but also in local policing.

Simon Hoare: I am sure the hon. Lady has done a lot of homework before today's debate, as we all have. Therefore, given the backdrop to what she has just said, can she advise us how much money—how many pounds, shillings and pence—her party would be adding to the police grant this year?

Louise Haigh: As the hon. Gentleman will know, our manifesto spelled out very clearly that we would dedicate 10,000 additional neighbourhood policing officers. The settlement before us today does not dedicate any additional funding to local policing and in fact, as I will come on to, would be swallowed up almost completely by inflationary and cost pressures.

One of the chief jobs of Parliament is to hold the Government accountable for the promises they make to the public and for their record of action in office, so I want to briefly focus on the context for this year's police settlement. In 2015, the current Prime Minister promised the public that after a period in which £2.3 billion had been taken from police budgets, the Conservatives would now "protect police funding". On many occasions that promise has been repeated to the public and to this House. Indeed, it was repeated by the Prime Minister at Prime Minister's questions just today. In fact, the House

of Commons Library has shown that real-terms central Government funding to local forces has fallen by £400 million since 2015—the equivalent of more than 7,000 officers.

Sandy Martin: Does my hon. Friend agree that when the Conservatives say we are inventing the cuts, they are not taking into account the cuts to police officer numbers? Between 2010 and 2017, Suffolk has seen 150 fewer officers, 100 fewer specials, 86 fewer PCSOs—50% of the group—and 200 fewer support staff. That represents a 25% cut in personnel across the board, so it is not surprising that we have seen a concomitant increase in crime.

Louise Haigh: My hon. Friend is absolutely right. Despite what the Government like to say, every single Member of this House will have seen frontline cuts to police forces. Two weeks ago, the Leader of the House insisted in this Chamber that

“frontline policing throughout the country as a whole has not changed—it has, in fact, slightly increased since 2010.”—[*Official Report*, 25 January 2018; Vol. 635, c. 421.]

This has been a familiar refrain throughout the Government’s time in office: “Yes, we are making cuts, but they are having no real impact.”

Gloria De Piero: More than 36,000 101 calls went unanswered or were abandoned in Nottinghamshire last year, which is a 201% increase year on year. Those people needed genuine help, but they did not get it.

Louise Haigh: My hon. Friend is absolutely right. The number of abandoned calls has increased as the number of calls to 101 and 999 has increased. We now have 21,000 fewer police officers on our streets than there were when Labour left office in 2010, 17,000 fewer police staff, who perform vital functions in investigations, and 6,000 fewer PCSOs. Neighbourhood policing—the absolute bedrock of our model of policing—has been decimated, which is an appalling legacy of this Government. Neighbourhood policing is not just a “nice to have”; it is vital to our policing system and underpins the police’s ability to police by consent. It is almost wholly responsible for building and maintaining relationships with communities, and if we reduce our police to nothing more than a blue light that arrives only when the absolute worst has happened, we risk rolling back all the progress that has been made in police accountability and trust over the last generation.

Paula Sherriff (Dewsbury) (Lab): My hon. Friend is making a compelling speech. Does she agree that the cuts to police numbers in areas such as mine mean that there simply are not enough police officers to attend crimes as they happen, such as burglaries that are in progress? Vans are continually broken into and people have their tools stolen time and again, but the resources to help those people simply are not there.

Louise Haigh: My hon. Friend is absolutely right. The Minister has heard time and again from Opposition Members that the police do not have the resources to respond to serious crimes, with burglaries being a particular problem, but the Government seem happy to sit back and allow that to happen. They are the only Executive in modern times to have presided over consecutive falls in police numbers in every single year of their time in office.

Henry Smith (Crawley) (Con): Will the hon. Lady join me in welcoming the policy of Katy Bourne, the Sussex police and crime commissioner, who is recruiting an extra 100 officers?

Louise Haigh: If that is the case, I am delighted for Sussex police that it is recruiting additional officers, but that comes in the context of severe cuts and a fall in police officer numbers over the past seven years.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Does my hon. Friend agree that any current recruiting follows year-on-year consecutive cuts to police numbers? Southwark has lost 200 police officers and PCSOs despite having the highest volume of 999 calls in London, experiencing a terror attack last year, and seeing high rates of moped and knife crime.

Louise Haigh: My hon. Friend is right that the context is seven years of prolonged, deep cuts from this Conservative Government that have led to police officer numbers falling and crime rising. Looking across Europe for international comparisons, we see that only Lithuania and Iceland, both of which are suffering deep depressions, chose to cut frontline policing by proportionally more than we did over the past 10 years. These choices have not been made out of necessity; they have been made out of ideology. Promises to the British public have been broken time and again. That is why we were right to treat the Policing Minister’s statement before the Christmas recess with a heavy serving of scepticism. He told us the settlement would give the police “the resources they need.” When Opposition Members doubted him, he told us to go away and read the detail so that we might feel more positive. Well, we have, but we are not.

The National Police Chiefs’ Council has also read the detail and said that it did not meet the level of investment required. It is not hard to see why. The council’s funding document, which was submitted to the Home Office ahead of the settlement, requested £450 million for local policing alone, not for the entire service, as the Minister has sought to claim. It estimates that inflationary pressures on local forces add up to £209 million—not to mention cost pressures of £38 million and the additional pressure of the unfunded pay rise announced last year. Taken together, all of that will almost entirely wipe out the funding raised from precepts, meaning that local people will be paying more and getting less. As has been said, that will happen on top of an eighth year of real-terms cuts in the support the Government give to local forces. The flat cash settlement this year will equate to a cut of £100 million over the next year, so it is not difficult to see why commissioners across the country are calling the settlement “smoke and mirrors.”

I turn to the precept, because it is not additional money from Government, as the Minister tried to claim. Any additional money will come if PCCs take the decision to increase their policing precept. Once again, the Government display the worst type of localism: passing all the blame on to local decision makers while refusing to fund the tough decisions that they have to make.

What is more, this method of funding the police is fundamentally unfair. The areas that have taken the biggest hit from funding cuts since 2010 stand to gain the least from the maximisation of the precept. For

[Louise Haigh]

example, the West Midlands, which has lost a staggering 2,000 officers since 2010, will raise a little over 2% from the precept. By contrast, Surrey, which has half the population, will raise almost the same in cash terms as the West Midlands, but by maximising the precept it will be able to raise 7.5% of its budget. When it comes to public safety, the settlement creates winners and losers based on postcode. The police funding formula at least made an attempt to fund forces based on need, but it seems to have been kicked into the long grass yet again. The alternative—funding the police through the precept—means that community safety depends on the ability of the local community to pay.

Before I conclude, I want to discuss reserves, which the Minister was keen to dwell on and which have been published with greater transparency this month. When the unfunded pay settlement was announced last year, police forces were lectured over their levels of reserves and were advised to use them for the 2% unconsolidated increase. The figure bandied about for the total amount of reserves is £1.6 billion, but the Minister knows full well that the vast majority of that figure is earmarked for capital projects or for known future spending. The real figure of usable reserves is £378 million, as the Minister's own publication shows. Much of that is routinely being used for day-to-day policing as a result of cuts, and there is a danger that some forces will be put in the vulnerable position of not being able to respond to an emergency. In fact, the last available HMIC analysis revealed that only nine forces out of the 43 have more than the 5% level of reserves recommended by the Audit Commission, so the attempt to continue to distract us with the reserves is transparent, and the public and police leaders across the country will see right through it.

Finally, and perhaps most importantly given the horrific events of the last year, I want to turn to counter-terrorism. Nobody who has read the report of David Anderson, QC's review into the four fatal attacks in the spring and summer of 2017 can be in any doubt about the strain on counter-terror policing. In one chilling excerpt, he notes:

“On 21 March 2017, prior to the Westminster attack on the following day, investigation of Khuram Butt”—

one of the London Bridge attackers—

“was suspended. Investigation of the other SOIs”—

subjects of interest—

“investigated under the operation had been suspended the previous week, due to resourcing constraints brought on by a large number of P1 investigations”—

that is, priority one investigations.

Mark Rowley, the national lead for counter-terrorism policing, told the Home Affairs Committee in October that counter-terror policing was dealing with a 30% uptick in operations. He warned that

“dealing with this uplift in work at the moment is a real stretch”,

and that counter-terrorism had been put on an “emergency footing”. He continued:

“Given that we now have a growing number of subjects of interests we are investigating and a very big growth in the number of investigations...we have a bigger proportion of our investigations that are at the bottom of the pile and getting little or no work at the moment.”

I am certain that will horrify the public, as it horrifies me. I am equally certain that the public will wish the Government to give counter-terror policing the resources it needs to counter that threat. It is therefore staggering that Ministers have chosen, through this settlement, to give counter-terror policing just half of the resources it requested to keep the country safe.

Police chiefs are now openly warning, in an unprecedented way, of tough choices as a result of Ministers' failure properly to resource their efforts in a threat climate described as “stratospheric.” If the first duty of any Government is the safety and security of their citizens, the responsibility of the Opposition is to make sure the Government keep to that promise. The failure properly to resource the counter-terror effort alone would be justification enough for the Labour party to vote against the police grant today, but in fact this settlement fails to meet not only our security needs but the needs of local policing and of the communities that are most in need.

The Minister has said time and again that he will ensure the police have the resources they need to do the job. There will not be a single chief constable in this country who can tell him that he or she has the resources needed to fully protect the public and provide a professional service in the current climate. Under the Government's watch, crime is soaring and the public are exposed. The Government must urgently think again.

2.21 pm

Richard Drax (South Dorset) (Con): It is a pleasure to take part in this debate and to listen to both the Minister, for whom I have a huge amount of respect, and the shadow Minister, the hon. Member for Sheffield, Heeley (Louise Haigh), who is rightly holding the Government to account. I take all her points on board.

We all know that there are clearly issues with police funding, but, if I may be so bold, not once did the shadow Minister suggest how the Labour party would deal with the huge hole in our public expenditure that, as I said in my earlier intervention, was to a large extent—along with the banking crisis—created by the Labour party before the coalition Government came into power. We inherited this terrible financial conundrum. We are trying to provide money for our public services, and when our economy improves, we will generate the income to pay for all the public services that so desperately need our money.

I thank Dorset police force and all its officers for doing an outstanding, courageous and dedicated job, and I am eternally grateful, as we all are in South Dorset—indeed, in the whole of Dorset, as my hon. Friend the Member for North Dorset (Simon Hoare) is here, too. I particularly praise our chief constable, Debbie Simpson, who is retiring after 35 years. She has been exemplary in her career, which proves how much can be achieved by a female officer. She has got to the very top, and all credit to her. I thank her for all the hard work she has done, and I look forward to many other female officers achieving the same rank.

I thank the Minister, for whom I have huge respect, for the extra £4.2 million. I also thank him for seeing me privately to go through my concerns. I am very grateful to him and to his Department.

I will quickly touch on three issues, and I will not take up much of the House's time. First, I am grateful for the £12 precept flexibility, but there is still an outstanding deficit of £1.5 million. Dorset is considering a merger with Devon and Cornwall, which will aid the deficit. Work is under way on perhaps having one police force, and savings are being made. Unfortunately, that will optimise what we have, rather than growing the workforce, which in my humble opinion, and in the humble opinion of many others in Dorset, is what we should do.

Members on both sides of the House have mentioned reserves, and in 2017 Dorset's reserves were 11% of our overall budget, compared with the national average of 15%. Dorset police force has managed to reduce its reserves by 26% since 2011, compared with all forces, which on average have increased their reserves by 19%.

Secondly, we need wholesale investment in policing. I totally accept that new crimes, such as modern slavery, human trafficking, sexual exploitation and cyber-crime, are now taking far more precedence and far more of our police officers' time. What I regret is not the effort being made to combat those crimes but the fact that it is taking officers off the beat. I am a former soldier, and holding the land—or dominating it, in the case of Northern Ireland—and patrolling very troubled spots is where we gained information and intelligence. The deterrence was formed on the streets.

While we investigate all these other crimes—I give all credit to police officers—we must not lose sight of the fact that, in my humble opinion, we need more officers on the ground. Crimes are still being committed. A jewellery shop in Corfe Castle has now been hit three or four times. I believe the gangsters responsible come down from the midlands. They crash in, crash out and take their ill-gotten gains back to where they came from. Those crimes would not be committed if there were a police presence on the ground. I urge the Minister and the Government to think carefully about that point.

Finally, as the Minister has mentioned—I mentioned it to him in private, and I now do so in public—the grant is set in December and the police and crime commissioners then have until February to set their budgets. That is unlike local authorities, which have a four-year budget period that gives them much more time to plan ahead. I ask the Government to look at that.

What can be done to help Dorset police? I urge the Government to go back to the funding formula, which treats us unfairly for all kinds of reasons that I do not have time to go into now. This is an emotive subject for many, but I believe the overseas aid budget will balloon to some £20 billion in 2020. Do not get me wrong, because I have absolutely no objection to money going to overseas aid, but I object when at home—and charity starts at home—we are unable to provide enough money for all our public resources, not just the police service. I urge the Government and any right-minded person to consider the 0.7% overseas aid target. Yes, we should give money where it is needed and where we can afford it, but not before we look after all the needs of our own country.

2.27 pm

Holly Lynch (Halifax) (Lab): It is a pleasure to speak in this debate and to follow the hon. Member for South Dorset (Richard Drax). I feel very strongly about policing, law and order. We make the laws in this House, and we

ask the police to enforce those laws out there. Between us, we make up the before and after of the legislative process. The fabric of a functioning society is based on collectively agreeing the laws that govern our country and then upholding those laws by deciding what happens to those who do not respect them. That is the essence of democracy, and those principles cut right across the different political parties, which is why I find it so difficult to comprehend what this Government are doing to policing and to policing budgets.

West Yorkshire police force has had a 35% reduction in funding since 2010, resulting in almost 2,000 fewer officers and members of staff—a 20% reduction of the force. The force has risen to the challenge set by this Government and has rationalised its estate, modernised to deliver efficiencies and reformed by investing in digital policing. The force has delivered £140 million in savings to get to where we are now. However, I am afraid to say that those deceptive words simply mask the fact that West Yorkshire police are now able to do less with less.

West Yorkshire has the fourth-largest force in the country and, to set the context, it takes in the busy cities of Wakefield, Leeds and Bradford, yet it also covers many Pennine towns extending up to the Lancashire border. We have diverse communities, with black and minority ethnic populations making up more than 50% of 14 of our wards. Although that is a welcome part of our diverse heritage, the House will appreciate that it also presents challenges. International events, terrorist incidents and extremist acts can all undermine community cohesion.

On any one day in West Yorkshire, one police officer is on duty for every 2,097 members of the public. On average, the force makes 136 arrests a day, with a staggering 43 of those arrests related to domestic abuse. The force will attend 38 house burglaries, 44 thefts from vehicles, 16 thefts of vehicles, four serious violent crimes, seven robberies, 57 assaults, 17 sexual offences and 159 incidents of anti-social behaviour, and it will deal with 141 incidents of domestic abuse in total.

We keep being told that crime is falling, that it is changing and that new crimes are emerging, but the lion's share of criminal activity within this mix is all thefts and violence—there is nothing new in this at all. Yet layered on top of all that are these new and emerging types of crime. Non-recent child sexual exploitation and abuse investigations now account for 33% of all West Yorkshire police investigations—33% of that investigative capacity is taken up by non-recent CSE cases. There were 184 offences relating to modern-day slavery in 2016, which compares with just 19 three years ago. Technology is enabling types of crime such as the grooming of young people for sexual exploitation, human trafficking or radicalisation, and people are most likely to be the victim of fraud than any other crime, with this often being enabled by online activity.

There has been a particularly disturbing increase in firearms discharges in West Yorkshire over the past two years, with firearms predominantly used by organised criminal gangs as a means of resolving disputes. Hon. Members will not need me to remind them that the highest-profile discharge of a firearm in West Yorkshire resulted from the extreme actions of Thomas Mair, who, motivated by right-wing ideology, took the life of our friend and colleague Jo Cox. Sadly, we are

[Holly Lynch]

no strangers to extremism in West Yorkshire, with several Prevent priority areas presenting a continually evolving threat for the police to assess and manage.

In addition, I want to raise the issue of mission creep within policing, especially in relation to safeguarding and mental health, a point excellently made by the shadow Minister. Some 20% of all incidents reported to West Yorkshire police now relate to safeguarding. More than 20,000 missing people investigations were recorded in 2016, an increase of 258% compared with the 2013 figure. Of those, 2,500 were people who have gone missing on more than one occasion within the past 12 months. The percentage of children reported missing who have gone missing on more than one occasion was 37%. Every day, on average, West Yorkshire police will investigate 65 missing people, with 53 of these cases being graded as “high risk” or “medium risk”, where we are into “drop everything else” territory. The police will also be called to 43 separate incidents associated with mental health.

I have spent time with the out-of-hours mental health team in Halifax and seen the massive challenge that falls to the police outside the normal working hours of other agencies. I was horrified to see that although concerted efforts have been made to keep people detained under the Mental Health Act 1983 out of police cells, there is a crippling lack of alternative and more suitable assessment space. So people in the midst of a mental health crisis are being bounced from pillar to post, until an assessment suite or bed becomes available, often in the back of a police vehicle, but they are predominantly the responsibility of the police for as long as that takes, because of the shortcomings of mental health services to really meet the demand.

On Halloween weekend in Halifax I witnessed four officers tied up with mental health cases for most of the night. That involved two double-crewed units, which probably represented about a quarter of the officers on shift that evening. So I ask the Minister: have we ever really taken a decision about the role of the police in relation to mental health, vulnerability and safeguarding and said that we want to them take on these additional responsibilities? I am not sure that we have, and we have allowed this mission creep to occur.

There will always be a role for the police in these matters, but given that the budget for West Yorkshire police has been cut by 35% since 2010, that the police are not the best agency to take a lead on some of these challenges where there is no criminality, just vulnerability, and that resources are as stretched as they are, we have drastically expanded the responsibilities of the police at the time when our forces can least cope with this. How can we look to empower the right people within social services, care homes, hospitals and the mental health profession, so that they take the lead on addressing these societal problems, rather than have it falling to the police by default, rather than by design, and certainly not motivated by any sense of best practice? Bearing in mind that safeguarding alone accounts for 20% of the workload of West Yorkshire police, the resources that would be released back into neighbourhood policing and back on to the frontline by making this shift could be significant.

I heard the Minister’s opening remarks and the Prime Minister’s comments about funding at Prime Minister’s

questions earlier. West Yorkshire’s PCC, Mark Burns-Williamson will be increasing the precept, which is anticipated to generate in the region of £4.5 million. To give that some context, I should say that the 1% pay bonus, which is long overdue for officers but has to be found from existing budgets, will cost about £4 million. To be crystal clear, the pay bonus almost cancels out the precept, leaving a flat cash settlement without inflationary increases, so the settlement pays for less and less year on year and only further cuts within West Yorkshire police will square that circle. That is the reality of the budget before us, which is why we are so concerned about it.

To balance the books, West Yorkshire police will need to find another nearly £13 million over the next four years. This Government have made a lot about reserves, which we have heard again today. Beyond the force’s legal obligation to hold contingency moneys, this year alone the PCC has had to find £11 million from reserves to fund everyday frontline policing. By 2022, most of West Yorkshire’s reserves will have been spent or committed to existing obligations, including capital build programmes and further technology investment. The reserves are being spent year on year just to keep officers on the streets. As my hon. Friend the Member for Ogmire (Chris Elmore) articulated earlier, this money can be spent only once.

Before closing, I want to extend my thanks to Sabina Yasbin of the Met police, as well as to Assistant Chief Constable Angela Williams and Police Sergeant Alex Macleod of West Yorkshire police, who have been co-ordinating my participation in the police parliamentary scheme. It has been brilliant and I recommend it to all colleagues. Every MP will no doubt have a good working relationship with local officers, but having the chance to get a real overview of the local force in detail and to spend time with specialist units that we would not otherwise come into contact with has been an eye-opening and incredibly useful experience, not least because it has helped me to feed into the Protect the Protectors campaign and the related work on the safety of emergency service workers.

With that in mind, I wonder whether the Minister can update the House about when we might see the “Protect the Protectors” Bill return to the Chamber on Report and Third Reading. Its return is eagerly anticipated by colleagues. Can he respond to the inquiries made by my hon. Friend the Member for Rhondda (Chris Bryant) on the vision of the Bill always having been about having a tough deterrent, so that people reflect on the seriousness of these actions and do not assault emergency services workers in the first place? Although we are incredibly pleased and grateful that the Government have worked with us on extending the six-month sentence for assaulting a police officer to 12 months, we are continually receiving representations from people who are concerned that that will not be the ultimate deterrent that we had hoped for with the Bill. Can the Minister update the House and respond to the letter from my hon. Friend about the Government’s appetite for pushing the sentence to 24 months? I would be grateful if he updated us on that.

2.37 pm

Simon Hoare (North Dorset) (Con): It is a real pleasure to follow the hon. Member for Halifax (Holly Lynch), who has spoken this afternoon, as she has done on a

number of occasions, with great passion and clarity on the type of policing we want to see in our country and how it is delivered. Conservative Members are clear that there is a widening gulf in the Labour party on this issue. I am convinced that the vast majority of Labour Members, like all Conservative Members, support our police and policing. We follow up our speeches and words with our actions in that sort of support.

I am not sure I will take lessons from some Labour Front Benchers—I exclude the hon. Member for Sheffield, Heeley (Louise Haigh) from that, because she spoke with great force and passion. We have a shadow Chancellor who believes that MI5 should be disbanded and the police should be disarmed. We have a shadow Home Secretary who has just left her place but who has, over the years, with her party leader, supported and revelled in IRA terrorism. We have also had the police berated by some for policing, quite properly, industrial action. When I asked the question, which again got no answer, about what the Labour party would do differently on this grant, we were reminded of the manifesto pledge of 10,000 extra police, yet even with all the months that have elapsed since that general election, Labour still has no idea how they would be funded and how much it would cost.

I will, though, take some lessons from my right hon. Friend the Policing Minister. Until the most recent reshuffle, it was my pleasure and honour to serve both him and my right hon. Friend the Minister for Security and Economic Crime as their Parliamentary Private Secretary. Both are men of complete integrity and are dedicated to combating crime in this country. They are, one might say, the Batman and Robin of the Home Office. I will not say which is which; I shall leave that to my right hon. Friends to fight out.

As my hon. Friend the Member for South Dorset (Richard Drax) did earlier, I pay tribute to the work of the Dorset constabulary under the leadership of Debbie Simpson, our chief constable, who is leaving office having served five years as chief and 35 years as a copper. I also pay tribute to Martyn Underhill, Dorset's police and crime commissioner. Martyn and I do not agree on everything, but what is beyond doubt is his commitment to trying to ensure the very best deal for my residents in North Dorset and for those throughout the county. He has just finished his consultation, in which 79% supported an additional £12 on the precept for band D council tax to deliver the sort of policing that people in the county quite rightly want to see. He is a good example, in a county that splits broadly 50:50 between rural and urban—certainly in population terms—of what can be done with imagination and fixity of purpose.

I pay huge tribute to PC Claire Dinsdale's work leading Dorset's rural crime team, which was the result of our commissioner responding to an issue and to which he has provided manpower and resources to combat rural crime, including wildlife crime and crime on farms. That is an illustration of how fixity of purpose and determination to clamp down on waste can ensure that money is best focused on the delivery of services. I recommend that model to other authorities.

As my right hon. Friend the Minister pointed out, the nature of crime in this country is changing, so the nature of policing has to change, too. The idealised picture of Dixon of Dock Green wandering around the beat, knowing every little old lady and little old man

and clipping schoolchildren around the ear for scrumping apples is a rather nostalgic picture that brings a lump to many people's throats. [*Interruption.*] The hon. Member for Liverpool, West Derby (Stephen Twigg) laughs; perhaps there are no apples to scrump in Liverpool—I do not know—but there are certainly plenty in North Dorset. We do not run through wheat fields in North Dorset; we are frightfully well behaved because we know of the rural police team.

I am absolutely convinced that, in difficult circumstances, this year's grant will continue to deliver the requirement of a changing policing response to the type of crimes people face, so the Government will have my support on the motion.

Neil Coyle: On terrorism and the threat that we face, does the hon. Gentleman know why the Government have not yet taken up the opportunity to close the loophole on terrorism insurance? That would help the police to do their job and to protect businesses from terror attacks. While I am on my feet, may I suggest that, whatever he believes the shadow Home Secretary to have done, it is deeply offensive to suggest that she has ever revelled in IRA attacks on this country?

Simon Hoare: On the latter point, I direct the hon. Gentleman to the comments made by the right hon. Member for Hackney North and Stoke Newington (Ms Abbott). She said that every activity moved one step closer to a united Ireland and should be celebrated. I will leave it up to the hon. Gentleman to decide whether to use the word celebrated or revelled, but I think that we know where her sentiment was at that time.

I was privileged to serve on the Investigatory Powers Bill Committee. My hon. and learned Friend the Solicitor General and the then Security Minister, my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes), performed a balancing act with the often competing and rather tense environment of the civil libertarians on one side and the civil lawyers on the other, and a political imperative to keep the country safe. That is always kept under review. We all know the figures—I am not going to bombard the House with the statistics—but I do not think that anybody could seriously question the commitment of Conservative Members and the Government to combating terrorism in all its forms and to ensuring that our law enforcement agencies and the laws under which they prosecute are always fit for purpose, with an element of flexibility to meet new challenges.

I urge my right hon. Friends the Home Secretary and the Policing Minister to look favourably on the proposal to merge Devon and Cornwall police with the Dorset constabulary. They are collaborating hugely well at the moment and that is clearly the next stage. It will deliver savings that can be focused on frontline policing in the great county of Dorset, to the benefit and safety of my constituents.

2.45 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I should say at the outset that I might have to leave before the end of the debate as I have to take the Chair in Westminster Hall.

As the Minister would not do so, let me begin by acknowledging that the cash freeze in this settlement is, when we take inflation into account, actually a real-terms

[*Steve McCabe*]

cut for West Midlands police. That is what the Government are doing to policing in the west midlands. It is in addition to the 2,091 officers we have already lost and the £145 million that has been cut from the budget since this lot came to power.

The West Midlands police and crime panel has agreed to the commissioner's request to add an extra £12 to the precept paid by already hard-pressed council tax payers—had it not, the situation would be even worse—but given the high number of band A and B properties in our area, the west midlands simply does not have the same revenue-raising capacity as places such as Surrey or Hampshire, as my hon. Friend the Member for Sheffield, Heeley (Louise Haigh) said. Hampshire's population is almost 1 million smaller than that of the west midlands, but Hampshire will raise more through its precept, meaning it will experience budget growth as a result of the settlement, whereas even after a £12 council tax increase, West Midlands police will still be £12.5 million short of the money needed just to stand still.

Today's settlement is a ministerial announcement of a further cut to policing for the people of the west midlands. It will mean fewer officers, even less neighbourhood policing, slower response times and the closure of 28 police stations. We have heard a lot of talk about reserves, so let me be clear: other than the basic requirements for insurance and emergencies, West Midlands police's reserves will be exhausted by 2020. We spent what was in the kitty on making up for the earlier cuts; there is no secret hoard at Lloyd House. Of course, the Government are quick to argue that they have given extra money for counter-terrorism, but the Minister needs to recognise that £47 million of the £50 million received by West Midlands police has already been spent. Such policing costs £100,000 a day when the threat level is critical, and neighbourhood policing, which is already virtually non-existent in many of the communities that I represent, ceases to function altogether.

Our chief constable says that given the challenges his force faces, he cannot understand why, as the largest force in the country apart from the Met, we are spending below the national average per capita on policing. Basically, there is not enough money to provide a properly resourced police service in the west midlands. The public can no longer expect police protection when they need it. The 101 phone service is a joke, routine burglaries do not get a response, the clear-up rate is falling and public confidence is at an all-time low.

Some 92% of my constituents who responded to my recent crime survey said that the Government's reduction in the number of police officers had proved to be a false economy. Why will the Government not admit that they have got it wrong? How long will we have to put up with the "emperor's new clothes" farce we witnessed at Prime Minister's questions today? The Prime Minister must be the only person in this country who thinks that crime is falling, just as she was the only one who thought that stop-and-search powers were a bad idea. Well, try telling that to the parents of a knife crime victim.

The simple truth is that we cannot rely on the Government to keep dangerous rapists and violent criminals in prison after they are caught. We cannot rely on them to provide a properly resourced probation service to supervise criminals on the outside, and now we cannot rely on them to provide enough money to police our

towns and cities. Their record is one of total failure. The Minister should be apologising; he should be ashamed of himself.

2.50 pm

Peter Aldous (Waveney) (Con): Setting police budgets for 2018-19 has been a real challenge both for the Government and for local forces such as Suffolk constabulary. I recognise the significant amount of background work that my right hon. Friend the Minister carried out ahead of presenting his provisional proposals before Christmas. He visited and spoke to every police force in England and Wales so that he could obtain a better understanding of the demands that they face and how those can be best managed. I am grateful to him for the time that he spent with Suffolk colleagues, the police and crime commissioner for Suffolk, Tim Passmore, and me so that we could provide him with a full insight into the challenges faced by Suffolk police.

I understand that the Government, in arriving at their funding proposals, have identified national challenges to which it is important to give some priority, including complex and hidden crimes such as child exploitation and slavery, and the terrorism threat. It is right that additional funding has been allocated to address those national issues. That said, both the history and the future of good policing is local and community-based. It is important that the Government recognise the significant pressures that preparing a budget has presented to the police and crime commissioner for Suffolk.

Suffolk constabulary is the force with the highest caseload per officer in the country, at 150 per year, yet it receives one of the lowest funding settlements. A disproportionately high percentage of the county's funding is received through the council tax precept. At 42.6%, its figure is one of the highest in the country, and that compares with the national average for England of 32%.

While Suffolk constabulary is a well-run and efficient force, it has to contend with a significant number of modern-day pressures. To meet them, the police and crime commissioner is increasing the precept by 6.8%. The budget of the office of the commissioner, out of which important support services such as domestic violence support have been funded, has been reduced from £1.3 million to £936,000.

Suffolk is an efficient force that has produced a higher proportion of savings compared with its overall budget than any other constabulary in England and Wales. A collaboration with Norfolk is generating internal savings of £26 million a year. Eight buildings are now being shared with the fire service, and five more such arrangements are proposed. The PCC is starting work to refinance the private finance initiative contract that he inherited, which was agreed before 2010 at an original interest rate of a punitive 13%.

Suffolk constabulary is under significant pressure. It faces a significant increase in demand: emergency incidents are up 14%; domestic abuse is up 40% against a three-year average; serious sexual offences are up 50% on the same basis; cyber-crime is up, with 943 online crimes reported last year; and the number of missing people is up 12%. Against that backdrop, there is an urgent need to review the police funding formula. I welcome my right hon. Friend's commitment to do so, but I urge him to come up with a timetable for starting the review as soon as is practicable.

The current system, in which a disproportionately high level of funding is derived from the council tax precept, is unsustainable. Suffolk has to contend with a wide variety of modern pressures, including the county lines drugs and organised crime challenge, and a significant increase in its elderly population. Some 13,000 Suffolk citizens have been diagnosed with dementia, and that figure is predicted to rise by a further 40% by 2025. That places additional demands on police officers.

Police budgeting is a very difficult science, as events that can never be predicted will take place. One of those is the tragic case of Airman Corrie McKeague, who disappeared after a night out in the constituency of my hon. Friend the Member for Bury St Edmunds (Jo Churchill). Quite rightly, Suffolk constabulary has carried out an extensive search for Corrie, but very sadly it has not yet shed any light on his disappearance. The search has cost £2.15 million so far. An application has been made to the Home Office for the repayment of those costs, and I urge the Minister to process that application and to reimburse Suffolk constabulary as soon as practically possible.

A further unforeseen cost that Suffolk constabulary might have to bear arises out of its court case with Ipswich Town Football Club regarding the policing of roads around the ground on match days. Madam Deputy Speaker, I should declare that I am a lifetime supporter of Ipswich Town and a season ticket holder. Last week, the Supreme Court ruled that Suffolk police could not appeal the case and that it should cover the costs of such policing. That could well result in significant back payments to the football club for the period between 2008 to 2013. Personally, I do not agree with the decision, and I believe that it was wrong of the football club to pursue the case. On match days, the two roads—Portman Road and Sir Alf Ramsey Way—that surround the stadium are closed to traffic, and in my opinion they then become part of the stadium. I question whether it is morally right for the public and the taxpayer ultimately to pay for the policing of sporting and leisure events, which can generate significant revenues for the clubs or organisations involved. We are all aware of the enormous salaries paid to footballers, particularly those in the Premier League.

Last month, additional tickets were sold to away supporters for the match against Leeds United, for which Ipswich Town no doubt received additional revenue. There were some incidents, and an additional police presence was required close to the junction of Portman Road and Sir Alf Ramsey Way. It is wrong that the taxpayer has to pick up the bill. The Court's decision could have ramifications for police forces across the country, and I urge the Home Office to introduce legislation to address the problem as quickly as possible.

Producing police budgets for 2018-19 has been a major challenge for both the Government and Suffolk's police and crime commissioner. I recognise the pressures that the Government are under, but the system is very nearly at breaking point. Suffolk is traditionally a well-run rural force, but it is now having to deal with a wide variety of 21st century metropolitan challenges on an increasingly stretched budget. The unique nature of Suffolk, with the challenge of county lines and the demographics of an ageing population, means that policing in the county is under increased pressure. It is no longer reasonable for such a high percentage of the

policing budget to come from Suffolk council tax payers. The situation needs to change as soon as possible, so I urge the Government to instigate the funding review without further delay and as quickly as possible.

2.58 pm

Ben Lake (Ceredigion) (PC): I am grateful for the opportunity to speak. The debate has already touched on several very wide-ranging challenges that our police forces must face, but I will confine my remarks to three main issues. First, I wish to speak about how the settlement does little to address the struggles faced by the already underfunded and stretched police forces in Wales. I will then briefly reiterate the case for devolving policing to the Welsh Parliament in Cardiff. Finally, I want to raise an issue of which the Minister is, I hope, already aware: the complications that the apprenticeship levy is causing for Welsh police forces.

Members of the Government seem to have a problem with figures, whether that is £350 million for the NHS or £440 million extra for our police forces. Neither figure quite adds up, as the irrepressible North Wales police and crime commissioner, Arfon Jones, has made quite clear. This has already been discussed this afternoon, but it is worth reiterating that around £270 million of the £450 million supposed increase is accounted for by the Government allowing forces to levy higher precepts on council tax payers. The remaining £180 million is accounted for by the Home Office increasing central allocations. For North Wales police, the settlement means a real-terms cut of about £2 million. The police now face hard decisions on whether to implement further—and perhaps dangerous—budget reductions, or to increase the council tax precept, which hits constituents who are already feeling the pressure on their finances.

The police and crime commissioner for Dyfed-Powys police, Dafydd Llywelyn, has done an excellent job of retaining the number of police officers in his force in recent years, despite budgetary pressures and the growing demands that the police now face. We have already heard a lot about the new and changing challenges that our police forces must address, and he has employed an innovative approach in an attempt to cater for those new challenges. He has invested in such things as body cameras and better mobile technology, and established one of the best cyber-crime teams in the United Kingdom. However, I am told that keeping his budget in the black and maintaining the number of officers on the beat is becoming an impossible task.

The settlement subtly shifts the burden of funding from central Government to the local taxpayer, forcing PCCs to make an unenviable choice of cutting police numbers and putting their constituents at risk, or increasing council tax in already hard-pressed communities. It is patently clear that this is not a sustainable or fair settlement.

Of course, the police forces of Wales have been underfunded for years. There are now 750 fewer police officers in Wales than there were in 2010, which represents a drop of about 10% since the Conservatives took office. I would be hard pressed to find residents or communities across Wales, particularly in rural Wales, who have not witnessed the closure of either a local police station or the station desk. Central Wales, and particularly my area of Ceredigion, suffers the unique challenges of rural policing.

[Ben Lake]

Responsibility for our policing policy is still retained here in Westminster, hundreds of miles away from the police forces that are carrying out their duties. Unlike in Scotland or Northern Ireland, our underpowered Welsh Parliament does not even have a semblance of the control required to deliver the policing that our communities need. It is not just those powers that would be boosted by the devolution of policing. Figures provided by Welsh police forces indicate that if policing was devolved and funded on a population basis, as is the case for other services, police forces in Wales would be better off to the tune of around £25 million a year.

The failure to comprehend the current devolution settlement is exemplified by my final point. My hon. Friend the Member for Dwyfor Meirionnydd (Liz Saville Roberts) has exposed a potentially devastating funding dispute that is born of confusion surrounding Welsh devolution and the apprenticeship levy. The apprenticeship levy, which Welsh police forces are of course subject to, is one of the main sources of funding to train the next generation of police officers, but despite having to pay millions into the levy, Welsh police forces are yet to receive a penny from it. This is down to a dispute between the Welsh and UK Governments. The Government at this end of the M4 claim that as training is devolved, the Welsh Government are responsible for the funding of training and apprenticeships. The Welsh Government, on the other hand, claim that the funding of officers' training and apprenticeships is a matter for Westminster because policing is a reserved matter.

As I have noted, Welsh police forces are already under significant financial pressure. Whether this impasse is a product of incompetence or error, or a consequence of some political gamesmanship, it will mean fewer police officers on Welsh streets. We desperately need to overcome this impasse, so I would be most grateful if the Minister would update the House on the matter, particularly regarding what progress has been made to overcome this problem.

PCCs of all political colours have expressed their dismay with the police grant. Westminster's apathy for Wales has never been more evident than when it comes to our police forces. My final request is that the Minister again considers the case for devolving policing to the Welsh Parliament and giving Wales the power to address its own policing needs. With our Welsh Parliament powerless to change things and central funding falling short of a level that could reasonably be considered fair, Welsh police forces face a difficult future indeed.

3.4 pm

Charlie Elphicke (Dover) (Ind): It is a pleasure to speak in this debate.

It goes without saying that the work of the police in keeping us all safe and secure is so incredibly important. They deserve our thanks for all their work. One of the cornerstones of our way of life and our society is that our police forces are independent, professional and do their job in line with their duties. We should all be proud of what they do. I support the work of the police in dealing with the threats that face the nation, including their counter-terrorism work. We should support and praise the work of special branch and MI5. It is important, on occasion, that some of our officers are armed and

able to protect us from the most serious and grave threats. I hope that the whole House will unite in thanking all arms of the police for their important work. Having been under attack here ourselves, we know very well the importance of their work.

I will particularly talk about the work of Kent police and Kent's police and crime commissioner, Matthew Scott. He has been in office since the last police and crime commissioner elections, and has been successful in increasing the number of police officers. Since his election in May 2016, he has worked hard with the funding available to get 80 extra police officers and has protected PCSO numbers at 300, when other police forces have sadly seen fit to reduce them. And he has managed to do this despite having only 12% in reserves.

Now, when I was listening to the discussion about reserves, I thought of a parable. I do not know whether anyone else in this place went to Sunday school, but I did, and that is where I heard the parable of the talents. In that story, the master goes away and leaves his servants with some talents. One of the servants spends the talents wisely and uses them productively to further the important work of the master. Another buries them in the ground and leaves them there to do nothing. The discussion about reserves is a bit like that; reserves do not exist just to sit there for a rainy day, on the off chance that something happens. Reserves are to be used. They ensure that we have the money to spend to help keep us safe and secure. Kent's PCC has been assiduous in doing that. Kent police only have about 10% in reserves, but he has been spending money to get more officers on the beat and on the frontline to keep our towns, villages and communities safe and secure. Money should be spent on the frontline of policing, not just left to rot in a bank.

It is important that we celebrate the ambitions of the police and crime commissioner of Kent to get a further 200 officers on the beat. He is not unrealistic. He told me that this cannot go on forever, saying, "We can't keep digging into our reserves because we basically don't have any left." He knows that the police will need further funding in the future, but for now the settlement is a good one that he is happy to support. I take his advice because he knows best how to spend money efficiently, wisely and well, he knows how to get the best out of the frontline, and he has ambitions to improve the safety and security of Kent. In our discussions, I have told him how important it is that we have more police on the frontline in Dover and Deal, especially when it comes to these 200 officers who he has the ambition to recruit. I have made a particularly strong case that we should have more police officers in the town of Deal.

At various points in this debate we have heard about the accessibility of the police. We had an unfortunate situation in the past, which came into being under the independent police and crime commissioner that we had for a while in Kent. At that point, there were just two hours of desk time for the residents of Deal to be able to see the police in the local police station. I have been making the case that the funding the commissioner will have should be used to increase the amount of desk time from two hours to four or five hours each day, and ideally for six days a week, rather than five. People would then be able to discuss their concerns with police personnel and would feel that the police were much more in the heart of the community and more accessible—

face to face, not just over a telephone. I have been making this case to the commissioner and I hope he will take heed.

I am pleased that Kent has seen an increase in its allocation from £279.3 million to £288 million, which is a £8.7 million increase. And I am pleased that Kent police are not like the wasteful servants that we hear about so much—pleaded for by the Opposition, who like to bury their reserves. Kent's police and crime commissioner spends his reserves to ensure that we are doing things on the frontline.

Mr Kevan Jones *rose*—

Charlie Elphicke: I will finish in a moment, but I will first give way to the hon. Gentleman. I cannot resist giving way in order to listen to the points he makes.

Mr Jones: The recommended level is 5%. The hon. Gentleman has already told us that his own authority has 10%, so what is he doing with his 5% buried away somewhere?

Charlie Elphicke: I am, as ever, very tempted by the hon. Gentleman. I think that 10% is pretty much at the bottom of the table. [HON. MEMBERS: “No, it's not.”] It pretty much is. Places like Gwent, at about 42%, are very high up. Indeed, Durham is at 12%.

Mr Jones *rose*—

Charlie Elphicke: I will not take a further intervention, but I will say that Kent has been dealing with its reserves and is minded to continue to be very efficient in that way.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op) *rose*—

Charlie Elphicke: I will take an intervention from the hon. Gentleman.

Mr Bailey: I have difficulty in following the logic of the hon. Gentleman's argument. Having praised his local police authority and said that police authorities should be spending their reserves, can he explain how his authority is keeping 10%, which is double what the National Audit Office says is the appropriate recommended level?

Charlie Elphicke: I thank the hon. Gentleman for making that point. I gently point out to him that the average reserve level is 15% overall, so Kent is well below the average. The PCC is saying that he can continue to manage as things are for the next year, but that in due course this opportunity is going to be exhausted and there will need to be greater scope—and of course there will. That is important, but it is also important that we do not just bury our talents in the soil but use them effectively, wisely, and well.

The Minister and the Government were right to reject representations from Labour Members at various points that the police budget should be cut by 10%, and right to reject unfunded spending commitments. We hear about how 10,000 police people can just be magicked out of the ground with no basis on which to fund that spending. There are two important elements. First, we must have a sense of reality. Secondly, we must make sure that we support the police in what they do: give them

adequate resources; do not just have reserves mouldering away in the bank; and concentrate resources on the frontline, with more officers on the beat in Dover, Deal, across Kent, and across the nation.

3.12 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): It is a pleasure to follow the hon. Member for Dover (Charlie Elphicke), although I found it hard to understand how he could be praising his police authority for not practising what he was preaching.

I will try to take a consensual approach.

Mr Kevan Jones: Why?

Mr Bailey: Well, in common with other Members on both sides of the House, I have taken part in the police service parliamentary scheme, and, having done that, I would have thought that we would all be united in our admiration for the sheer professionalism, dedication, commitment, skill and expertise of our police forces.

Having started on that consensual note, I will move on. I make no apologies whatsoever for standing up, in line with other west midlands Members of Parliament, to criticise this settlement in the context of what West Midlands police are going to get and what their needs are going to be. My hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe) outlined some of the key statistics, and I will not repeat them. What it amounts to is that, following this cash-plus precept settlement, there will be a £12.5 million gap in what is needed to sustain the current level of service. It could lead to the closure of 18 police stations. West Midlands police force has lost over 2,000 officers, and it is difficult to see how it could go on without losing more.

The key issue is the funding model that the Government are developing for the police in areas such as the west midlands. If there is an annual flat grant, which effectively means that we lose the real value of that grant by a certain percentage every year, allied with a maximum on the precept, then the areas with the lowest-value property profiles—nearly always urban areas with lower-income people and often higher crime rates—will become disproportionately disadvantaged year on year. That is the situation that is developing in the west midlands. A rise in council tax in the west midlands will raise £3.35 per person. In Surrey, it raises £6.42 per person. That is why we see other anomalies such as Hampshire, which, with almost 1 million fewer residents, has a larger increase in its settlement arising from the precept than areas such as the west midlands.

Mr Jim Cunningham (Coventry South) (Lab): I am sure that my hon. Friend would agree that a reserve can be spent only once. More importantly, all the West Midlands police divisions have gone now, including in Coventry, so nobody really knows who to point the finger at. I have had meetings with the police on this. The public in Coventry, and in the rest of the west midlands, are becoming very concerned about the fact that there is a lack of policemen, but, more importantly, that the funding formula is grossly unfair to the west midlands.

Mr Bailey: I agree with everything that my hon. Friend says. Indeed, he leads me on to my next point.

[Mr Bailey]

We can bandy statistics around, but what matters in the end is the perception of the people who work in the police force and the perception of the public who experience the service it provides. Find me an area in the west midlands policing zone where local people will not complain of a reduction in the frontline neighbourhood policing in their area. Find me an area in the west midlands that has not seen an increase in crime rates and a lowering in satisfaction with the service.

For me, that was reinforced when, six months ago, a middle-ranking policeman asked to come and see me. He explained that he had joined the force over 10 years ago, risen in the ranks, and found it incredibly satisfying, but was going to have to leave. The strains on him, the public expectations of what he could deliver, and how demoralised he was feeling because he knew that he could not deliver were such that he could face it no more. That may be a one-off, but I am worried by the fact that the chief constable and the police commissioner reiterate to me everything that officer cited as his reasons for leaving when they describe the overall funding statistics for their service.

Dr David Drew (Stroud) (Lab/Co-op): If the West Midlands force is like Gloucestershire's, at weekends it is almost held together with specials. Without those specials, the police could not do nearly as much as they try to do on a normal weekend. Does my hon. Friend agree?

Mr Bailey: Yes. My hon. Friend raises an important point. Increasingly, the police are becoming dependent on the activities of specials and others. Again, I pay enormous tribute to them, but obviously there comes a critical balance when one thinks, "Is this the correct way forward?"

Another aspect of the West Midlands police budget is funding for counter-terrorism. The force has been particularly hard hit over the past year. It had to freeze neighbourhood policing during that time, for the very good reason that it has had to devote resources to counter-terrorism. With depleted numbers of officers and huge additional burdens being placed on the service, for very good and strategic reasons—the protection of the public—something has to give. That is worrying, because there should not be a choice between counter-terrorism policing and neighbourhood policing; the one is complementary to the other.

I would like to give a very good example of that in the west midlands that is of particular significance to me. Only a few years ago, the Ukrainian terrorist Pavlo Lapshyn was arrested and tried after he had killed Mohammed Saleem in Walsall. That same terrorist placed a nail bomb outside a mosque in my constituency. It went off, and had it not been for the fact that the worshippers at the mosque had changed the time of their service, the casualty numbers could have been enormous. That case highlights the significance of neighbourhood policing, because it was the information provided to local police forces by local people that enabled the man to be arrested and brought to justice. One wonders whether that would happen today, given the current level of neighbourhood policing. In any case, it underlines the point that without frontline neighbourhood policing—people engaging every day

with the communities in their local areas—the efforts of the counter-terrorist police will be blunted. They need the work of neighbourhood police.

I conclude by emphasising that I am sticking up for the West Midlands police. They do a fantastic job in a multicultural area with a lot of low-income people and great challenges. The people of the west midlands and the police that look after them deserve a funding formula that will give them the resources necessary to adequately meet the expectations of local people, so that they can live in the security that they are entitled to expect.

3.21 pm

Anne Marie Morris (Newton Abbot) (Con): I, too, would certainly like to pay tribute to my local force, Devon and Cornwall, which does a fantastic job in very difficult circumstances. Rural constituencies have the extra challenges of distance and a lack of good infrastructure, particularly broadband. If hon. Members looked at the roads there, they would understand why there is a real challenge.

I have talked to my PCC, Alison Hernandez, and she would like me to say thank you to the Government, for two reasons. First, she is pleased that they have listened specifically to a request for flexibility. As a consequence, the police precept will go up by 6.8%—the maximum—but I would take issue with those who say that it is inappropriate that the increase will come out of the taxpayers' pockets. After all, mainstream tax also comes out of all taxpayers' pockets. This at least ensures that we know the precept money will be spent on policing.

Mr Kevan Jones: I am very interested by that. Will the hon. Lady put out leaflets in her constituency to tell her constituents that tonight she has voted for her local council's policing precept to go up?

Anne Marie Morris: Absolutely, and I shall tell the hon. Gentleman why—although I am not going to put it in a leaflet. The point is that people on the streets are saying that they are prepared to pay for health and social care, education and policing. What they do not like is non-specific tax rises that they think will be spent on things that they do not really value.

Mike Amesbury (Weaver Vale) (Lab): Will the hon. Lady give way?

Anne Marie Morris: No; I have taken one intervention and, given the time and how many Members wish to speak, I will carry on.

My PCC was also pleased that, this time, the final settlement took account of the increase in housing numbers. In the past, that has not been done and that has meant a lower settlement. However, it is clear that many challenges are ongoing because, as the Minister rightly said, the nature of crime has changed. We have increased terrorism and cyber-crime—indeed, even in Devon, someone is more likely to be the victim of cyber-crime than of a physical violent crime—so it is right that we increase our investment in those areas.

When I talk to schoolteachers and my local police force, however, I learn that there has been a subtle change—again—and that violent crime is increasing, although it is of a different nature. Burglaries were going down, but are now going back up again. More

worrying is street crime. A gang culture is growing, and if it is growing in Devon I am sure it is also growing everywhere else. To deal with that, we need more bobbies on the beat. The police also need greater resources. One of the tools for dealing with the issue is dispersal orders, but these days they are for a relatively short time—a matter of 24 or 48 hours—whereas they used to be for days, weeks or, in some cases, months. The police tell me that it is difficult to deal with gang culture because they do not have the tools that they need. That is an issue that the Minister might look at.

In my surgeries, it is clear that one of the biggest growing issues is antisocial behaviour, which Opposition Members have also mentioned. We will have to think long and hard about how we deal with that, because at the moment it is not seen as a crime per se, so it is batted between local authorities and the police and nobody really deals with it.

One of the new crimes that most certainly requires more bobbies on the beat is modern-day slavery. It is of particular interest to me, because the police lead on it is in Devon. For us, sorting out modern-day slavery is very important. Members might ask, “Does that really happen in Devon?” Yes, it does. We have significant levels of prostitution, as well as people enslaved in processing factories and in agriculture. Most research suggests that the number of people in slavery is significantly under-recognised and under-reported, but the only way we will find many of the individuals suffering from this horrendous crime is through bobbies on the beat who know what is going on in their local area. We need to think again about how we can be clever and get more bobbies on the beat.

I am sure that the proposed merger between Dorset police and Devon and Cornwall police will make a big difference. They already work closely together, and the proposal has my support. I hope that the Government will also support it. One point that my PCC would like the Government to consider is how we might find additional funding for the police. Her suggestion is that the Minister might look at business rates. At the moment other emergency services, especially fire, get a share of the business rates, but the police do not. That is particularly relevant in my constituency, because we were lucky enough to get into the pilot for local authorities to retain 100% of rates.

I shall summarise by saying, “Overall, in the circumstances, well done.” The local police do a fantastic job, and they are pleased by the greater flexibility. However, I think they would echo the comments made by Opposition Members that the funding formula has to be reviewed. Whatever it is like in the west midlands, in rural areas of Devon there are real challenges that the current funding formula simply does not meet. A review is needed that recognises that the challenges of today are very different from those of 20 years ago.

3.28 pm

Julie Cooper (Burnley) (Lab): I am grateful for the opportunity to take part in this debate and to follow the hon. Member for Newton Abbot (Anne Marie Morris), although I am not sure I quite agree with all her points. I would like to begin by thanking Lancashire’s police and crime commissioner, Lancashire’s chief constable, and the policemen and policewomen who serve so diligently and professionally to keep us all safe. The

work they do is essential. On behalf of them and the people of my constituency, I would like to challenge a couple of assertions that the Government continue to make.

The first assertion is that crime is falling. In Lancashire, the number of police officers is certainly falling: we have 1,200 fewer police officers than there were in 2010. As for Government Members’ comments on what Labour would do, actions speak louder than words. When we left government, Lancashire had 1,200 more police officers—the Government’s action has been to reduce the number of police officers in Lancashire by 1,200. At the same time, crime is increasing. In Lancashire, hate crime increased by 22% last year, fraud by 15%, knife crime by 32%, domestic abuse-related crime by 20% and theft by 18.9%, and senior police officers have commented on the tsunami of cyber-crime that is currently only part-measured. The number of police officers is falling and crime is rising.

The second assertion I would like to challenge is that police funding is protected and rising. That is incorrect. To come anywhere close to existing budgets by applying the full allowable precept would raise only £6.1 million but amount to a 7.25% increase in precept for the taxpayers in my constituency and across Lancashire. The fact is that since 2010, Lancashire constabulary has been required to make savings of £72 million, with an additional £17 million to come by 2020. The only way it can anywhere near continue to function is by asking people in my constituency to accept higher levels of crime and to pay for the privilege.

Mention has been made of reserves. I really am flabbergasted to hear the comments of Conservative Members about burying reserves. Burying their heads in the sand would be a more appropriate assessment of what is going on. Am I really hearing correctly that those on the Government Benches want us to run a service as important as the police on reserves? That is no responsible way to plan for a vital service. In Lancashire, earmarked reserves are kept for the modernisation of the force, so that it can attempt, in the face of so many challenges, to keep one step ahead of the criminals and adapt to the changing nature of crime. General reserves remain just below the required 5%. It is a good job that the Lancashire constabulary has been so prudent, because in the past 12 months it has been required to foot the £5.9 million bill for policing fracking in Lancashire. Goodness knows where the funding would have come from to pay for that had Lancashire not been so prudent.

Chief constables across the country, including in Lancashire, are saying that it is more difficult now to keep the public safe. The recently retired chief constable of Lancashire said that he could not guarantee keeping people safe on current budgets. People in my constituency of Burnley have the second-highest level of crime in Lancashire, and crime is rising across all areas of my constituency. My constituents will now be faced with paying more in council tax. They are taxpayers, and I value taxpayers’ money, as do they, but I question the service they are getting for their contribution.

If the Government, as is their right, no longer prioritise police forces and the safety of the people, they ought at the very least to be honest about it, instead of trying to delude the British public.

3.33 pm

Jack Dromey (Birmingham, Erdington) (Lab): I pay tribute to my hon. Friend the Member for Sheffield, Heeley (Louise Haigh), who in her magnificent speech spoke up for our police service, spoke up for our country, and spoke up for the safety and security of our citizens. She was absolutely right to do that, because the first duty of any Government is the safety and security of their citizens. That was a responsibility we took deadly seriously when we were in government. The development, with the police, of the British model of policing—neighbourhood policing, 17,000 extra police officers and 16,000 police community support officers—saw crime fall by 43%. That progress has now been slammed into reverse, with 21,000 gone nationally and 2,000 in the west midlands. If we look at the most recent statistics in the west midlands, we see that there has been a 14% overall increase in crime, with increases of 15% in gun crime, 17% in knife crime, 31% in serious acquisitive crime and 8% in domestic violence.

What planet do Conservative Members live on? Do they not hear from their communities the concerns that we hear? I remember a packed public meeting I called on 24 November, with our admirable police and crime commissioner David Jamieson, together with the leadership of our police service. There was complete dismay among local people about rising crime. There had been eight serious incidents in a matter of months involving knife crime, gun crime and machetes, and there were concerns that we never see our police any longer. One after the other, people said, “We are frightened,” and older people in particular said, “We are frightened to go out after night falls.”

Mr Jim Cunningham: I will give my hon. Friend an example. Last week there was a public meeting in the Willenhall area of Coventry, and the police more or less said that there was a shortage of policemen in that area. That is a typical example. The public are seriously concerned about rising crime in that area and other parts of my constituency, and they want something done. They want more policemen and no more alibis from the Government.

Jack Dromey: My hon. Friend puts it well—more police officers, not more alibis. I will come to that in one moment.

The consequences being felt by the British public are ever more serious. One police officer said to me, “Jack, I hate to say this, but increasingly some criminals feel free rein, because there just aren’t enough of us any longer to keep the community safe.” In terms of response times, domestic violence victims are having to wait from four hours until the following day for the police to turn up, when they are desperate for the safety that the police bring.

The hollowing out of neighbourhood policing—that great British model of policing celebrated worldwide, which Labour built in government—is having increasingly serious consequences. On the one hand, neighbourhood policing is about not just the detection of crime but working with the community to prevent crime in the first place. On the other hand, it is crucial to counter-terrorism, as it is the eyes and ears of the counter-terrorist effort. We face the most serious threat to our country in a generation, from terrorism inspired by ISIS and al-Qaeda

and from far-right terrorism, which now accounts for 15% of terrorist threats. Time and again, the heads of counter-terrorism units right across the country say the same thing: neighbourhood policing is vital to keeping the public safe and stopping the terrorist threat.

My hon. Friend the Member for West Bromwich West (Mr Bailey) was right when he said that such are the demands upon the West Midlands police service, including surge capacity after terrorist attacks, that it had to suspend neighbourhood policing for an entire month. It is little wonder that the people in the communities concerned express utter dismay and ask, “Where are our police officers?”

We heard a series of assertions from Conservative Members. In essence, their mantra is, “We have cut police, but we have cut crime and protected police budgets, and ours has been a fair approach.” The assertion about cutting crime is not true. The stats on recorded crime have been substantially cleaned up, but the Office for National Statistics has intervened to ensure that in future, we also take account of cyber-crime, which was not previously included in the statistics. Incidentally, cyber-crime has a low level of reporting, but if we included the estimates for it, we would see the crime figures go up by in excess of 25%. That is all the more serious now, because a person is more likely to be mugged online than on the street.

The assertion about protecting police budgets is not true. West Midlands police has suffered £140 million of cuts to its budget. It needed £22 million this year just to stand still. Instead, all it has been able to get is the £9.5 million thrown up by the precept. That means a real-terms cut of £12.5 million. It is little wonder that Her Majesty’s inspectorate of constabulary has estimated that 359 more police officers will go in the west midlands. Our PCC has said that 28 police stations have already closed and more are likely to close.

As for this nonsense about a fair approach, I completely agree with my hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe). In his powerful speech, he argued that if we compare the treatment of the west midlands to that of the leafy shires of Surrey and Hampshire, nothing could be further from the truth than the idea of a fair approach.

Turning to the police service itself, as the thin blue line is stretched ever thinner, our police officers are paying the price. I want to pay tribute to them for the work they do and the heroism of their approach. I remember police officers chasing an armed robber who had hijacked a car and driven off with two young children in the back seat. Putting their lives at risk to keep those kids safe and recover them for their mum and dad, they ran towards danger. That is the nature of their job and the nature of their heroism.

Police officers pay a price in their own physical security—a police officer in Birmingham was stabbed in the neck as he effected an arrest on 12 December—but also in stress, sickness and despair. The statistics on the impact on the police service of their having to do ever more with ever less resource are profoundly depressing.

So many police officers have paid the price with their own jobs. Some of the most heartbreaking occasions I remember were when the West Midlands police had to use regulation A19 to retire police officers aged 51, 52 or 53 who had 30 years of service. Some of the finest

police officers one would ever want to meet—they were doing an outstanding job and they loved their job—were forced to retire because of Government cuts. Let us hear no more about “We have cut crime” or “We have protected budgets”, because nothing could be further from the truth.

May I say in conclusion that I listened in disbelief to the cavalier disregard not of the Minister, although I fundamentally disagree with what he has said, but of the Prime Minister earlier? I have to ask: does she not hear the same concerns that we hear? As a senior police officer put it to me, is she deaf to reason? Does she ever meet local people and listen to their concerns? If she did, she would hear about the same experiences that I and everyone else on the Opposition Benches has heard about. I remember a woman who has lived in Perry Common for 44 years saying, “I don’t go out after dark any longer”. Local shopkeepers who have been robbed at knifepoint told me, “People are afraid to come out after dark, and it’s affecting our business”. A woman from the Slade Road area said, “I’ve lived here for 60 years, and I love the area, which I was brought up in, but I no longer feel safe”.

I must say in all frankness that it is simply not good enough to hear Conservative Members praise the police service and then preside over the biggest cuts in policing history. Forgive me if I put this bluntly, but the consequences are that, ultimately, people will die who might otherwise have lived, people will suffer injury who might otherwise have walked in safety and people will have their house burgled who might otherwise have enjoyed security in their home. The consequences could not be more serious. The Government have got it fundamentally wrong, and Opposition Members are absolutely determined to stand up for that first duty—the safety and security of the British people—and stand up for our police service.

3.43 pm

Mr Kevan Jones (North Durham) (Lab): Can we be clear what is being done with this settlement this afternoon? We are seeing a fundamental change in the way our police in this country are funded—moving funding from central Government to local taxpayers. My hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe) quite rightly said that what the Government have announced today is a cut in central Government funding. It is a flat cash settlement, if we look at and take into account inflation and other things.

This is the first time I have ever seen such a parade of Conservative MPs with the duo from Dorset—the hon. Members for South Dorset (Richard Drax) and for North Dorset (Simon Hoare)—saying how they welcomed the settlement, and with the remarkable statement from the hon. Member for Newton Abbot (Anne Marie Morris) that she will say on a leaflet to her constituents that she is voting to put up their taxes. It is the first time I have ever heard a Conservative MP say they were going to put up taxes, but that is what we are actually doing.

My hon. Friend the Member for Birmingham, Erdington (Jack Dromey) is correct that this is not just about what is happening now; it is about what has been happening over the past seven years. The Prime Minister’s crime sheet, when she was Home Secretary, speaks for itself: a 5% reduction in the central Government grant for policing

every single year, aided and abetted by the Liberal Democrats. In Durham, that has meant 350 fewer officers and 150 fewer support officers.

Mike Hill (Hartlepool) (Lab): Cleveland police, who share many services with the neighbouring Durham constabulary, have also seen such cuts. Does my hon. Friend agree that 500 fewer police officers—the boots on the ground—over the past seven years is intolerable?

Mr Jones: Yes, but that is what is happening on the ground. We hear all this guff and rhetoric from the Government about how they are somehow protecting frontline policing, but it is frontline officers who we are losing, and it is frontline officers who my constituents want to see on the streets.

We are told that local people will be quite happy to have their council tax increased. The proposal is for a flat increase in the precept of £12 a year across band D properties. The Government argue that that is fair, but for Durham it is completely unfair. Durham relies on central Government grant for 75% of its funding, so because of the makeup of council tax bands for properties in Durham, a £1 increase would increase expenditure by £46 per head of population. In Thames Valley, the figure would be £60, and in Surrey, it would be nearly £90. If the system is reliant on local council tax bands, the local precept that the police and crime commissioner can raise in some areas is severely limited. The Minister said that police and crime commissioners are welcoming this. Well, they have to be, because it is the only way they will plug the funding gap that is being created by the Government.

The other thing that is unfair is how this actually falls. In Durham, for example, 55% of properties are in band A, so if the police and crime commissioner increases the precept by the maximum, which he will have to do, that will raise £2 million, £800,000 of which will come from band A properties, and just £62,000 of which will come from band H properties. That is fundamentally unfair. The system means that those who are least able to pay will end up paying more. It is no good the Minister saying that he is protecting funding, because he is pushing that on to local taxpayers and in some cases on to the poorest in our society, who cannot afford to pay.

We have been promised a review of police funding, which clearly has been kicked well into the long grass. What we have tonight is a start, because no doubt next year we will have the same: flat cash again and more being pushed on to local taxpayers, and no doubt we will be told that the police budget is increasing.

A lot of nonsense has been talked about reserves. I thought that this crime had been ditched when George Osborne left this place, because he often criticised local councils for having reserves. He made the fundamental mistake—I learnt this many years ago in local government—of mixing capital and revenue, as this lot on the Government Benches seem to do willy-nilly. The hon. Member for Dover (Charlie Elphicke) used a biblical reference, but I did not quite understand what he was talking about. Let me put the record straight on Durham. Durham has £5.7 million in general reserves, which is about 5% of the budget, so exactly what it should have.

[Mr Kevan Jones]

We also have to consider earmarked reserves, which are for things that will increase efficiency. For example, Durham has another £5.6 million that it will be investing in modernising the force. In the recent period, the force has spent £10 million of its reserve paying off its pension liability, saving it some £850,000 a year. It has also had to use some reserves for the £4 million cost of the Medomsley inquiry, which is a very serious investigation that the force is undertaking. If reserves are used, they should be used cleverly and to make efficiencies. As hon. Members have said, when they are gone, they are gone. They cannot just be reinvented. What we are seeing today is a fundamental change. No doubt, the same situation will come back next year.

Let me come to counter-terrorism. It is right to put more money into counter-terrorism, but as hon. Members said, if we cut back on neighbourhood policing, that will have a direct effect on the police's ability to counter the radicalisation that is taking place in some communities. I welcome the £50 million that is being brought forward, but I hasten to add that the request was for double that—£104 million—and I am interested to know why the Government are not meeting that requirement. I would like to know how the money is being used for regional forces. Durham, for example, has had to use some of its budget to fill the gap on the demand for counter-terrorism work. It would be interesting to hear how the £50 million will be spread across forces.

Although this is a terrible settlement, I think that my Front Benchers have given the Conservative party a great weapon to beat us with by deciding to vote against the entire settlement. The only thing that Conservative Members will use is that we voted against the £50 million for counter-terrorism. A lot of things in the settlement are fundamentally wrong for our communities. Forces such as Durham—one of the few forces that is not only outstanding, but outstanding in terms of efficiencies—have made the efficiencies that they can make and cannot cut back any more. If the settlement process continues, as I suspect it will, and each year the central Government grant is cut and more is put on local forces, places such as Durham will be completely disadvantaged. Promises have been made about reviewing the funding formula, but we are yet to see that. Without it, places such as Durham will find it more difficult to put in place not the policing that someone has arbitrarily decided is needed, but the policing that local people demand of their local police.

I pay tribute to the men and women of our police force. They do an extraordinary job and do things that many of us would not even dream of doing. In Durham, I congratulate the police and crime commissioner Ron Hogg on his leadership, as well as the chief constable, the men and women of the force on their work that they do, and the support staff behind them.

Let us be clear about what is being done: local people are being asked to pay for this increase. The Minister says that we have an increase in police funding. Yes, we have, but people will pay more tax locally. The Conservatives will vote later to increase the taxes of many poor people across the country to pay for policing. That is a fundamental change, and it is about time that the Government were honest about what they have been doing with policing and the cuts—[*Interruption.*] Does the Minister want to intervene?

Mr Hurd: No, no.

Mr Jones: Doubled policing revenue—yes, he has, but not at central Government level. The Minister cannot get away from the fact that he is cutting the central Government grant and cutting numbers. I quite like him as an individual, but people are not stupid—they will see through this—and I look forward to him telling his local constituents and others that the Government are voting for a tax rise for them today, because that is exactly what he is doing.

In conclusion, this is a thoroughly bad settlement. We need a fundamental change in police funding, because if we do not have that, this system will lead to more and more cuts at local police level and a very unfair system.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I have to reduce the time limit to nine minutes.

3.54 pm

Wes Streeting (Ilford North) (Lab): It is a pleasure to follow my hon. Friend the Member for North Durham (Mr Jones) and to support the shadow Policing Minister, my hon. Friend the Member for Sheffield, Heeley (Louise Haigh), who has done a fantastic job holding the Government to account for the cuts that are blighting our communities.

On Sunday afternoon, I attended a community meeting at Glade Primary School in my constituency about burglary, which has been blighting the lives and safety of residents in Clayhall and right across my community for not just weeks but months and years. I arrived expecting to find dozens of residents ready to speak about their experiences, but there were well over 300 people gathered at the primary school—so many that we had to gather in the playground, where, one by one, they described their experiences as victims of crime in our community and their demand that we do something about it.

We heard from a mother who described her family's situation following a burglary. She said:

“My 11-year-old does not keep fiction books under the bed – do you know what he keeps? He keeps hockey sticks. He has an evacuation plan where he takes his seven-year-old sister and a phone to the bathroom if we get burgled. We shouldn't feel this unsafe in our own home.”

Another resident said that her children were also talking about action plans, adding:

“It is not a matter of if, but when our house will be burgled. We feel like we are just waiting for our turn. What are we meant to do if someone tries to get in, the police don't come out when we call 999 – what practically can we do?”

I will never forget the woman, a victim of burglary, who came to my surgery and told me she slept under her living room window because she was frightened that if she slept in the bedroom people would burgle her house. She is probably looking with horror at the most recent reports of aggravated burglary in my constituency. These thugs do not care whether a home is occupied, as a family in Peel Place discovered when five thugs entered their home, hit their 11-year-old boy with a hammer, held the father down and repeatedly cut his hand with a knife. These are not one-off examples; this is an accurate picture of the burglary that is making my constituents' lives an absolute misery.

Our London Borough of Redbridge has one of the highest burglary rates in London. Tonight, Redbridge Council enforcement officers will be out patrolling the streets, on foot and by car, doing the job that the police should be doing, so I ask the Minister the question that residents asked on Sunday afternoon: where are our police? I can tell the residents where they are. Many will be unemployed or seeking other work. Police numbers are now at their lowest levels in three decades. In London, we have lost 2,600 officers and 3,000 PCSOs and £700 million has been lost from the Metropolitan police budget.

We can see the impact on crime. It is up almost 16% in Redbridge. Violent crime and knife crime are up in my community and right across London. In spite of the nakedly party political attempts by the Conservative party to lay the blame at the door of the Mayor of London, people know, from this debate and from police and crime statistics from across the country, that violent crime and knife crime are rising not only in London but in cities right across our country. Those cities have one thing in common: the level of cuts inflicted on them by the Home Office. It is an absolute disgrace. As one Conservative councillor said on Sunday afternoon, "I expected our lot to make cuts, but I never believed they would cut the Army and the police." Is that not the truth? Whether people vote Conservative or Labour or for another party, they do not expect to see the Conservative party inflicting real-terms cuts on the police service. Perhaps that is why barely half a dozen Back-Bench Conservative MPs could be found this afternoon to come in and support the Minister. The great amassed numbers on the Conservative Benches know that what the Government are doing to policing in our country is wrong, and we are seeing the consequences, with rising crime in our communities.

What does that mean in practice for victims of burglary? As residents said on Sunday afternoon, it means that when they dial 999, no one comes; that although forensics turn up a few days later, they never actually see the copper they think will be investigating the crime; that when they dial 111 to report back intelligence, no one answers; that people are smoking and dealing drugs with impunity on street corners in broad daylight; that boy racers can tear down Woodford Avenue knowing that there will not be a police car to pursue them; and that burglars have the front to break into people's homes while they are in knowing that, even if they or their neighbours dial 999, the chances are they will be in and out before a police officer responds.

The Parliamentary Under-Secretary of State for Work and Pensions (Kit Malthouse): Why doesn't he speak to Sadiq Khan?

Wes Streeting: And how dare Ministers talk about Labour's record on crime and counter-terrorism? Members should look at our record in government of funding the police adequately and then look at this shambles of a police grant, which provides barely 50% of what the Metropolitan police asked for to tackle terrorism. We are facing an unprecedented terror threat. We saw it last year with the attacks on this place, across London and in Greater Manchester, and we know that the nature of the terror threat evolves all the time. How on earth can

the Minister stand at that Dispatch Box and defend a police grant that would fund barely half of what the Metropolitan police asked for?

The fact is that the Conservative Government are presenting a proposal that no one should support. We should send them back to the drawing board and tell them to come back with a proper plan to protect our communities with adequate funding that does not leave my constituents paying high levels of council tax for a service that is not as good as the one that they had before.

Neil Coyle: I am grateful to my hon. Friend for giving way, and I am grateful to the idiot Minister for suggesting that he needs to talk to Sadiq Khan. Does he agree—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I do not think I can possibly have actually heard what I think I heard the hon. Gentleman say. I trust that he will immediately withdraw what he said, and say it, very briefly, in a different form.

Neil Coyle: I withdraw the comment, but I think that my point will make the case. Does my hon. Friend agree—

Madam Deputy Speaker: Order. The hon. Gentleman will not make a point in this Chamber by using language that is unsuitable for this Chamber.

Neil Coyle: And I have said that I withdraw it.

Does my hon. Friend agree with me, with Sadiq Khan and with the Home Office's expert panel that London should receive its full share of the national and international capital city grant, which would deliver an extra £280 million to the Met?

Wes Streeting: I wholeheartedly agree with my hon. Friend. Conservative Members constantly attack the Mayor of London, but, as I have said, it is clear from the crime profile throughout the country that it is not individual police and crime commissioners who are responsible; it is the central Government cuts that are being heaped on them by the Home Office. It is a total disgrace.

People see through the spin, not because politicians like us have arguments in this place, but because they have listened to what the Metropolitan Police Commissioner has said. They have listened to what was said to the Home Affairs Committee by Mark Rowley, the outgoing head of UK counter-terrorism policing. They have heard what police constables have had to say. The Government can blame the Mayor of London as much as they like, but they know that their cuts are ultimately responsible for the rising crime across the country, and they need to redress the situation as a matter of urgency.

I have absolutely no intention of voting through a police grant proposal that will lead to real-terms cuts in policing, taxpayers paying higher taxes for a poorer service and a disgraceful position that leaves local government enforcement officers doing the job that the police ought to be doing. The fact that the Minister has come here today and quoted those statistics with a straight face reflects poorly on him, but it reflects even more poorly on a Government who should be cutting crime rather than cutting police.

4.3 pm

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): It is a pleasure to follow the powerful and passionate speech made by my hon. Friend the Member for Ilford North (Wes Streeting).

I pay tribute to the dedication and professionalism of police officers and staff in my constituency and throughout Merseyside. I also thank our chief constable, Andy Cooke, and our excellent police and crime commissioner, Jane Kennedy, for their leadership during what has been a very challenging period. Since 2011, Merseyside police has been asked to make sizeable cuts to its budget. The force had already slashed £82 million from its annual budget, and it expects to have to make a further £18 million in cuts by 2021. Last year our chief constable warned that Merseyside police was reaching breaking point as budgets were “stretched to the limits”. He also issued a stark warning that further cuts in our police budget could result in some offences not being responded to at all. Merseyside has lost 1,700 police officers and staff since 2010. At the same time, the fire and rescue service in Merseyside has had its budget cut in half by the Government, and Liverpool City Council has faced some of the most savage funding cuts of any local authority.

Merseyside Police Federation tells me that the decreasing number of officers has led to an increase in single crewing, meaning that officers are forced to attend call-outs on their own. It tells me that three quarters of officers are “often or always” single crewed. This has an obvious and significant impact when dealing with certain categories of crime, as it affects the police’s ability to break up gangs or to arrest people in large groups.

The combination of budget cuts and rising crime has serious implications for my constituency. In just six months last year, there had already been more gun-related violence in Liverpool than during the whole of the previous year. Last weekend in my constituency, armed gangs broke into three separate properties and threatened residents with a shotgun, a machete and a hammer. The number of shootings has increased, with nine gun-related murders across Merseyside since 2014. Merseyside police has long been recognised around the country as one of the best police forces for tackling gun crime, but it says that it is stretched to the limit. My right hon. Friend the Leader of the Opposition rightly quoted our chief constable’s comments about this issue at today’s Prime Minister’s questions.

I want to speak briefly about an issue on which the shadow Minister, my hon. Friend the Member for Sheffield, Heeley (Louise Haigh), has truly led: the scourge of scrambler bikes. It affects my constituency and others across Merseyside, and I have been working with our police and crime commissioner and the local force to try to tackle the problem. I welcome what the Minister said about the Home Office review, and I was pleased before Christmas to support the ten-minute rule Bill introduced by the hon. Member for North West Norfolk (Sir Henry Bellingham), which seeks to give greater legal protections to emergency service workers, including police officers, who pursue people on scrambler bikes. I am pleased to report that yesterday Merseyside police crushed 300 confiscated or stolen scrambler bikes. However, the force and Jane Kennedy tell me that they need both the resources and the powers to do more to tackle this appalling scourge.

I want to finish by addressing what I think is a fundamental issue of social justice, and I apologise that in some ways I am repeating points that colleagues have made. Merseyside police relies on central Government to provide 81% of its funding. It raises just 19% of its funding through council tax. That is a major part of the reason why police forces in poorer areas such as Merseyside have been hit the hardest by funding cuts. We have some of the most deprived communities in the country, which not only brings particular policing challenges, but means that it is harder to raise extra money through the local precept.

Like other colleagues, I shall make the contrast with Surrey, because it is so stark. Surrey’s cuts to its central Government grant have been similar to those of Merseyside, but last year Surrey police was the only force in the country that raised more money locally than it received from Government. As it has a more affluent council tax base, Surrey loses less funding, even though it probably faces far fewer complex crimes than we on Merseyside. There is an inherent unfairness about this, as that fundamental issue affects areas with high levels of deprivation.

That brings me to the question of the precept for Merseyside police and the Minister’s announcement in December that Jane Kennedy, our police and crime commissioner, will be able to raise additional funding through the council tax. There will be no additional money from central Government, but money from Merseyside council tax payers. Jane has been consulting on this, and I expect to hear an announcement from her soon. I should make it clear that I support her proposed increase in the council tax.

Mr Kevan Jones: Does my hon. Friend agree that his police and crime commissioner, like the PCC in Durham, has no choice in this?

Stephen Twigg: My hon. Friend anticipates my point. My PCC has no choice, and of course similar challenges are facing the local authority, so my constituents, if the increase goes ahead, will pay not just 2% for the police, but 4% for the local authority, so there will be a 6% increase in council tax. That is no criticism of either the police and crime commissioner or the local authority, because it is the only way in which they can get the money that they need for policing, social care and other crucial local services.

To return to a point that my hon. Friend the Member for North Durham (Mr Jones) has raised, putting £12 on the council tax of band D properties raises more in some parts of the country than in others. The ability to raise more locally is regressive, as it compounds the existing inequality that I have described. Merseyside police has already had to make huge cuts, and that has undoubtedly affected its operational capability, as the chief constable has told us. I implore the Minister to work with Jane Kennedy and our chief constable to address this fundamental issue of social justice, because my constituents worry about crime and antisocial behaviour, especially when we are sadly seeing the return of significant levels of gun violence across Merseyside. The police desperately need additional resources, so I finish by echoing my hon. Friend the shadow Minister in urging the Minister to think again.

4.10 pm

Margaret Greenwood (Wirral West) (Lab): As MPs, we are all aware of the importance of effective policing in our constituencies. We have a duty to speak out when we believe that there is a problem, and we have a serious problem at the moment, which is a direct result of funding cuts. Since 2010, we have lost 21,000 police officers nationally and more than 6,000 police community support officers. In fact, police numbers are at their lowest in three decades, which is having a real impact on policing. Last March, HMIC's annual report highlighted a shortage of detectives and suggested that serious crimes were being investigated by junior staff. Other concerns included a downgrading of emergency calls to justify slower response times.

We know that police work can be demanding and dangerous at times. I pay tribute to the hard work of Merseyside's police officers and PCSOs, its police and crime commissioner, its chief constable and all the support staff for their dedication and sheer hard work. We owe them a debt of gratitude. However, they are being let down by this Government, as they were by the previous coalition Government.

Merseyside police's budget has been cut by £82 million since 2011-12, and the force must make a further £18 million in savings between now and 2021-22. There has been a net reduction of 1,726 staff, including the loss of over 1,000 police officers—that is a 22% reduction in police officers alone. It is impossible for the public not to feel the effects of cuts on that scale, and police officers are feeling the effects, too, given the increased stress that comes from working in an under-resourced service when demand—in other words, crime—is on the rise. People have the right to feel safe in their communities, but this Government are sadly letting them down. Crime increased in Merseyside by 15% between 2016 and 2017. Emergency calls increased by 9.5%. Burglaries went up by 22% and robbery was up by 31%. The number of domestic violence cases increased by 18.5% and rape cases increased by 33%. That last figure is alarming, but it reflects changes in how things are recorded and victims' increased willingness to come forward. It also includes a number of historical offences, but the police must still address such crimes.

Other issues include the serious problem of scrambler bikes, which are a scourge on our communities, and antisocial behaviour, which causes anxiety and instability. In Wirral West, I am hearing reports of such activity in areas that have never had any problems before. Such is the Government's failure to protect them, some residents who have lived in an area for 10 years say that they want to move house. The first responsibility of any Government is to keep their citizens safe, but this Government are failing. It is both reckless and irresponsible that the Government know the impact that cuts in police funding are having on victims and communities, yet they continue to make them, so I ask them to pause and reconsider their approach. Austerity is not working, and when it is applied to policing, it is a high-risk strategy that puts our communities, police officers and PCSOs at risk. I ask the Government to think carefully about the impact of their actions on victims of crime and about the profound trauma that people often experience.

There is no doubt that some of the increase in crime is a result of other austerity measures being pursued by this Government. Cuts to local authorities are leading

to the closure of the very services that should be there to support communities, such as the youth services that have such an important role to play in providing young people with constructive ways of being actively involved in their communities. Those services do invaluable work by drawing young people away from getting involved in low-level crime purely because of boredom and a lack of anything else to do. Almost 40% of calls to Merseyside police are connected to mental health issues. The Government are clearly failing to fulfil the commitment made in 2013 to achieve a parity of esteem between physical and mental health in the NHS, and they are failing to provide the services that are so desperately needed.

An analysis by the King's Fund that was published in January showed that, between 2012-13 and 2016-17, the funding gap between NHS mental health and acute providers actually widened. It revealed a 13% reduction in full-time equivalent mental health nurses between September 2009 and August 2017. The number of nurses providing in-patient care declined by almost 25%, and the total number of nursing support staff in the community fell by 18% over almost exactly the same period. The report also found high sickness rates. Trusts are finding it extremely difficult to recruit, so staff turnover is currently leaving 4% fewer mental health nurses employed each year.

The Government's obsession with austerity is creating real problems for our overstretched police services, and officers are having to respond to that failure. We are also seeing reports of private police forces appearing in our country. The chairman of the Metropolitan Police Federation has warned of the creation of a two-tier system, highlighting the need for public scrutiny of private forces. That is an extremely worrying development, and it suggests that communities buying such services have lost faith in the Government's ability to provide an effective police force altogether. I do not believe that to be the case, but I do think that there is an urgent need for increased funding.

None of us wants to live in a country in which some areas hire private police forces because of a lack of policing, while other areas are left with an under-resourced service. That is an extremely dangerous route to go down. The Government need to take stock, rethink and give police forces across the country the funding they need. The public expect nothing less.

4.16 pm

Mr Hurd: With the leave of the House, I will respond to some of the contributions from Back Benchers. Given how many interventions I took at the start of the debate, and in the interest of time, I do not propose to take any now. It has been good to hear so many Members on both sides of the House paying tribute to the hard work, bravery and dedication of their local police forces.

My hon. Friend the Member for South Dorset (Richard Drax) has spoken to me regularly about fair funding for Dorset. He wants more officers on the ground, and I am sure he will make representations to Dorset's police and crime commissioner about what the PCC proposes to do with the additional £4.2 million he should receive from the settlement.

My hon. Friend the Member for North Dorset (Simon Hoare) made the extremely important point that as crime is changing, the police have to change, too. That

[Mr Hurd]

point was also made by my hon. Friend the Member for Newton Abbot (Anne Marie Morris). We never hear Labour talk about this, but the Government are committing £1.9 billion for cyber-security, for example. My hon. Friend the Member for North Dorset asked me to look seriously at merger proposals, and we will do so once we see a business case.

My old friend, my hon. Friend the Member for Waveney (Peter Aldous), has been a long and passionate advocate for fairer funding for Suffolk, as have other Suffolk MPs, not least my hon. Friend the Member for Bury St Edmunds (Jo Churchill). My hon. Friends the Members for Waveney and for Newton Abbot have my assurance that we will look seriously at concluding the fair funding review in the context of the next comprehensive spending review, and I noted the representations from my hon. Friend the Member for Waveney about the emergency grant. He made a very important point about the precedent of Ipswich Town in the policing of football.

My hon. Friend the Member for Dover (Charlie Elphicke) inevitably raised the tone of the debate by speaking about the parable of the talents. He is right about reserves, and I note his desire to see more officers in Dover and Deal. I know he will make representations to Matthew Scott, who now has more resources to deliver just that.

Various Labour Members offered variations on the same theme. A number of Labour west midlands MPs, including the hon. Members for Birmingham, Selly Oak (Steve McCabe), for West Bromwich West (Mr Bailey) and for Birmingham, Erdington (Jack Dromey), talked about cuts and depleted reserves. The fact is that West Midlands police will receive an additional £9.5 million next year, which the police and crime commissioner says he will use to recruit a further 100 officers. Not unlike many other forces, West Midlands police has increased its reserves by £26.9 million since 2011.

The hon. Member for Burnley (Julie Cooper) again talked about cuts and depleted reserves, but Lancashire police will get an additional £6.1 million and has increased its reserves by £26.6 million since 2011. I am sure that she will be as curious as I am about how it intends to use that money.

The hon. Member for Halifax (Holly Lynch) made a typically thoughtful and well-informed speech on police matters. Again, however, her local force will receive an additional £8.9 million, and has increased its reserves by £60 million since 2011. I am sure that she will make representations about how that money is spent. She was rightly thoughtful about the issue of mental health, and there is a common theme across the system that police are spending more of their time dealing with people on the mental health spectrum. In many cases, that is entirely legitimate, as the police might be pursuing criminal activity or being deployed for public safety, but we are actively working with the police to get a better evidence base on exactly what is happening. Obviously, we want people on the mental health spectrum to be dealt with by qualified people and we want our police officers to be focused on their core job. The hon. Lady asked me about the date for the next stage of the “Protect the Protectors” Bill, and I can tell her that this

will be on 27 April. I can also assure her that the hon. Member for Rhondda (Chris Bryant) will get an answer to his letter.

Given the various themes that came out of the speeches made by Labour Members, I am disappointed by Labour’s approach to this. Policing is one of our most important public services. These are very serious and demanding times for the police, so a serious response is required. I have to say that it sounds as though Labour is now very much in the scaremongering, fake news business, totally detached from reality. For example, Labour continues to use the mantra that crime is rising, even though the independent statisticians show that it is falling. The bottom line is that, as the hon. Member for North Durham (Mr Jones) said, Labour Members will vote against £450 million of increased funding for policing, including a £70 million uplift for counter-terrorism in the face of the worst terrorist threat for a generation. That is the position of the modern Labour party. On this side of the House—

Louise Haigh: Will the Minister give way?

Mr Hurd: I will not give way. The Government will continue to invest in policing, meaning that this country will invest £13 billion next year in policing. We will do the right thing to make sure that the police have the resources they need, and I commend the motion to the House.

Question put.

The House proceeded to a Division.

Madam Deputy Speaker (Mrs Eleanor Laing): I remind the House that this motion is subject to double-majority voting: of the whole House, and of those representing constituencies in England and Wales.

The House having divided: Ayes 295, Noes 239.

Votes cast by Members for constituencies in England and Wales: Ayes 275, Noes 229.

Division No. 116]

[4.21 pm

AYES

Afolami, Bim	Bowie, Andrew
Afriyie, Adam	Bradley, Ben
Aldous, Peter	Bradley, rh Karen
Allan, Lucy	Brady, Sir Graham
Allen, Heidi	Brereton, Jack
Amess, Sir David	Bridgen, Andrew
Andrew, Stuart	Brine, Steve
Argar, Edward	Bruce, Fiona
Atkins, Victoria	Buckland, Robert
Bacon, Mr Richard	Burghart, Alex
Badenoch, Mrs Kemi	Burns, Conor
Baker, Mr Steve	Burt, rh Alistair
Baldwin, Harriett	Cairns, rh Alun
Barclay, Stephen	Cartlidge, James
Baron, Mr John	Cash, Sir William
Bebb, Guto	Caulfield, Maria
Bellingham, Sir Henry	Chalk, Alex
Benyon, rh Richard	Chishti, Rehman
Beresford, Sir Paul	Chope, Sir Christopher
Berry, Jake	Churchill, Jo
Blackman, Bob	Clark, Colin
Blunt, Crispin	Clark, rh Greg
Boles, Nick	Clarke, rh Mr Kenneth
Bone, Mr Peter	Clarke, Mr Simon
Bottomley, Sir Peter	Cleverly, James

Clifton-Brown, Sir Geoffrey
 Coffey, Dr Thérèse
 Costa, Alberto
 Courts, Robert
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evennett, rh David
 Fabricant, Michael
 Fallon, rh Sir Michael
 Fernandes, Suella
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, Lucy
 Freeman, George
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca

Harrison, Trudy
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny

Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston

Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Treddinick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
Amanda Milling and
Nigel Adams

NOES

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

Brabin, Tracy
 Bradshaw, rh Mr Ben
 Brake, rh Tom
 Brennan, Kevin
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 Cable, rh Sir Vince
 Cadbury, Ruth
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carden, Dan
 Carmichael, rh Mr Alistair

Champion, Sarah
 Chapman, Jenny
 Charalambous, Bambos
 Clwyd, rh Ann
 Coaker, Vernon
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Coyle, Neil
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 David, Wayne
 Davies, Philip
 De Cordova, Marsha
 De Piero, Gloria
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Field, rh Frank
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gardiner, Barry
 George, Ruth
 Gill, Preet Kaur
 Glindon, Mary
 Goodman, Helen
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Gwynne, Andrew
 Haigh, Louise

Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hepburn, Mr Stephen
 Hill, Mike
 Hillier, Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Howarth, rh Mr George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Lee, Karen
 Lewis, Clive
 Lewis, Mr Ivan
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 Madders, Justin
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy

McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Norris, Alex
 O'Mara, Jared
 Onasanya, Fiona
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Robinson, Mr Geoffrey
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra

Sheerman, Mr Barry
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Swinson, Jo
 Tami, Mark
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 Whitehead, Dr Alan
 Whitfield, Martin
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Woodcock, John
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
Thangam Debonnaire and
Chris Elmore

Question accordingly agreed to.

Resolved,

That the Police Grant Report (England and Wales) for 2018-19 (HC 745), which was laid before this House on 31 January, be approved.

Local Government Finance

Madam Deputy Speaker (Mrs Eleanor Laing): We come now to the three motions on local government finance, which will be debated together.

I must inform the House that Mr Speaker has today certified the Report on Referendums Relating to Council Tax Increases (Alternative Notional Amounts) (England) as relating exclusively to England and within devolved legislative competence. All three motions are therefore subject to double majority voting: whole House and those representing constituencies in England only.

4.39 pm

The Secretary of State for Housing, Communities and Local Government (Sajid Javid): I beg to move,

That the Report on Local Government Finance (England) 2018–19 (HC 791), which was laid before this House on 5 February, be approved.

Madam Deputy Speaker: With this we shall consider the following motions:

That the Report on Referendums Relating to Council Tax Increases (Principles) (England) 2018–19 (HC 792), which was laid before this House on 5 February, be approved.

That the Report on Referendums Relating to Council Tax Increases (Alternative Notional Amounts) (England) 2018–19 (HC 790), which was laid before this House on 5 February, be approved.

Sajid Javid: Every day, local government delivers vital services for the communities they serve—services that many of us take for granted, provided by dedicated, often unsung councillors and officers in places that we are all proud to call home. As such, as I have said before, local government is the frontline of our democracy and deserves the resources it needs to do its job and to deliver truly world-class services. To that end, late last year we published a provisional settlement for funding of local authorities in England. We invited people to give their views on this via a formal consultation to which we have received almost 160 responses.

My Ministers and I have engaged extensively with the sector, with individual councils, with Members of Parliament, and with the Local Government Association and other representative groups, ensuring that we were available to speak to anyone who wanted to raise particular issues or to ask any questions. I pay tribute to my hon. Friend the Member for Nuneaton (Mr Jones) for his sterling work in this area, not just over this period but for the past three years. I thank the Under-Secretary of State, my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), who recently joined the Department, for picking up the baton.

I am immensely grateful to everyone who has contributed to this consultation and our wider engagements with the sector.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): After all the consultations and discussions that the Secretary of State has held, is he in a position to revise his view that Liverpool City Council should lose 68% of its budget and have to face a crisis in children's social care as well as in adult social care?

Sajid Javid: The hon. Lady should be assured that Liverpool City Council, like almost every other council, is seeing an increase in its spending power from last year

going into this year. She points out the challenges that the council has had in trying to bring about efficiencies. That, as I will come on to explain, has been a theme for many councils, but she should be assured that over the next two years there is a real increase in the core spending power of all councils, taken together.

Mr Jim Cunningham (Coventry South) (Lab): Set against Coventry City Council's needs, the so-called increase that the Secretary of State is talking about is delusional and derisory, to say the least. It does not meet the council's needs.

Sajid Javid: Perhaps the hon. Gentleman can draw some comfort from my words in due course.

This work, with the feedback that we have received over the past few weeks, has informed the final settlement that we are unveiling today. It is part of a four-year settlement that gives English councils access to over £200 billion in funding in the five years to 2020. It gives them greater freedom and flexibility over the money that they raise, in recognition of the fact that no one knows their local areas, and the opportunities, challenges and pressures that they face, better than the councils who serve them. It strikes a balance between relieving growing pressure on local government while ensuring that hard-pressed taxpayers do not face ever-increasing bills.

Dr David Drew (Stroud) (Lab/Co-op): Could the Secretary of State explain why Stroud District Council is the only council in Gloucestershire that has no revenue support grant promised under these proposals? Worse than that, the other three district councils in Gloucestershire get some money under the rural services delivery grant, yet Stroud gets nothing. Why does he think that is fair, and how can he defend it?

Sajid Javid: The hon. Gentleman, like many colleagues in the Chamber, is served both by district councils and county councils, all providing services for his constituents. The whole picture should be taken together. He will know that his county is seeing, for example, an increase of some £10.8 million to provide some very important services. Also importantly for Gloucestershire, including the district councils as much as the county council, the Gloucester business rates pool is part of the 100% pilot, which it estimates will lead to further additional funding this year of about £10 million. I hope that that helps to reassure him.

The settlement comes in the third year of a four-year deal that was accepted by 97% of councils in return for publishing efficiency plans. This gives the certainty and stability that they need to plan for the future. Many local authorities have done impressive work to deliver better value for money and are setting an example for other parts of the public sector. We are keen to continue to work with the sector to increase transparency and to share best practice so that councils can deliver increased efficiency over the coming years and transform services.

In all, the settlement answers calls from councils over many years for greater control over the money that they raise and the tools to make this money go further. This is the approach that we have taken across the board, listening to local authorities and responding to what we hear.

Mr Kevan Jones (North Durham) (Lab): The Secretary of State talks about core funding. I think the average for county councils—[*Interruption.*] Mine is Durham, by the way, for the Parliamentary Private Secretary who is looking it up. [*Laughter.*] The average is a 2.1% increase, but for Durham it is only 1.4%. The reason for that—[*Interruption.*] Durham County Council—the PPS has got the wrong one! [*Laughter.*] The reason is the low council tax base, as 55% of properties in County Durham are in band A, which affects the council's funds—County Durham, if the PPS has still not got it.

Sajid Javid: The hon. Gentleman is obviously familiar with the numbers for his own council, which is good to see, and his council is getting an increase. As I have said, and this will be a theme throughout the settlement, we have to always make sure that we are striking the right balance between providing increased resources and keeping any burden on taxpayers to an absolute minimum. I hope that the hon. Gentleman would support that.

We are creating a whole system of local government that is fit for the future. The current formula for financial allocations has served local areas well over the years.

Kevin Hollinrake (Thirsk and Malton) (Con): North Yorkshire is doing its best to make ends meet despite a difficult and tight spending round. Can it be right that spending power in North Yorkshire is £770 a head, when in many other areas, especially in London, it is around £1,100 a head per year? Does my right hon. Friend agree that we need a fairer funding review that delivers fairness for North Yorkshire and other rural areas?

Sajid Javid: I very much agree with the point that my hon. Friend makes about looking at the fairness of the distribution, and I know that he has spoken powerfully about that in the past. We are looking at it, and I will come to it shortly in my speech.

A world of constant change, involving big shifts in demographics, lifestyles and technology, demands an updated and more responsive way of distributing funding. That means that we have to question the fairness of the current system, which is why I was pleased to launch a formal consultation on a review of councils' relative needs and resources in December. This is not just a paper exercise. We have an unparalleled opportunity to be really bold and ambitious, and to consider with the sector where the most up-to-date evidence and data lead on drivers of local authority costs and to create a whole new system that gives councils the confidence to face the opportunities and challenges of the future.

John Redwood (Wokingham) (Con): That is an excellent idea. Can the Secretary of State reassure the unitaries in my part of Berkshire that he does not envisage them going into negative grant, as it is called—in other words, getting no help at all?

Sajid Javid: I can give my right hon. Friend some reassurance on that matter. I will come to it in more detail in a moment, and I hope that he will be genuinely reassured.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): When the fairer funding formula comes into being, I hope that my right hon. Friend the Secretary of State will work with other Ministers to really understand the

huge gulf that is starting to appear between city metropolitan areas and rural shire counties. We are becoming second-class citizens in rural areas because of the lack of funding in comparison to socialist metropolitan areas.

Sajid Javid: My hon. Friend makes a very important point about ensuring full co-operation throughout all Government Departments working jointly with our local authorities on fairness and distribution. One way we have tried to make the settlement fair is by recognising the special factors that affect rural areas, including Shropshire. My hon. Friend's council in Shropshire will benefit from £6.6 million in rural services delivery grant.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): The Conservative portfolio holder for finance on Stoke-on-Trent City Council says that it will lose £15 million of central Government grant over the next two years—that is Stoke-on-Trent with hyphens for the Secretary of State's PPS, as he diligently searches his folder—but the Secretary of State will tell me that our revenue spending will be going up. Who is not telling me the truth? It cannot be the case that spending is going up when the portfolio holder tells me that the grant is being cut.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before the Secretary of State answers, I must say that interventions have to be short. A lot of people want to speak. What is unfair is if people make interventions and then leave, and other people have to sit for three hours waiting to speak. That is just not honourable. I appreciate that the hon. Gentleman is going to be here, but I just make the point about short interventions.

Sajid Javid: I can tell the hon. Gentleman that the core spending power for Stoke-on-Trent—with hyphens—is increasing by £3.5 million in the settlement. Indeed, the core spending power per dwelling for Stoke-on-Trent is higher than the average for the class. I hope he welcomes that.

The consultation on fairer funding closes on 12 March and I urge all those with a stake in the system to make their voices heard. We aim to introduce this new approach from 2020-21.

Mr Philip Dunne (Ludlow) (Con): I applaud my right hon. Friend for launching the consultation on fairer funding. Will he be able to reassure the House that, in contrast to some of his predecessors who have said nice words about fairer funding but have not reflected the significant changes that were introduced under the previous Labour Administration, the consultation will inform the next spending review so we will actually to see it put into practice?

Sajid Javid: I can give my hon. Friend that reassurance and I take this opportunity to thank him for the strong representations he has made on behalf of Shropshire, which have fed into the settlement.

The business rates retention programme will also be introduced in 2020-21. It will give local authorities powerful incentives to grow their local economies. So far, this has been a resounding success. Under the current scheme, local authorities estimate that they will receive about £1.3 billion in business rates growth in 2017-18, a significant revenue stream on top of the core settlement funding that is set to continue into 2018-19.

James Duddridge (Rochford and Southend East) (Con): I welcome the 10 county-wide pilots. Will the Secretary of State consider extending the pilots to include small unitaries such as Southend and Thurrock or areas of the county such as south Essex, if the whole Essex plan does not work?

Sajid Javid: There will be further pilots and I will come on to that in just a moment.

It is right that we will be going further. It is our aim for local authorities to retain 75% of business rates from 2020-21. This will be achieved by incorporating existing grants into business rates retention, including the revenue support grant and the public health grant. Local authorities will be able to retain 75% of the growth in their business rates from the new base lines in 2020-21, when the system is re-set.

The long-term plan is to allow local government to keep 100% of its business rates. With that in mind, I announced an expansion of the 100% retention pilots that proved so popular in December. As a result, we will be taking forward 10 new pilots covering 89 authorities, instead of the five we originally planned. A further pilot will begin in London in 2018-19, and existing devolution pilots will continue in 2018-19.

Mike Hill (Hartlepool) (Lab): My local authority in Hartlepool finds it increasingly difficult to establish a business rates base but will participate in the programme. However, its departments face 40% cuts, and it has a £6 million shortfall. How fair is that?

Sajid Javid: For the hon. Gentleman's local council in Hartlepool, there will be an increase in the core spending power of 1.9%, which is £1.5 million. He talks about fairness. It is worth pointing out that the core spending power per dwelling in his local authority is £1,931, which is significantly higher than the average for the class. I hope that that reassures him that his local authority is getting a significant amount of spending power, particularly from a per-dwelling point of view.

Wera Hobhouse (Bath) (LD): I understand the thinking, which is that councils that say they are doing well in terms of business should be rewarded and retain their business rates. However, how will councils in deprived areas be compensated for the fact that they cannot do so well in terms of business? I was a councillor in a deprived local area—it happens to be the Secretary of State's birthplace—and we tried for many years to encourage more business and enterprise, but it was incredibly difficult.

Sajid Javid: The hon. Lady's local authority, Bath and North East Somerset, was part of a business rates pilot in 2017-18. As I said, we have extended that pilot, which gives the local authority the ability to take advantage of that and put in place incentives for local businesses to see growth. The council estimates that it can see millions of pounds of extra income from that, which I would have thought she would support for her local community.

The business rates pilots will help to test the system, to see how well it works in different areas and different circumstances. The purpose of the pilots was to have a broad distribution across north and south, urban and rural, and small and large. The pilot areas will keep

100% of the growth in their business rates if they expand their local economies, which is double what they can keep now. I can confirm that I will open a further bidding round for pilots in 2019-20 in due course. In expanding those pilots, we have responded to what councils have told us, and we are doing the same in other areas.

Rural councils express concern about the fairness of the current system, with the rural services delivery grant due to be reduced next year. In response, I can confirm today that we will increase that grant by £31 million in 2018-19. That is £16 million more than was proposed in the provisional settlement, taking the total figure to £81 million—the highest amount ever paid in rural grant, at a little over the sum paid in 2016-17.

We recognise that the so-called negative revenue support grant is causing concern. Changes in revenue support grant have led to a downward adjustment of some local authorities' business rates top-up or tariff for 2019-20. We know we must address that problem, and we will consult formally on a fair and affordable set of options for doing so, with plenty of time to reflect on the findings before next year's settlement.

Following discussions with the sector, we are continuing with the capital receipts flexibility programme for a further three years. That scheme gives local authorities continued freedom to use capital receipts from the sale of their own assets, to help fund the transformation of services and to release savings.

Sir Christopher Chope (Christchurch) (Con): May I ask the Secretary of State about the negative revenue support grant? He has not actually said expressly that there will no longer be a negative revenue support grant. My local councils are saying that the Government cannot be trusted on this, and unless and until the Government commit themselves to saying there will not be a negative revenue support grant, they will have to budget on the basis that there may be one.

Sajid Javid: My hon. Friend makes a very good point. Such certainty is of course very important for many local authorities, including his own, and I hope I can now make the situation clearer. It is our intention to deal with the problem of the negative RSG, but we have yet to determine exactly the best way of doing so and providing support to the local authorities affected, and that is why it is right to consult on it. I absolutely commit to him that we will do so, and when we do—our plan is to do it in the spring—I hope that he and others will make an input to make sure that we get it right and really deal with this problem for his authority and many others.

Mr Clive Betts (Sheffield South East) (Lab): Will the Secretary of State reflect on the issue of the transitional grant? It may be important to some authorities, but will he confirm the figures Sheffield City Council has given me showing that the authorities that have had the biggest cuts to their core spending—cuts of over 30%—have between them benefited in this financial year to the tune of £10,000? That is the total figure for the authorities that have had the biggest cuts in grant over the past few years.

Sajid Javid: My remarks a moment ago were about not the transitional grant but the problem of the negative RSG. I will come on to other grants in a moment.

We have responded to concerns about proposed changes to the new homes bonus. By the end of 2018-19, we will have paid out £7 billion under the scheme to reward the building of some 1.4 million homes, including £947.5 million for the year 2018-19. When we consulted last year on proposals to link NHB payments to the number of successful planning appeals, it was clear that the sector wanted continuity and certainty. That is what we have delivered, with no new changes to the NHB this year and the baseline being maintained at 0.4%. Furthermore, as we set out in our housing White Paper, we are enabling local authorities to increase planning fees by 20% where they commit to investing the extra income in their planning services. That should provide a welcome boost to local planning authorities and address concerns about under-resourcing.

The final settlement includes small adjustments to top-ups and tariffs for authorities based on corrected Valuation Office Agency data. I know that my opposite number—that is, the opposite number I have today, the hon. Member for Denton and Reddish (Andrew Gwynne)—has been trying to make some mischief on this point, so let me spell it out very clearly for him. *[Interruption.]* Well, he raised a point of order on this issue yesterday. I think it is worth spelling it out clearly, because perhaps he has not understood what we have said.

The provisional settlement was based on the VOA's official statistics, the best published data available at the time. Just ahead of the provisional settlement, officials were notified of an error in the VOA data. Ministers were not told about this until 16 January, as officials did not know what, if any, changes might have to be made to the tariffs and top-ups for individual authorities. The hon. Gentleman will know that the moment corrected statistics were published by the VOA, revised figures were provided to local authorities to enable them to finalise their budgets. He should also know that part of the reason for the publication of a provisional settlement—the clue is in the name—is to test the numbers and to make adjustments. I respectfully suggest to the hon. Gentleman that he spend more time dealing with the substance of today's settlement and a little less on childish antics.

Andrew Gwynne (Denton and Reddish) (Lab): I am grateful to the Secretary of State for clarifying the position. Of course, the point is this: who runs the Department? The Secretary of State has some responsibility. If his departmental officials knew that the data were incorrect, was it not incumbent on him, as Secretary of State, to have known that and made it clear to the House when he presented the provisional settlement that the data were likely to be changed? The fact is that he came to the House on 19 December and gave incorrect information when answering right hon. and hon. Members' questions. It is shameful.

Sajid Javid: As usual, the hon. Gentleman stands at the Dispatch Box and raises his voice, acting like a child again. He has nothing whatsoever to say on the substance of the issue.

Councils have a crucial role to play in helping to deliver the homes that our country desperately needs. However, we all know that we cannot achieve that

without having the right infrastructure in place: the schools, GP surgeries, transport links and other essentials. The private sector can go only some way in delivering that infrastructure. It is clear that we must raise our game to match our ambitions, which is why last July we set up the housing infrastructure fund to support local authorities to provide infrastructure and build more homes. In the end, we received a staggering 430 bids, worth almost £14 billion, to deliver 1.5 million homes, demonstrating the incredible ambition that is out there to tackle the housing crisis—an ambition that we are keen to get behind and back fully. Hence our move to more than double the housing infrastructure fund in the autumn Budget, dedicating an additional £2.7 billion to it, bringing the total funding to £5 billion.

Last week I was delighted to announce the first funding allocation: £866 million for 133 successful projects, involving 110 councils, that will help unlock up to 200,000 homes. Those projects promise to deliver a strong pipeline of homes at pace and scale, and represent another important step towards meeting one of the defining challenges of our time.

I will now turn to another major challenge: social care. I am under no illusions about the pressures that councils face in addressing one of the biggest challenges we face as a country, which is why we have put billions of pounds of extra funding into the sector over the past 12 months. I can today announce a further £150 million for an adult social care support grant in 2018-19. This will be allocated according to relative needs and will help councils to build on their work and support sustainable local care. It comes on top of the additional £2 billion for adult social care over the next three years announced at the spring Budget. With the freedom to raise more money more quickly through the use of the social care precept, which I announced this time last year, we have given councils access to £9.4 billion more dedicated funding for adult social care over three years.

Diana Johnson (Kingston upon Hull North) (Lab): The problem with putting up council tax in order to pay for social care is that some of the most disadvantaged areas have a very low council tax base. In Hull, for example, what we can raise through that increase in the precept is very small compared with the needs we have. Are we not moving back to the days when the poor were keeping the poorest, about which George Lansbury protested in Poplar nearly 100 years ago, by putting the onus back on local authorities in very disadvantaged areas?

Sajid Javid: The hon. Lady suggests that the only way councils can access funds to provide social care is through council tax, which is absolutely not the case, as she knows. It is an important way to raise some of the funding, but an increasing amount is coming from central resources. For example, the £2 billion that was allocated in the spring Budget takes into account the ability of local authorities, including the hon. Lady's, to raise money locally. It is right that we have that balanced approach, but I know that there is more to do on adult social care, and that funding alone will not help to fix the challenges. This long-term challenge requires a long-term systemic change. The publication of a Green Paper this summer on future challenges in adult social care will help set us on a path to secure that.

Finally, we are responding to calls for more flexibility over setting council tax. Local authorities will be able to increase their core council tax requirement by an additional 1% without a local referendum, bringing the core principle in line with inflation. This will enable them to raise revenue and meet growing demand for their services while keeping taxes low. Having done away with Whitehall capping, we have enshrined these checks and balances into the system. Under the Localism Act 2011, local government can increase council tax as it wishes, but excessive rises need to be approved by local residents in a referendum.

In addition, directly elected Mayors will decide the required level of precept by agreement with their combined authorities, and it will be easier for police and crime commissioners to meet local demand pressure under measures that I have agreed with the Home Secretary. They will allow for a £12 council tax flexibility for police services, raising an additional £130 million next year. We will, however, defer the setting of referendum principles for town and parish councils for three years, and we will keep that under review. In all, I want to see the sector doing everything possible to limit council tax increases and show restraint. I am keen to ensure that these freedoms are not abused, and I am sure voters are too.

My Department's name recently changed to the Ministry of Housing, Communities and Local Government. That underlines our focus on fixing our broken housing market and getting Britain building, but I remain absolutely committed to the community and local government elements of our work. They are the foundations on which everything else stands. It is not enough to build more homes; we need to build better and stronger communities. Councils acting truly as local government and not local administration will help us to achieve that.

Tom Pursglove (Corby) (Con): On the point about local government, will the Secretary of State confirm that this settlement will see real-terms increases for local government over the two-year period?

Sajid Javid: I can confirm that there will be a real-terms increase in resources for local government over a two-year period, rising from £44.3 billion in 2017-18 to £45.6 billion in 2019-20. I should clarify, however, that due to the additional £166 million that was announced this year, that is a real-terms increase over the two-year period rather than year on year.

We have listened to local authorities, and through this settlement we have delivered what they asked for, while at the same time keeping spending in check. We have delivered a real-terms increase in resources over the next two years, more freedoms and fairness, and greater stability and certainty for local authorities to plan and drive value for money. They, and the communities they serve, deserve no less. I commend the settlement to the House.

Madam Deputy Speaker (Mrs Eleanor Laing): Before I call the Opposition spokesman, I warn hon. Members that, as is obvious, a great many people wish to speak this afternoon and there is limited time, so there will be an immediate time limit on Back-Bench speeches of seven minutes. Of course, that does not apply to Mr Jim McMahon.

5.14 pm

Jim McMahon (Oldham West and Royton) (Lab/Co-op): Thank you, Madam Deputy Speaker. Well, what on earth was all that about? We have been waiting since December to get this detail. We were told that discussions were taking place and that there were journeys over to No. 11 to make sure that we secured money for housing and public services such as adult social care. To see just crumbs off the table being provided is depressing.

On my way here, I often walk past the Department for Business, Energy and Industrial Strategy. I imagine the Secretary of State, when he was in that Department, being fulfilled, happy, contented and enthusiastic about his brief. What a contrast with now! He clearly does not have the energy for this brief and does not understand the detail, to the extent that incorrect information was presented to the House during the December debate.

Probably more telling is how little attention the Secretary of State got from the Chancellor. The social care crisis ought to have been addressed in the autumn statement, but because it was not, he now has to work within the departmental budget.

Mr Dunne: The hon. Gentleman seems to have completely ignored the £2 billion given to adult social care in the March 2017 Budget. What is his response to that?

Jim McMahon: I am pleased the hon. Gentleman asks that question. At that time, there was already an in-built deficit in the Budget because of the increase in the national living wage and employers' national insurance contributions, so even within the £2 billion allocated there was a £1.3 billion in-year deficit, because of the need to make sure that the provider market could be sustained. That is my response. It is just not enough money. Everybody in the House and our communities knows that. It is just a shame that the Secretary of State does not carry the weight in the Treasury to get the money into the Department and out to councils and into our communities.

Mr Betts: The Local Government Association has calculated that there will be a £2.3 billion gap in social care funding by 2020, having taken account of the 2017 Budget increases, and there are similar figures from the King's Fund. The National Audit Office did a report for the Communities and Local Government Committee looking at these figures and basically confirmed their accuracy. There is a real problem here that cannot be disguised and that will not go away without extra funding being delivered.

Jim McMahon: Those figures are absolutely right. The analysis from Age UK shows that 1.2 million people who would have been entitled to social care in 2010 are no longer receiving social care because of cuts to the eligibility criteria by councils.

Mr Jim Cunningham: Coventry City Council has probably lost about £90 million over the past few years. The Government are playing a very clever game: they are shifting the cost of local government on to the local taxpayer, so that they can boast of keeping taxes low. It is really just a double-edged sword.

Jim McMahon: I agree with that. We are here debating work carried out by people outside this place—local councillors and local government workers—and it is

[*Jim McMahan*]

right in this place to thank them for their hard work, their dedication and their grit and determination to make sure that services are provided in the face of severe austerity.

Several hon. Members *rose*—

Jim McMahan: I want to make some progress, because I am conscious of the number of people down to speak.

We need to ask a number of questions when faced with the settlement. First, does it step up to meet the scale of the challenges facing local public services in England today? Does it meet the challenge of 1.2 million older people who would have been entitled to social care in 2010 who no longer get the care they need? Does it meet the challenge of huge increases in the number of child protection and looked-after children cases reported by the LGA? After nearly a decade of Tory-dominated Government, does it begin to rebuild the essential community infrastructure that was taken away after the financial crash?

My view is that it fails on every one of those counts. The funding settlement today is little more than an insult. I want to put this into context—after all, we can have a party political debate about it and attribute blame, but that makes no difference to the day-to-day experiences of local councils.

Simon Hoare (North Dorset) (Con): Will the hon. Gentleman give way?

Jim McMahan: I want to lay out the case, and then there will be a long time for debate—but only if I rush through this to allow time for people to speak.

Central Government funding of local services has reduced by 40%—less money when demand is increasing—and we all know that it has not been distributed evenly. The overall reduction has hit local authorities with lower tax bases hardest because they are more dependent on central Government grant. The UK Government's total spending on local government, as a share of the economy, has fallen sharply. In 2010, it accounted for 8.4% of the economy; by 2022, the figure will be down to 5.7%, which constitutes a 60-year low. Yet councils in England still have 1,200 statutory obligations. They have less money, but the same is required of them. That has had an impact on people, in that 811 fewer people now work in local government. The local government workforce today is the lowest since comparable records began, when the central Government workforce is the highest that it has been since comparable records began. Moreover, the figures are not fairly distributed across government, let alone geographically.

If austerity had not kicked in and affected our local council base, councils today would have £14 billion more than they have. That would be sufficient to deal with the crisis in social care and the crisis in children's services.

Charlie Elphicke (Dover) (Ind): I have listened carefully to what the hon. Gentleman has been saying, and it seems to me that his answer to every question is, "Send more money." My question to him is: where is the money going to come from?

Jim McMahan: I will come to that a little later. [*Interruption.*] There is absolutely no such thing as "no cost effect" when it comes to not providing vital services for people. We know that because older people are not being looked after the way that they need to be looked after. We know because social care is not being provided in the home. More than 3 million delayed-discharge days have been attributed to a lack of social care. More than 120,000 hospital beds have been blocked, so there is a cost involved.

Most people who understand public services would say that it is far better to have joined-up public services that are unified at local level, so that money is spent to best effect and spending is tailored to the circumstances of the individuals who are using the services, than for people to have to navigate the ridiculous silos in which money is held. However, we must also accept that people are living longer, which has health and social care consequences that carry a cost.

As a society, we must make up our minds about the type of country in which we want to live. Are we the country that ignores older people who need care because we can ignore them? They are not visible in the same way as ambulances queuing up at A&E. The truth is that 1.2 million people who are in their homes are being ignored by central Government, and by the Treasury in particular. I think that they deserve better.

Mr Peter Bone (Wellingborough) (Con): The hon. Gentleman is making a serious point about adult social care. Would the Labour party work with other parties to bring about a bipartisan approach? Everyone knows that there is a problem, but we should all work together to find a solution.

Jim McMahan: The problem with health and social care is that so many reports have been commissioned, but by the time a commission has met, considered the evidence put before it and reached a conclusion that can be accepted across partisan divides, the world has moved on and the challenges have changed. Some of this is not difficult, but any idea that it does not come down to pounds and pence is nonsense. Of course we can be more efficient with the money that we have, and we ought to ensure that that happens. We can work better across Departments, and we should do that as well. Ultimately, however, there has to be enough money in the system to meet the demand.

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

Jim McMahan: I will give way once more, but then I must move on.

Rachel Maclean: The hon. Gentleman is talking about a very important challenge that we face as a nation. Will he confirm that the Labour party would double council tax to deal with this crisis, as other members of it have suggested? Our voters would need to know that.

Jim McMahan: Council tax has an important role to play, as have business rates, but it also has significant limitations. I shall explain why a little later.

Any idea that the social care and safeguarding crisis—we should talk about safeguarding as much as we talk about social care and the NHS, because it is all-important—that can be addressed through council tax,

through a property-based system that is now 27 years out of date, completely misses the scale of the challenge that faces public services.

Wera Hobhouse (Bath) (LD) *rose*—

Jim McMahon: I need to make progress.

I want to touch on what the 1% additional council tax means. When we seek to raise money through council tax—through a property-based tax—that takes account of the property values in an area, but it bears no relation at all to local needs or the cost of delivering services in that area. Therefore, the more pressure that gets added to councils to provide that from council tax, the more inequality we are going to see through council tax.

In Richmond, 1% for social care would raise £36 per person over the age of 65, but in Rochdale it raises just £18, because the tax base just is not there to support an equal increase in cash being taken. So if all we do every year is come back and say that we are going to allow another 1% and another 1%—and perhaps, if things get even worse, allow another 2%—that will just take even more from people who can afford it even less, because although council tax is important, it is regressive; it takes far more from lower income families than any other form of direct taxation in this country. So as much as it is important, we ought to always have an eye on the impact on those who actually pay the bill. After all, as we often hear from Government Members, there is no such thing as Government money; it is all the public's money. That is right, but we are quicker to take the money from some people than from others it seems. We should focus on that, too.

We know that social care and children's services are in crisis, and we know the complexities of social care will mean there is greater demand on the public purse. The difficulty is that the Government's approach has been completely underwhelming and has completely missed the opportunity to set the record straight. Aside from the massive increase in looked-after children and children in receipt of reviews, we also know the way that has been funded is completely unsustainable.

The transition grant and the rural service delivery grant were introduced on the basis of two concepts. First, those who were hit hardest by the reduction in revenue support grant would get greater support to help them in a temporary period of two years to adjust their baseline budgets and organise efficiencies to eventually deliver a balanced budget. Secondly, there was a recognition through the second grant that it costs more to deliver services in rural areas than in urban areas because of sparsity. I am afraid the evidence base for both of those does not hold water and has not even passed the test the Government have set. So the transition grant that was meant to be there for two years has now been extended, and the rural service delivery grant has been completely undermined by a report the Government themselves commissioned by LG Futures in 2014 to assess the additional costs of delivering services in rural as opposed to urban areas.

The report said there were differences in the cost of delivering some services in rural as opposed to urban areas but the net cost in terms of the impact on councils' overall budgets was felt harder by urban areas as the costs in those areas were far higher. *[Interruption.]* That is not my report; it is a Government report published

on their website that supports the revenue support grant. Given that the evidence base has been decried by the Government's research, I am staggered that they are putting even more money into a system where the evidence base is completely contrary to the position the Government seem to be taking.

The report found that 11 service areas were affected in rural areas and that accounted for about 15% of the council spend in those areas, but when it looked at the 15 service areas that were not affected, it found that they accounted for 31% of urban local authority budgets, so there was a 15% additional cost because of sparsity in rural areas versus 31% of additional cost in urban areas for service delivery. Therefore, if there was going to be a grant designed to help councils deal with the additional cost of delivering public services, on an evidence base the Government have commissioned, accepted and published on their website, that ought to be directed to urban authorities where the costs have been demonstrated to be much higher. Yet we continue with this farce.

I find it interesting that the Secretary of State does not have the Chancellor's ear. When he knocks on the door of No. 11 and asks for more money, the Chancellor is not particularly interested in banking that support for the future as much as the Secretary of State is determined to bank the support of Conservative Back Benchers for whatever reason. Perhaps it is to face off a rebellion today or to buy off Conservative shires—a purpose that has not yet been declared. He should be honest about why the money has been allocated.

I do not resent the argument being made by areas with service delivery costs relating to sparsity that that ought to be reflected in their settlement. I do not disagree with that at all, and I commend the MPs who have made that case and have managed to secure progress from the Secretary of State, who on most measures does not seem to understand his brief. However, he certainly understands the need to appeal to Back Benchers and to bank their support for the future.

I resent the view, however, that some councils in some areas can be funded in a fairer way—although still not fair—while others have to sink or swim depending on their council tax base 27 years ago. That is not a fair or sustainable way to fund council services. I have no confidence that the fair funding review will deliver what most reasonable people would consider to be a reasonable and fair funding formula, which would be one based on need that would take into account urban deprivation, rural sparsity, demographics and demographic change, and the difference in unit costs for delivering public services. A fair formula would take all that into account and arrive at a number, but that is not what is on the table today.

The Conservatives who will go through the Lobby later to support the motions should bear this in mind: there is no new money. Money has been moved around from departmental budgets that were set before Christmas. The money in the transition fund and the rural service delivery grant is a one-off that has been taken from the business rate safety net—the Government will not say how that will be funded in future—and from other departmental reserves. How will councils be funded between now and 2022? Do Conservative Back Benchers really want this charade at this point in the calendar every year? We know that there is not enough money to fund public services, but they hold their nose because they have been bought off with a couple of pounds.

[*Jim McMahon*]

They absolutely understand, in the way that all Opposition Members do, that the cuts have gone too far and that our communities deserve better.

Several hon. Members *rose*—

Mr Speaker: Order. To accommodate the level of interest in this debate, the time limit on Back-Bench speeches, which the Chair had previously notified would be seven minutes, now needs to be six minutes.

5.32 pm

Mr Philip Dunne (Ludlow) (Con): It is a pleasure to lead the debate from the Back Benches today, and I will start by agreeing with one point made by the hon. Member for Oldham West and Royton (*Jim McMahon*): his congratulations and applause for the work of local government staff up and down the country in delivering services for local residents day in, day out, with a resource base that is diminishing overall. However, I disagreed with almost everything else that he said.

The hon. Gentleman seems to have a limited recall of local government finance, which may not be his fault, as he has not been in the House for very long. Those who were Members between 1997 and 2010, under the previous Labour Administration, will recall that there was a significant shift of local government resource from rural to urban areas. The hon. Gentleman referred to a piece of research undertaken in 2014, but I encourage him to read more widely. In particular, he should look at the work done by the Rural Services Network, which has carried out considerable research into the additional cost, which it acknowledges, of the delivery of services—*[Interruption.]* The hon. Gentleman says from a sedentary position that that is not the evidence, but it is the evidence provided by the RSN. I should declare that I co-chair the all-party parliamentary group on rural services, which is supported by the RSN.

I do not have very long to speak—you have given us a tight time limit, Mr Speaker—so I will confine my remarks to a few points. I will give the shadow Minister one example of the unfairness, as I and other Conservative Members see it, between rural and urban areas. The proportion of spending power funded by council tax in rural areas for the coming year, 2018-19, is 69%, while the proportion of spending power funded by council tax in urban areas is 55%. The burden on council tax payers in rural areas is significantly higher, which can be illustrated by comparing almost any urban authority with any rural authority that I care to mention.

My rural authority is Shropshire, which I will compare with Coventry, an urban area not that far away that has a similar population base, Shropshire's spending power in the provisional settlement, before the additional measures announced this week, is £1,623 per dwelling, whereas Coventry's spending power is £1,780, so there is £157 more spending power per dwelling in Coventry. Coventry generates £21.5 million more than Shropshire, and as £21.5 million is close to 9% of Shropshire's total spending power, it represents a significant divergence in capacity at a time when the costs of delivery in rural areas are going up disproportionately.

One of the reasons why the costs of delivery are increasing disproportionately is the rapid acceleration in the age profile of our residents in rural areas. I have

been surprised to discover that my constituency of Ludlow now has the 11th oldest population in the country, so there are only 10 constituencies in which more than 28.2% of residents are aged over 65. The situation is leading to considerable cost pressures on the delivery of adult social care in rural areas. The cost in Shropshire is going up by roughly £10 million a year, so the increase in core spending that will result from this settlement will be more than absorbed by the increasing cost pressure on delivering services to our increasing elderly population.

I welcome the measures announced by the Secretary of State this week, and I welcome the fact that the Government will publish a Green Paper in the summer on the cost of social care. It behoves us all to get involved, and I am sure that many all-party groups and interested groups outside the House will make representations. The all-party group on rural services, which I have the pleasure of chairing, will certainly make a representation.

My final point, in my last minute, will be to welcome yesterday's announcement of a £16 million increase in the rural services delivery grant. I am pleased that £900,000 of that will come to Shropshire to reflect the costs I have mentioned. I also welcome the extra £150 million for the adult social care support grant, on top of the £2 billion announced in the past 12 months, about which the Opposition spokesman was so grudging. This reflects the Government's recognition of the challenge in social care, and we are doing the right thing by trying to meet that challenge.

I also welcome the announcement about the retention of capital receipts for an additional three years, which will be of great help to authorities such as Shropshire Council. I am particularly pleased that the Secretary of State confirmed in response to my earlier question that the current review will be taken forward into the spending review.

5.38 pm

Mr Clive Betts (Sheffield South East) (Lab): This debate has to be seen against the background of a 79% cut in direct funding to local authorities between 2010 and 2020—those figures are from the Institute for Fiscal Studies. Local government has faced bigger cuts than virtually any other part of the public sector, and how well local government has dealt with that is to the great credit of councils across the country of all political persuasions. There have been real cuts to services, and if central Government were as good at managing their resources as local government, we would probably see much better services being delivered by central Government Departments. The reality, however, is that the councils with the biggest needs, such as Sheffield City Council, have faced the biggest cuts. There have been more than £300 million of cuts in grants to my local authority, and we have seen the problems in Northamptonshire only too starkly in the past few days.

On Monday, as we looked at business rates and local government finance, the Communities and Local Government Committee heard from witnesses including Councillor David Simmonds from the Local Government Association and Councillor Paul Carter from the County Councils Network, both of whom are respected Conservative leaders. When we asked them whether other councils were likely to follow Northamptonshire,

they said, “Not this year, but unless attention is paid to the growing pressures of adult social care and children’s services, which are becoming an even bigger problem in some authorities, there is a cliff edge that other authorities are going to fall over at some point.” Those Conservative leaders are not going off half-cocked or at a tangent; they are facing up to the real problems that local authorities are having to address daily.

The £150 million extra for social care is of course welcome. We are now somewhat used to having sticking plasters every year to address the social care problem, but it is just that the sticking plaster has got a bit small this year—it is £150 million rather than the billions we had perhaps come to expect. The LGA has said in its assessment that by 2020, the gap for social care will be £2.3 billion. That figure has been confirmed by the King’s Fund and by the National Audit Office in a report for the Select Committee. It is there for everyone to read, so this problem is coming at us—it is here and now, and it is growing. Conservative leaders of local authorities are saying this just as strongly as Labour leaders, and we are talking about a total funding gap of nearly £6 billion. That is the reality, and I have not heard Ministers challenge it in any way. These are the problems that local authorities are facing up to, and without extra resources, they will not be able to deliver the services that our constituents need.

I wish to pay particular attention to two issues, the first of which is business rates retention. Council leaders told us on Monday that there is a great deal of uncertainty. The four-year funding settlement that we are now in the middle of was welcomed by local councils, as they saw a degree of certainty, but they are now uncertain about what will happen in 2020. The Government’s intention is to have 75% business rate retention, which will give an extra £5 billion to the financing of local councils, but the Government intend to offset that by making the money pay for public health grants, rural delivery grants and other grants, so there will not actually be any net new money for local councils as a result. The leaders told us that when the move is made to 100% business rates retention, it will deliver another £5 billion, but local councils need that money to deal with the pressures on them now, and they will grow by 2020. The policy cannot be used to provide a reason for giving even more powers to local government in order to absorb that £5 billion, which is the Treasury’s intention. Ministers really have to think about that. There is a way to solve the funding problems in 2020: use this extra £5 billion from 100% business rate retention to fund dealing with the pressures that local government can identify.

Finally, I wish to talk about the fair funding review, which is a wonderful form of words to keep Conservative Back Benchers happy, is it not? Everyone smiles and says, “Fair funding means we are going to get more,” but one person’s fair funding is, of course, another person’s unfair funding, as we have seen over the years. Local government cannot agree among itself how fair funding should be sorted out. Of course it is right to review needs assessments every so often, and the Select Committee has put forward some evidence, following research we had commissioned on that review. But in the end, this is a zero-sum game, because when one council gains from the review, another will lose. What came out clearly from our evidence session on Monday—I believe that this was said by the Conservative leaders—is

that if the cake is not large enough, the fair funding review will probably end up being seen by no one as fair at all. That is the real problem. If additional funding is not identified, the growing crisis in social care will mean that there will be an even worse failure to deliver for some of the most needy in our communities, with the risk that some local authorities will be so financially strapped that they will follow Northamptonshire. That is a warning of which we should all be aware, and we have to bear it clearly in mind in the next few months.

5.44 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Shrewsbury is one of the most popular places to which to retire in the whole United Kingdom. The beauty of our historic town and the Shropshire countryside attracts a lot of senior citizens to come to live in our community. We celebrate their contribution to our constituencies and to the county, but with that increase in the number of senior citizens comes, of course, additional adult social care costs. I have become interested in the local government finance settlement because, as my hon. Friend the Member for Ludlow (Mr Dunne) said, our local council has faced increases of £10 million per annum in its attempt to grapple with the spiralling costs of adult social care.

When previously the Labour party ran the local council, it increased council tax by 16.6% in one year. That caused a great deal of distress and concern to people on fixed incomes, especially senior citizens, which is why we have encouraged the council to freeze council tax and do everything possible to limit the increases that local people will have to pay. I am proud that the council has managed to do that.

Shropshire Council has reduced some of the operating costs, as we have asked it to do since we came into office, and a lot of the fat has been cut away. In fact, the council is one of the most efficient in the whole United Kingdom. However, having made the efficiency savings, it is now really struggling to meet additional costs, which is why my hon. Friend the Member for Ludlow and I have spent so much time in discussions with the council leader, Peter Nutting, and the chief executive, Clive Wright, to hear at first hand about some of the difficulties they face.

As a result of those discussions, my hon. Friend the Member for Ludlow and I, along with other Conservative MPs from rural shire counties, decided to meet the Secretary of State and the Chancellor over the past few weeks to highlight the difficulties that rural shire counties face. I wish to put on record my thanks to my hon. Friend and my right hon. Friend the Member for North Shropshire (Mr Paterson). My right hon. Friend is not able to join us today because unfortunately he is in hospital after an accident but, as my hon. Friend the Member for Ludlow will acknowledge, my right hon. Friend has played an important part in the campaign for funding for Shropshire Council.

Bill Wiggin (North Herefordshire) (Con): May I reciprocate by thanking my hon. Friend for the leadership he has shown in those meetings and for his determination, which has meant that rural counties have got a better deal? Equally, I thank the Front-Bench team for listening to us and being so helpful to people who need their help so badly.

Daniel Kawczynski: I am grateful to my hon. Friend. Of course, we almost think of Herefordshire as part of our area.

Bill Wiggin: Love thy neighbour.

Daniel Kawczynski: My hon. Friend is not quite Salopian, but he is certainly our neighbour, and I thank him.

Whether we look at funding for local government, education or, indeed, health, we can see, as my hon. Friend the Member for North Herefordshire (Bill Wiggin) will acknowledge, large gaps in funding—a disparity between rural and inner-city areas.

Michelle Donelan (Chippenham) (Con): I completely agree with my hon. Friend that rural sparsity and above-average ageing populations, such as Wiltshire's, do increase costs. Does he agree that deprivation is not confined to urban areas, as the Opposition believe, but can actually be found in rural areas such as our constituencies?

Daniel Kawczynski: My hon. Friend makes a critical point. When Labour were in government, I brought Labour Ministers to parts of Shrewsbury, including Harlescott, Ditherington and Sundorne, where there are some of the highest levels of deprivation throughout our county and the region. They were amazed. The Opposition just think of Shrewsbury as a quiet, sleepy, beautiful little historic town. They do not understand that there are significant levels of deprivation in rural shire counties.

I am very grateful to my right hon. Friend, the Secretary of State, and to his colleagues in the Department for treating us with a great deal of civility and decency and for listening so attentively to our representations. I thank him for the additional £166 million, as a result of which Shropshire gets an additional £2.3 million. However, the taskforce that we have created will continue its work until we get a fairer funding settlement. I am very grateful to him for taking the first step in ensuring that the fair funding settlement is implemented. He has announced the start of a public consultation process, which is something that none of his predecessors did, so we can now acknowledge that he is taking our concerns seriously and is putting forward the mechanics to ensure that we finally have a fairer funding settlement between rural and inner city areas.

When the dust settles on this local finance settlement, I will continue to lobby my right hon. Friend, as will my right hon. Friend the Member for North Shropshire, to ask for Shropshire to be considered for the next tranche of business rate retention pilot schemes, because that is a very good initiative and something from which our county could benefit significantly.

I will end by inviting the Secretary of State to Shropshire. He has been there before—he represents a constituency not far from us—and we have been very grateful for those visits. None the less, I invite him again to come to spend a day looking at how services are provided across a rural county, and how there are huge additional costs in providing those services. I say to the hon. Member for Oldham West and Royton (Jim McMahon) that, in contrast to what he attempted to say in his contribution, those additional costs do exist. In dealing with a lot of very small schools in rural villages, meals on wheels and

getting support to remote rural villages, there are, of course, additional costs, and until they are taken into consideration, we, in the shire counties, will continue to lobby strenuously on this matter.

5.51 pm

Richard Burden (Birmingham, Northfield) (Lab): I know that I will not be alone in observing that the level of casework coming through my constituency office these days has never been so high. The reason it is so high reflects a number of things. It certainly reflects the fact that 7,500 people used just one of our local food banks, the B30 food bank, last year alone; it reflects the changes in the benefits system; it reflects the persistent problem of low pay; and it reflects real problems of crime and antisocial behaviour that was covered in the previous debate.

The reality, though, is that so many of the cases that I take up today relate to services provided by Birmingham City Council. Yes, Birmingham does not always get things right, but then neither does any other local authority. However, as a council under Labour, it has continued to prioritise children's services; kept most libraries open when many other authorities have closed theirs; and taken an active role in boosting jobs and skills for young people, leading to initiatives to manage and reduce the numbers of young people not in education, employment or training. It is also leading in the co-ordination of the response to the collapse of Carillion locally. It is building homes and has a programme to improve fire safety in tower blocks—we are waiting for a Government response on this—which needs and deserves help from the Government.

The truth is that so many of the problems that I see at my advice desk are down to the fact that Birmingham City Council is simply not allowed the resources by Government that it needs to provide the services that my constituents deserve. Figures in the provisional local government finance settlement show that Birmingham's core spending power will drop by 2% over the period between 2015-16 and 2019-20, even if Birmingham City Council raises its council tax by the maximum 3% each year. In comparison, over the same period, Hampshire's spending power will increase by 4.8%, Surrey's by 4.7% and Warwickshire's by 7.5%. Government funding to Birmingham City Council has been cut by almost £650 million since 2010. That is more than 75% of the current net budget. It has lost 40% of its workforce, and adult social care, which has rightly attracted a lot of attention in this debate already, has had to be cut by 48%. We all see the consequences of that.

Fairways, a day care centre in my constituency, is under threat of closure. In proposing that closure, Birmingham City Council has got it wrong. I hope that service users and I will persuade them to change course. However, the council has been put in this position and is on the brink of making the wrong decision due to the 48% cut in the budget for adult social care.

But the point I really want to make is not just that Birmingham needs more support, but that it deserves a fair deal in the formula used by the Government. The Government have failed to correct an historical error in the funding formula, which means that Birmingham is £100 million worse off today than it should be. Why? Because the Government cut grant allocations to local authorities in 2014-15 and 2015-16, pro-rated to the

level of grant received, and they disregarded the ability to raise council tax income. The result was that the authorities receiving more Government grant because they were least able to raise council tax income—because of the generally higher levels of deprivation—received the largest cuts proportionately.

Birmingham City Council met the Government to discuss changes in approach to the distribution of the cuts made to local government, so that the cuts would take account of the ability to raise council tax. I am pleased to say that the Government did change their approach to allocating cuts from 2016-2017 in order to take that into account. However, the inherent unfairness of the first two years' cuts remains. Based on the latest local government finance settlement, Birmingham City Council estimates that it will receive £100 million less funding in 2018-19 than if the cuts were made fairly.

Like all local authorities—particularly those with the highest levels of deprivation—Birmingham needs greater support from the Government. But I am not just making a special case for Birmingham because of that. I am asking that all local authorities are treated equally in the level of cuts made annually. And if they are to be treated equally, Birmingham City Council should receive £100 million of extra funding. The Government have not agreed to that. My question is, why not?

5.55 pm

Anne Marie Morris (Newton Abbot) (Con): What we get in our local government grant is key to delivering the standard of living that all our constituents want. I thank the Minister, because we have been fortunate in Devon, where core spending has gone up 3.3% to £537.8 million. We have an additional social care grant of £2.2 million and a rural services delivery grant of £7.5 million, although the business rates pilot money of £10 million has perhaps been the most valuable to us, as it has doubled what we might otherwise have received. Hon. Members might be expecting me to say, “Thank you—that’s enough.” And I do thank the Minister. But, in a sense, the case has largely been made by my Shropshire colleagues: even that money is not enough, because we have a shire county with an ageing population and infrastructure challenges. I will not repeat the valuable case that has already been made.

This debate is not just about how much money authorities receive, it is also about how it is spent. I have a real concern that some of the money sent to local authorities by the Government will not actually be spent on what the Government imagine. That happened with the last chunk of additional money for social care funding. My local authority is—forgive me—strapped for cash, so it decided to reduce what it was going to spend itself, and instead included the extra chunk that came from the Government. The bottom line is that it was not actually social care providers, and particularly care homes, that saw the benefit. That does not seem right.

There is no oversight of the commissioning of social care or, indeed, of many other commissioning functions of local government, so the level of service provided is a postcode lottery. My constituency has some really good private providers, but they do not take any patients or inmates from the public sector because they simply do not offer sufficient rates. Nursing care homes in my constituency—the ones actually provide nursing care—have largely gone because they simply cannot be paid enough

to provide support. It is those nursing care homes that we need, almost more than the standard care homes. I would suggest that the Government think not just about how much is spent, but how we supervise and have some oversight of how local authorities spend that money.

Children’s services are in an equally dire position. The department is overspent in Devon and the weighting has been inadequate, yet to try to save even more money, the council is looking not at outsourcing, which is what it did before, but at bringing in-house its provision of public health services for children. I am concerned that what the Government are doing, while well intended, is not delivering the right result.

In education, I certainly welcome the increase, and indeed the new funding formula, but it is not delivering what we need. Yes, it is more, but for the same reasons of sparsity, it is not enough. As a result of the formula, some schools will actually be worse off now than they were before the formula was introduced. The formula is opaque and unfair, and it is not designed to re-address the situation when, hopefully, the good times roll again. I urge the Minister, working with the Department for Education, to look again at how we can make the funding formula really fair.

My real concern, however, is special educational needs. Devon has one of the most critical situations in this regard. Much of the provision is out of area and consequently very expensive. We need a hub, which requires initial capital investment from Government. Something that has rather surprised and horrified me is that when any child is what we used to call statemented—that is, needing support, usually about £10,000, which is about what is needed to pay for a teaching assistant—the local council gives the school only £2,000 and the school is expected to find the difference. The school is not a business; it is there to provide a public service. That does not seem right, but I am sure that the Department could fix it if it wanted to.

Mental health provision is also inadequate—we know that; there are no surprises. We welcome the offer of a person specifically focused on mental health within schools. However, this must be about providing an additional person, not just trying to retrain somebody who is already fully employed.

The funding settlement for education does not cover costs such as salary increases, pension increases or the apprentice levy, nor the extra cost of children having to be supported up to the age of 26—well, they are not children any more. It seems to me that there is still a lot more work to be done.

The Government and the Department have made a good start. I believe that their intention is in the right place, and the financial support offered is welcome, but they absolutely have to address the underlying unfairness and challenges for rural areas, which are not understood in any formula that I have seen in any of the spending areas. It is critical to get this right before—if the Government have what they want—the system whereby all funding is generated locally is put in place. If we do not understand the need in rural areas, we will never be able to ensure that whatever we do locally is going to meet that need.

6.2 pm

Alex Norris (Nottingham North) (Lab/Co-op): I came to this place having represented my community on Nottingham City Council for six years—something that

[Alex Norris]

I enjoyed greatly and that was a real privilege. However, being a councillor between 2011 and 2017 was quite a difficult proposition. We saw massive real-terms decreases in our funding every year as the Government downscaled their commitment to our city. That meant service cuts, council tax increases, and business rates being increasingly vital. It meant local people paying more so that the national Government could pay less. All this in pursuit of an austerity agenda that decimated demand in our local economy, leading to a historically slow economic recovery, and is now to pay for tax cuts of little social value.

I am afraid that is the picture we see again this year: spending cuts. I used to think—I do not know if it was a naive or an optimistic view of the world—that Ministers did not understand local government and that that was why there were cuts of such a scale. My hon. Friend the Member for Sheffield South East (Mr Betts), who is not in his place, said that local government has been targeted as much as anywhere else in the public sector. I thought that it was because Ministers did not understand it, and thought that the services were unimportant and wasteful. Actually, it is quite the reverse. Ministers target local government because they know exactly how it works. They know that hard-pressed councils like mine in Nottingham have to set balanced budgets, so if they pull a lever and say what the reduction is, they will get that reduction, to the penny, from local government, and they can go to their Treasury colleagues having done their job. They will have had none of the responsibility and will get all the benefit. What an easy cut to make!”

That would be bad enough, but these spending cuts have been incredibly unevenly distributed. Between 2014 and 2016—around the transition grant period—Nottingham households lost 250 quid each in spending power, while those in Windsor, to pick one area out of dozens that would fit into this category, lost just £34. But it was those very communities such as Windsor that benefited from the £300 million transition grant to help them to deal with the cuts. In Nottingham? Not a bean.

Inevitably—what else could it do?—that has led to council tax rises in my community. One of the poorest communities in the country, with the lowest discretionary spend, we will now again receive a near 6% increase in our council tax. We have a small council tax base, as others have mentioned, so that will be less helpful for us than it will be for other communities. Our gap in Nottingham starts at £33 million. The Secretary of State talks about increased spending, but the reality of the situation—I suspect it is the same for all hon. Members here today—is that my council will have to make reductions. If I tell my council leader that he has more money, he will tell me that he has to make a £33 million reduction in services. If he gets £6 million in council tax, that is still £27 million that has to come from elsewhere as we deal with the toxic combination of losing grant and having significant increases in demand.

We have heard a lot about demands in adult social care, which are important, but we should not forget children’s social care and the extraordinary pressures it creates. So for my community there will be service cuts. Lest people think that this is an efficiency issue, I want to share with the House the proposals in Nottingham—[*Interruption.*] I am glad the Chancellor has joined us:

I will be able to make a personal plea. The proposals in Nottingham include job cuts in adult social care; reducing funding for weight management, smoking cessation and drug and alcohol services; reductions in youth services; reducing funding for the careers service; reviewing transport services for vulnerable adults; reviewing fees and charges for leisure centres and bereavement services; and increasing fares and reducing frequency on the Link bus services. We have our political differences, but I doubt that anyone would say that those are “nice to have”.

More importantly, as well as being vital services in my community, those are all stitches in time that save nine. Every single one of those reductions will lead to an increase in spending in public services elsewhere, and that is why this settlement is an act of vandalism. It is short-sighted and ill-judged. But as we all know—and I suggest this is why the Secretary of State is so attached to the idea—my council will receive all the blame. It should not; it is doing an excellent job in impossible circumstances. The fault lies at the door of the Secretary of State.

As for the fair funding review, I have no problem with systems that are a generation old being looked at, but we should be clear when we talk about fairness. I know there is an enthusiasm for capitation, but we should be clear what that would mean for communities such as mine. I am happy to accept, and I almost hoped I would get, an intervention on that point.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): Does my hon. Friend agree that areas of high social deprivation end up bearing the brunt of cuts? In particular, in my constituency, the council has had to contend with £54 million in cuts, £12.4 million of which is to schools, thereby hampering the education of the next generation.

Alex Norris: I share my hon. Friend’s perspective. I know that he will work with his council to try to mitigate those cuts, but there is a point at which that becomes impossible. I am sure that in Slough, as in Nottingham—and, as we heard from my hon. Friend the Member for Birmingham, Northfield (Richard Burden), in his area—they have received reductions that are significantly over the national average. The reductions are not just ill conceived, they are unfairly distributed. When we look at the fair funding formula, we must look at that.

I have heard persuasive cases from Shropshire about the needs there. That is why we should look at hard deprivation indices to make our judgments, not special pleading or bartering for votes. We need hard figures that say where the need is greatest, because that is where the funding should go.

I have not been here very long, but I have noticed a couple of curiosities that have been in full force today. Earlier in the day, at Prime Minister’s questions, the Government Back Benches erupted with stories of how great things are going in Members’ constituencies and what a wonderful job the Government are doing. Fast-forward a couple of hours to this debate and suddenly we hear how hard-pressed those communities are and how much more money they need—and need now. As I have said, this is a zero-sum game, and the money would come from poorer communities such as mine. That is one of the odd spectacles.

We also often hear from Ministers at the Dispatch Box that the answer to public service issues is not more money, and councils should not just ask for more money. But then we have had a series of speeches this afternoon asking for just that. When the challenges are in better-off communities, the answer is always more money, but it is always less money for us. I come from Robin Hood country, and it is a sort of reverse Robin Hood. It is particularly galling to have lectures on the state of local public finances from communities that never put their council tax up, use that as a political article of faith and then say, "Look at the shortfall we've got." We have always had to put our council tax up, because that is the only way we can hope to stay anywhere near in line with our demands. Those are our challenges. As we move to the fairer funding review, let us use fairness in its proper and most evidence-based form.

6.10 pm

Mr Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the hon. Member for Nottingham North (Alex Norris), who made a passionate case for his area and touched on the issue of fairer funding. He is absolutely right that a fairer funding review has to be done after a period of time. I can remember making that argument to Labour Governments. The problem is that when a fairer funding review is done people then say, "Gosh, that area needs more money, but we've got to cap somewhere else" and Governments are not very keen on cutting elsewhere. So while I think the fairer funding formula is essential, and it is clear that county areas such as Northamptonshire should benefit, it is not the answer to all evils.

One clear issue in this debate—Members on both sides of the House have mentioned it—is adult social care. It strikes me that there is no Tory solution to adult social care, and there is no Labour or Liberal Democrat solution either. We need to work together to find a solution to a broken system. We need to do it now, way before the next general election when we start playing party politics again.

You would expect me, Mr Speaker, to talk primarily about Northamptonshire County Council, because by definition it is now the worst council in the country, having effectively said that it has run out of money. It would be very easy for me to get up and say it is all down to the Government not giving the county council the right amount of money, but that is entirely not the case. Other county councils have managed their affairs better—much better. The problem with Northamptonshire County Council is its governance over a number of years. I have to say that it has been the most difficult organisation to deal with. It does not respond to communications—to be honest, it would be easier to get through to God.

All seven Northamptonshire MPs have issued a statement saying that we have lost confidence in the leadership of the county council. The Secretary of State and the previous Secretary of State have known our concerns. I am very grateful for all the effort the Secretary of State has put into tackling this problem and putting in an inspector at the county council earlier this year. I hope that the inspector can report as soon as possible. It is clear that the solution is Lords Commissioners. The county council cannot resolve its own affairs.

How did we get to this mess? It seems to me to be partly due to the cabinet system of government. We have had the same local politicians in the cabinet year after year. They just recycle the jobs. The vast bulk of county councillors in Northamptonshire, of whatever political persuasion, are very, very good, but the fact that they do not get any information from the cabinet has not allowed them to scrutinise the mess that has been going on. In fact, we could say that a clique ran the county council, and that is where it failed.

Alex Norris: I am sorry to stop the hon. Gentleman in full flow, but I have heard him say that a few times now. For the budget to have passed, the very same councils that he says are outside the clique and ready to save Northamptonshire County Council must have voted for it, either thinking that the budget was a good one or thinking that it was not a good one but doing so out of party loyalty. Either way, would that not disqualify them from leadership as well?

Mr Bone: In this particular case, the budget was passed on the assurances that were given by the cabinet, and those assurances were given to the local MPs. We said, "Are you sure you've got the money to do this? We're worried," and they said, "Oh no, everything's rosy. The budget is fine." They produced a budget and passed it. In year, it was clear that the savings they had suggested were not happening, and they had to take emergency measures. The budget will have to be set in February or not, and that is a dilemma for the council at this very moment.

Charlie Elphicke: My hon. Friend hits on a key concern that I have about the cabinet system in local government. When I was a councillor, we had committee chairs, and we had all parties round the table, having to justify what action they were going to take. There was immediate accountability. The cabinet system has taken that away too much.

Mr Bone: I could not agree more. I was a councillor for seven years, and there was a committee system. It was a Conservative-controlled council, and I have to say, I was as much of a pain then as I am now. I remember persuading the leader of the council to take back the proposed budget because it was wrong. Nothing has changed there, I suppose.

Michelle Donelan: Will my hon. Friend give way?

Mr Bone: I will not. I apologise, but other Members have to speak.

The cabinet system per se is not wrong, but it can go wrong, and it has gone terribly wrong in this case because the information just was not there. The vast majority of officers at the county council are superb, as are the vast majority of members, but the fact that the information was not there meant that the scrutiny did not occur. Had there been a committee system, there is no way that the council could have got into this mess.

We are in a situation now where drastic measures have to be taken. I do not see any solution except Lords Commissioners. There will have to be a restructuring of local government in Northamptonshire. I hope that that can be done as quickly as possible, but whatever future local government system we have in Northamptonshire, it must have a committee system, not a cabinet system.

6.17 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I commend the hon. Member for Wellingborough (Mr Bone) for his speech. The simple answer in his case is that the Conservative councillors on Northamptonshire County Council could find the fortitude simply to no-confidence the existing leader, rather than trying to get the Lords Commissioners to do the dirty work for them, but it seems that they would rather abdicate responsibility in that sense as well.

While I am on my feet, I wish to draw attention to the comments made earlier by the new Secretary of State for Housing, Communities, Local Government and other subjects—the list seems to be growing every day.

Jim McMahon: Don't forget bins.

Gareth Snell: Yes, obviously he is the Minister for Bins.

The Secretary of State said that Stoke-on-Trent City Council would see an increase in its funding abilities. I have just double-checked the figures published by the Conservative portfolio holder for finance on Stoke-on-Trent City Council, and they say that £32 million needs to be cut over the next two years. Either the Conservative Minister in this place was misinformed or the Conservative deputy leader of Stoke-on-Trent City Council is providing misinformation to the public. Those two statements cannot be reconciled without someone saying they are wrong. That is the nub of today's debate. Conservative Members are quite happy to throw around terminology and certain figures simply to prove a point that they are not cutting local government, but anybody in this place who has been involved in local government knows that they are.

I apologise, Mr Speaker. I should have drawn attention at the beginning of my speech to my declaration in the Register of Members' Financial Interests: I am a serving district councillor in a shire county, so I understand the points made by the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) about the deprivation that exists in shire counties. However, I represent Stoke-on-Trent, and what he fails to understand is that this is not necessarily about the absolute level of deprivation, but the number of people for whom those services are needed—the number of children in care and the number of older people requiring complex social care. That simply cannot be compared in a city and a county as though it is apples and apples, because it is not; it is apples and pears at best.

As my hon. Friend the Member for Nottingham North (Alex Norris) made clear, the cuts being inflicted on local government are causing councils to make very short-term decisions year on year to balance budgets, because they cannot make illegal budgets—they are not able to deliver any budget that is not balanced. In the case of Stoke-on-Trent, £1 million will be taken out of the homelessness budget. That will not end homelessness, but drive more people towards A&E services and peripheral services funded by the clinical commissioning group, the police and crime commissioner or other funders that will then be asked by their departments to make their own savings. We have a circular system of cuts that do not help the individuals on which they are focused. Again, Stoke-on-Trent City Council is looking to cut £751,000 from its drug and alcohol support service by

2019-20. If, as the Secretary of State says, there is more money coming into Stoke-on-Trent, I do not understand why such political choices are being made.

It is not only Labour councillors and Labour Members who are saying this; Lord Porter, the chair of the Local Government Association, has said:

“Years of unprecedented central government funding cuts have left many councils beyond the point where council tax income can be expected to plug the...gaps”

alone. If Conservative Members will not listen to Labour Members, perhaps they will listen to their own peers who are experts in this field. Quite frankly, if Lord Porter is saying that there is a problem with local government funding, we should all sit up and listen because he knows what he is talking about.

I want to touch briefly not on the funding arrangements in Stoke-on-Trent, but, although the Secretary of State is no longer in his place, on the issues in Bromsgrove. It is one thing for the Secretary of State to tell me that my council has no problems, but another for his own council in Bromsgrove to predict a £1 million shortfall over the next three years and to have to put up council tax by 3% and for the county council to predict a £32 million deficit over the next year and to have to put up council tax by 4.94%. The leader of the county council said in a cabinet report:

“The current...financial year has faced significant financial challenges”.

This is not scaremongering by Labour councils or Labour Members. Tory councils with Tory MPs are making it quite clear that Tory Government cuts are affecting the provision of local government in their own communities.

I am not entirely convinced that the report, for all its fancy words and funny fudging of figures, will actually deliver anything to give the necessary help and support to councils that need it. I will now finish to leave some time for others, but my hon. Friend the Member for Nottingham North said that he is from Robin Hood country. The motion does not give us the redistributive politics of Robin Hood; it is more about robbing the cities and robbing the poor.

The report is about taking money out of areas of deprivation to make sure that rebellious Back Benchers do not decide to sit on their hands and cause the Government a problem this evening. I welcome the fact that the hon. Member for Shrewsbury and Atcham, who is not in his place, has been able to succeed in getting additional funding for his council on a one-off basis, but that is not a long-term solution for the problems faced by local government. As more and more services are pushed by this Government towards local government, it is incumbent on us all to make sure that local government is funded properly and fairly.

6.22 pm

Tom Pursglove (Corby) (Con): It is a pleasure to follow the hon. Member for Stoke-on-Trent Central (Gareth Snell), not least because he, like me, has local government experience in a shire county setting.

Rather like my hon. Friend the Member for Wellingborough (Mr Bone), it would be impossible for me not to speak about the situation at Northamptonshire County Council. It has been a very difficult week for local government in the county. I want to preface my remarks by saying that the vast majority of the staff at

Northamptonshire County Council work tirelessly—day in, day out—on behalf of local people to deliver key public services, and no blame whatsoever lies with them for the situation in which we find ourselves.

It is no secret that we, as the seven Northamptonshire MPs, have been exceptionally concerned about the situation at Northamptonshire County Council for some time, and I appreciate the steps that the Secretary of State has taken to try to address those concerns. For example, there is the appointment of the inspector, who is currently conducting a thorough piece of work looking at what has gone wrong. As I said in the urgent question yesterday, I would welcome an interim recommendation from the inspector as quickly as possible, so that we can try to provide certainty for local people.

What is so frustrating is that, time after time, when Members of Parliament asked whether the county council would be able to balance its books, we were told, “Absolutely. You have nothing to worry about.” Such requests for clarification were made as early as last March and April and as recently as December. The responses were unequivocal—senior cabinet members at the county council were unequivocal in giving such guarantees—but we are where we are.

I believe that the concerns we have raised have been vindicated by the issuing of the section 114 notice. It is not just Members of Parliament who have raised concerns; 21 back-bench councillors now say that they have no confidence in the leadership. The independent LGA report is damning. It states that

“there is a very short-term focus on solving the financial problems of today... There is no financial strategy to deliver a sustainable position for the Council... The Council has a poor record of delivering its approved budget... Key decisions are not always taken in the understanding of the financial implications, risks and options... Financial information is not presented clearly and transparently... Decisions taken by the Cabinet need greater transparency... Some portfolio holders readily accept the information they are given without systematic and robust challenge.”

Those are damning findings. It is no secret that the inspector who is currently carrying out the thorough inspection of the county council is equally concerned.

Michelle Donelan: I echo my hon. Friend’s point about the governance of councils being important. Does he agree that structure is also important and that unitary authorities such as Wiltshire Council can prove very efficient?

Tom Pursglove: I am grateful to my hon. Friend for that intervention. I am keen to return to that point later in my remarks.

It is not good enough for cabinet members simply to shrug off all responsibility and try to apportion blame elsewhere, because there has to be accountability. The question we have to ask is this: why is it that many local authorities in similar circumstances—with similar settlements and populations—have managed to handle the challenges of recent years much more effectively than Northamptonshire County Council has? It would also be wrong to suggest that Members of Parliament and members of the Government have not tried to do our bit to help with those challenges, but being able to help relies upon the frank exchange of information and an honest dialogue. What has happened suggests that that has not been the case. At every opportunity, we have tried to help.

I welcome the commitment to a fairer funding review. It is a little rich for Opposition Members to talk down a fairer funding review, because we did not have one in 13 years of Labour government. Actually, Northamptonshire has been chronically underfunded, in local government terms, under Governments from both sides; we do not do well out of funding formulas relative to more metropolitan areas. I hope that the local government finance review will help address some of those anomalies.

I have talked regularly in the House about the cost pressures created for Northamptonshire County Council by unaccompanied asylum-seeking children. I welcome the Secretary of State’s announcement in December of an additional £18 million to tackle those cost pressures, and I hope that the county council will bid for some of the money; it will be entitled to some of it, because the cost pressures are acute.

It is also vital to note that the core spending power in the period up to 2020 is up by 7.6%, which is worth £31.1 million more. Members of Parliament have raised concerns, but the Government have also taken steps to help tackle directly some of the challenges. It is clear to me, as night follows day, that a fairer funding review in itself will not solve Northamptonshire County Council’s problems. I take absolutely no pleasure in saying any of this, but I will not moderate my remarks for party political convenience, because my primary concern in all this is continuity of service for the most vulnerable of my constituents.

Where do we go from here? We obviously need to wait for the inspector’s findings. I would like to see an interim report as soon as possible, because we need that certainty. I suspect that commissioners may well need to be appointed, because the failures are systemic and need to be dealt with robustly. We need to have a serious conversation in the county about the future structure of local government. To me, it seems clear that a two-tier model just is not financially viable in the current climate.

Mr Bone: My hon. Friend is making a powerful speech. He will know that we have very good district and borough councils—in fact, we share one. They have reserves and if we move to a unitary system—I think that is what will happen with two unitary authorities—what does he think should happen to those reserves?

Tom Pursglove: I suspect that my hon. Friend’s assessment of what the future structure might look like is correct. The reserves are very important. I am frustrated on behalf of the district and borough councils in the county that have managed their affairs properly, budgeted responsibly and put reserves away. I would like to see a model that protects those reserves for the individual communities in question. In my constituency, I think it right that the reserves that Corby Borough Council has responsibly accrued are spent on Corby and services there, and the same should happen in East Northamptonshire. That is exactly the sort of thing that we need to factor in.

I hope that councillors will engage proactively in the process of helping to shape the system. I do not want to see Government having to step in and impose a model. I want us in our communities to shape the system of local government for the future and councillors to take a very active lead in doing that. I agree that a committee structure would be the best way forward. I worked

[Tom Pursglove]

under a committee structure system. I always found it a good, constructive way to do business. It was good to have the input of opposition members and backbench members into the democratic decision-making process.

As I said, absolutely no gloss can be applied to any of this: the situation at Northamptonshire County Council is an absolute disaster. I welcome the Government's commitments in the local government finance settlement. More can always be done and we should always keep the support that we provide under review. I look forward to hearing more about the support for unaccompanied asylum-seeking children, but in the county, we now have to focus on getting our local government back on a sustainable footing.

6.31 pm

Mr Kevan Jones (North Durham) (Lab): Since 2010, Durham County Council has had its expenditure cut by £224 million, although after hearing the Secretary of State speak today, we might think that local government is somehow in a strong position. My hon. Friend the Member for Sheffield South East (Mr Betts) was right: the root cause of this is the austerity during the last seven years. I will not let the Liberal Democrats off the hook for their responsibility for that, because they were in government and agreed to it.

This year alone, Durham County Council faces pay inflation of £4.8 million and general inflation of £3.2 million. The impact of the national living wage increase of 4.4% means another £3 million. There is a £3 million cost relating to the demographics of elderly people, and an additional £5 million due to pressures on children's services, which has been mentioned. That means that, in 2018-19, Durham County Council will have to make further savings of £15.3 million.

Much reference has been made to the fairer funding formula, but I think it should get done under the Trade Descriptions Act, because the Government are doing what they have been doing for the last seven years. This is about the pork barrel—they put the money where they can get the votes. That is why, for example, it is not surprising that rural sparsity funding is going to Conservative-controlled areas. Lo and behold, even though Durham is a beautifully rural county, it does not get any of that funding.

If we look at core spending power, the average increase for county councils for 2018-19 is 2.1%; for County Durham, it is 1.4%. The reason for that is what we heard in our debate on police funding: it comes back to areas with a low council tax base. If we look, for example, at the effect of a 1% increase in council tax, it is not surprising that the ones that score for core spending on that are Wokingham, with 0.8%, and Buckinghamshire, Surrey and Dorset. It was interesting to listen to the hon. Members for Wellingborough (Mr Bone) and for Corby (Tom Pursglove) talking about Northamptonshire, because under the system that is being brought in, their core expenditure will rise by 3.8%, compared with County Durham's at 0.5%.

The root cause lies in the clamour for so-called fairer funding back when the coalition Government entered office. I hear what people say about need, but the needs assessment was taken out of the formula, and that has continued under this Government. As a result, the

formula does not recognise that areas have particular needs, such as in relation to looked-after children or growing demand for elderly care. Instead, the Government are rewarding their own areas. I do not for one minute accept the idea that there is not poverty in rural areas—there is—but, as my hon. Friend the Member for Oldham West and Royton (Jim McMahon) said, the evidence does not prove that it is more costly to deliver services in those areas than in the constituency of my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell), for example, or some other urban conurbations.

Government Members are comparing apples and oranges, and we should think about the pressures in urban areas such as those of my hon. Friends the Members for Stoke-on-Trent Central and for Nottingham North (Alex Norris) regarding looked-after children, to take just one example. I am sure that the number of looked-after children in those areas is larger than that in some rural counties—even one such as County Durham—and that creates great pressure. It is not one of those services in which councils can pick and choose what they deliver. They have to deliver the service, and, whatever anyone says, it is very expensive to provide.

In 2010, the Government set out, as my hon. Friend the Member for Sheffield South East said, to make savings from local government. I was interested in what my hon. Friend the Member for Nottingham North said: the Treasury could guarantee getting the money because it was the councils that would have to do the implementation. We are now suffering as a result, however. If we are to make local councils more reliant on raising finances from council tax, areas such as mine—55% of its properties are band A—will always be at a disadvantage, even though our elderly population is growing and the demands on our services across the piece are growing.

I agree with the hon. Member for Wellingborough about social care. We need to take a cross-party look at this, because the problem will not go away, whoever is in government. The situation is not made any easier, however, with some of the nonsense in this funding formula, such as the 7% cut to public health, which will have a direct impact on that area. What we have is more of the same: a Conservative Government rewarding Conservative areas and dressing that up as a funding formula, when it is actually a pork barrel. Unless we address the situation fairly and prioritise need, this scandal in local government—and it is a scandal—will continue.

6.37 pm

Simon Hoare (North Dorset) (Con): I say, with apologies to Jane Austen, that it is a truth universally acknowledged that all councils complain about a lack of money to all Governments, irrespective of which party is in control. Like many colleagues, I served as a councillor. I was a district councillor for a dozen years and a county councillor for three, so I remember having to juggle the income reductions that started under a Labour Government in 2006-07. It just sort of happens.

I welcome the announcement that Dorset will receive an extra £1.2 million to deal with adult social care and that our total rural services delivery grant, which is hugely important, will be £1.5 million. I agreed very much with a lot of what the shadow Opposition spokesman said—I appreciate that he was not quoting his own commissioned report—but whichever idiot came up with the answer that the cost of delivering services in a

rural area was equal to that of delivering them in an urban area needs to be certified, because we all know that geography and population sparsity lead to increased costs. I also welcome last week's announcement by the Department of a successful bid to the housing infrastructure fund of £4.1 million, so it was not too bad a week of news for Dorset. I agreed with the hon. Member for Sheffield South East (Mr Betts) when he pointed to the huge debt of thanks that we parliamentarians owe to our councillors for the work they do, against the backdrop of a challenging financial position, in continuing to deliver services and to keep the wheels on the bus—if Members will forgive that analogy—at a time when incomes have been falling and savings have had to be made.

My constituency is served by three councils: East Dorset District Council, North Dorset District Council, and Dorset County Council. Although we have a two-tier authority, the county council provides, on average, 85% of the services enjoyed by the county. Over the last few years, my postbag, my inbox and visitors to my surgeries—as well as the leader and the chief executive of the county council—have made it clear that there is real, tangible pressure on the delivery of adult social services, services for children with special educational needs, and wider children's services, as well as, of course, rural transport.

All the Dorset councils, district and county, have made great strides in reducing their costs and making themselves more efficient, and the tri-partnership between West Dorset, Weymouth and Portland, and North Dorset District Councils has made huge savings. The councils have cut through the fat and the flesh, have gone through the sinew and the muscle, have been chipping into the bone, and are now starting to suck out the marrow. They are trying to author the next steps of their future in order to deliver the services that hard-working council tax payers demand and need, taking account of the demographics, as 65% of my constituents are over the age of 70.

Those councils have submitted a proposal for the reorganisation of local government. They recognise that it is a question of not just trying to demand extra income, but of trying to deal with what they receive in a smarter and better way. The “two-unitary” solution for the county that we are seeking, which is with the Department at the moment, commands 62% of public support. It is supported by seven of the eight Dorset MPs and eight of our nine councils, as well as Bournemouth University, Poole Harbour Commissioners, the local enterprise partnership, Dorset chamber of commerce and industry, the clinical commissioning group, the police and crime commissioner, and the Dorset Association of Parish and Town Councils.

I plead with the Government. I entirely accept the need to reduce expenditure and to balance the books. I entirely understand why local government has shouldered a very large proportion of central Government savings. I support the Government absolutely in that endeavour: what Conservative who understands the importance of proper control of public money would not? However, I cannot stand by, and will not stand by, if the proposal that was submitted to the Government is delayed still further, or rejected out of hand. The continued provision of services for children and elderly people in my constituency is now solely reliant on this change, so it needs to be delivered.

6.43 pm

Wera Hobhouse (Bath) (LD): I represent beautiful Bath. Obviously not everyone in Bath is wealthy, but on the whole it is a wealthy area. I am, perhaps, unusual, in that I lived in the north-west for 25 years, and for 10 years represented a local council area that was very deprived. I can tell Conservative Members that that was a real eye-opener. Anyone who wants to see real deprivation should visit the post-industrial towns of the north.

It is disappointing that such a partisan approach has been taken today. Yes, we should represent our own areas—I do that—but we should also make decisions in the round and look at fairness in the round, and we should make the right decisions for the whole country. The proposal we are discussing today is simply not fair. It will disadvantage the disadvantaged further, and it will increase the gap that already exists. I urge Conservative Members to think again and, if necessary, to spend a few years in local government in one of our northern towns.

I want to make a separate point about the overall proposal. The finance of local government and the way we deliver local services have changed beyond recognition in recent years, and that matters for democracy. We talk so much about taking back control these days, but the clearest evidence of democracy in action is at a local level. We deliver so much of what matters in people's lives through local government, from bin collections and street cleaning, to planning, housing and adult care services.

Until 2014, as I said, I was a councillor for 10 years in a unitary authority. We had clear spending and decision-making powers, and there was a clear line of accountability, but even then our council budgets were dominated by two pressures: efficiency savings and ballooning adult care costs. No Government have properly addressed the problem, but this Government have led a relentless crusade to destroy local government and local democracy. Most schools have been forced to become academies and are now overseen by Whitehall, our local facilities are run under PFI contracts, and more than half of our councils no longer own any social housing stock. Meanwhile, regulatory functions such as trading standards and building regulation control services are outsourced, which is a polite word for privatisation.

Where is the commitment to new resources for social care funding following yet another NHS winter crisis? The figure announced today will not cover the annual £2.3 billion funding gap that is expected by 2020. As homelessness increases and one in 111 children spend Christmas in temporary accommodation or bed and breakfasts, where is the commitment to new social housing so that people have a home to go to? The net cost to councils of providing temporary accommodation has tripled in the past three years. Rising homelessness is costing local government more and more in the long term. The Homelessness Reduction Act 2017 increases the demands on local authorities, but does not provide adequate resources. Even in Bath and North East Somerset, an affluent area, the council's estimated shortfall will be over £16 million by 2020. Most of the council's budget—75%—is spent on adult social care services. Just a small increase in that bill will mean that my council faces a financial crisis, and that is in my affluent council area. The situation at Northamptonshire County Council is just the tip of the iceberg.

[*Wera Hobhouse*]

As with most of what the Government do, their approach is driven not by pragmatic policy, but by small-state ideology. The public sector is to be weakened and replaced at every opportunity by private providers. Local decision making is becoming increasingly powerless.

There is an alternative, and it is rooted in the belief that the public sector can provide good services for local people. Bin collections, schools and care services can be run by councils. A service that is run by local people for local people is normally better than a service managed from many hundreds of miles away. A service that is run for the public interest has different values from a service run for maximum profit.

The debate is yet another dismal display of the Government's deliberate destruction of local government, and that will continue until crisis after crisis, and tragedy after tragedy, force the Government to rethink. My party is the champion of local government. We believe in local democracy and delivering the best possible services locally.

Gareth Snell: I have enjoyed the hon. Lady's merry dance around the history of her party in government, but her party was relentless in cutting local government to the bone when it was part of the coalition. For her to say now that her party is suddenly the salvation is frankly beyond the pale.

Wera Hobhouse: I thank the hon. Gentleman for making that point. I was a councillor in local government. As he knows, when any party is in national government, its members include people on the ground who need to agree to the decisions it makes. Many of us often pointed out how difficult things were for us at the local level, and our party listened and did not support the cuts beyond 2013.

My party is the champion of local government; I am a champion of local government. We believe in local democracy. We believe in delivering the best possible services locally. We believe that local government should be properly and openly funded. Today's funding proposals leave a gaping hole of £5.8 billion by 2020. This is another terrible settlement for local government, and it does not have the Liberal Democrats' support.

6.49 pm

Peter Aldous (Waveney) (Con): I will not detain the House for long. The local government finance settlement is of particular interest to me due to the significant challenges that councils face in areas such as Suffolk in delivering services, particularly adult social care and children's services. I am the chairman of the county all-party parliamentary group and in that role, along with many colleagues, I have made my concerns known to my right hon. Friend the Secretary of State and to my right hon. Friend the Chancellor. I am grateful to both of them for listening to those concerns and to the Secretary of State for providing an additional £150 million of funding for adult social care and an extra £16 million for the rural services delivery grant. From all that, £78.4 million will go to counties to help in the delivery of vital services. For Suffolk, there is an additional £2 million for the additional social care grant

and £500,000 for the rural services delivery grant. The additional funds are welcome, as is the business rates retention pilot, which should provide Suffolk with an additional £10.5 million for economic growth-related projects.

However, additional money only goes some way towards meeting the rising costs of social care, both in Suffolk and other counties across England and Wales. Such areas face unique pressures as they are home to the largest and fastest-growing elderly populations. It is vital that the Government deliver a properly resourced, long-term, sustainable fair funding system to meet the estimated £2.54 billion county funding gap in 2021. I acknowledge the Secretary of State's firm commitment to the fair funding review, which must result in a properly and fully researched, up-to-date, evidence-based solution that recognises both the demographic pressures of an ageing population and the actual cost of providing services in county areas. I sense a real strength of feeling among colleagues on both sides of the Chamber representing constituencies in county areas about the need for additional funding to plug the £2.54 billion gap, and I hope that the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), will confirm when he sums up that the fair funding review will take full account both of need and of the actual cost of providing vital services in counties such as Suffolk.

In some ways, I find it sad that we appear to be dividing counties and metropolitan areas with a "them and us" attitude. My constituency of Waveney is in a county area—north Suffolk—and believe me, Lowestoft is not a wealthy place and, looking at the current figures, I do not believe that we get the resources we need to tackle the deep-seated pockets of deprivation. We need to do something in a sensible and, dare I say it, collegiate way.

Imran Hussain (Bradford East) (Lab): Let us bring the debate back to where it needs to be. I do not think that this is about "us and them" or counties versus metropolitan areas; this is about the sheer unfair nature of the cuts. The 10 most deprived councils see the highest cuts while the wealthiest councils do not. Will the hon. Gentleman at least accept that?

Peter Aldous: As I said, I do not represent a wealthy area, and many sacrifices have had to be made on all sides, but we need to consider things in a calm and rational way to try to come up with a solution that is fair to all. That may well involve putting additional funding into the Budget, which may be the only way to find a solution that gets approval from the majority, if not everyone.

6.54 pm

Yasmin Qureshi (Bolton South East) (Lab): The financing of local authorities and local government has caused problems for many Governments over the years. It arises from the fact that parts of the country with a lot of businesses or a lot of rich people are able to raise quite a lot of money locally for some of the services that have to be provided. However, there are many constituencies and many parts of the country where that is not the case, where there are issues of deprivation and where

there are issues that require money, and where local authorities are unable to raise the money from their constituents or from the local area. When national Governments decide how much money to give to different areas, it is therefore important that those issues are properly considered and addressed.

My constituency of Bolton South East is high up on the indices that judge poverty and health and education issues. The mortality rate is higher in my constituency than in the rest of the country. The number of people with a university degree is not in proportion with the rest of the country. The number of people who own their home is not equivalent to the rest of the country. On many issues and in many areas, the local council is not able to fulfil its obligations.

Having said all that, Bolton Council has been run by Labour for many years, and it is regarded as an incredibly sensible and financially prudent council—it has even received four-star ratings in the past. Despite that, there has been a 54% cut to Government funding since 2010. Those cuts are not acceptable. My local council is basically spending all its resources on its statutory obligations such as social care and services for the elderly and the young, including children in care, looked-after children and protected children.

Mr Dhesi: Does my hon. Friend agree that austerity just does not work? When we compound cuts to our councils and to the services that our residents so deserve and need with police cuts and cuts to other services, it leads to a bad situation becoming even worse.

Yasmin Qureshi: I entirely agree with my hon. Friend. I was going to make this point later, but I will make it now. I am not being party political, but I find it appalling and galling that the Tory councillors of Bolton complain that the council is not doing some of the things it needs to do—the hon. Member for Bolton West (Chris Green), a Conservative, recently complained to the local newspaper that the council has not filled the potholes. Well, the council cannot do those things because its grant has been cut by 54% since 2010. The council has to spend the money it has on vital services such as looking after our elderly and our children.

There is no money left for potholes or for environmental services. In some parts of my constituency young people cause a lot of social nuisance and a lot of problems, such as breaking car windows and breaking people's doors and windows. The local authority is being blamed for all of that, and people are saying, "You are not doing anything." The political parties, especially the Conservative opposition, try to put it on the council. But, again, the council does not have the resources. It is doing everything it can. Where it can find some money, it is spending on the local area to try to improve the roads, get street lighting and help look after those communities affected by crime. The council is spending its money, but it does not have enough to give. When the hon. Member for Bolton West complains about things, I always say that he should be going to his own Government and Ministers. He should be asking them for that money. We have had a 54% cut in our budget over the past eight years and they are the people responsible for the situation we are in. He should be going to them asking for that extra money—the same thing applies in respect of policing cuts. Since this Government came to power 30,000 police have been cut—

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. May I help the hon. Lady a little? We did have the police debate before. I presume that as you were going to name the hon. Member for Bolton West (Chris Green) in the way that you have and quote the newspaper, you made him aware that you were going to speak about him. Did you do that? I am just a bit concerned that he has not been notified.

Yasmin Qureshi: My apologies, Mr Deputy Speaker. I will let the hon. Gentleman know after this debate that I have referred to him.

Let me get back to the facts. Certain parts of the country need extra resources, and any funding formula that is created must take account of that. Many areas are unable to raise the money that they need and it is a big challenge for local authorities. While I am on my feet, may I ask for some extra money to fix the potholes in Bolton? May I also ask about an application that the council has made in respect of a mill on Crescent Road and a brownfield site being turned into housing? We still have not heard any response from Ministers about whether they are giving permission for building to take place. Finally, on housing, when the Labour Government came to power in 1997 they spent £18 billion on repairing homes. They did that in their first few years in office. So when people say we did not look after the issue of housing, I say that we did. We then also started building homes as well. We need more of those.

7.2 pm

Charlie Elphicke (Dover) (Ind): It is great to have you in the Chair, once again, Mr Deputy Speaker.

The contributions to this debate on both sides of the House have been interesting and wide-ranging. On one level there is the political aspect, and I challenged the hon. Member for Oldham West and Royton (Jim McMahon), the shadow Minister, to say whether there was any question to which his answer was not more money. I also asked him where the money is going to come from. That provoked the most interesting discussion in the debate; it is not always just about more money, it is also about how we organise the fundamentals of government. I sometimes wish that we were not shackled in this place by constant debates where the Opposition say that we should spend more money and we say we have to generate it first. We should look at how we organise government best and most effectively.

Let us examine the case of social care. We all know that the health service sits in one place and social services sit in another, and that, broadly, the overlap is huge and the potential efficiency savings are massive if we are able to bring them together successfully. We should all be working on that together, on a cross-party basis, to the extent that it is possible to do so within our partisan political system. We should be working on how to get the best deal for an ageing population and we should rework our public services. We need to navigate the Scylla of the trade unions and the Charybdis of public spending restraints and pressures in order to come up with ways of reworking the systems—the NHS, social services and county council systems—to make sure that we can deliver, particularly for older people where we are facing challenges.

I welcome the fact that more money was found for social care in Kent. Kent MPs were deeply concerned at the situation and the leader of the county council was

[*Charlie Elphicke*]

concerned about the funding settlement. As a team we all worked together and met the Minister to make a strong case for Kent. I welcome the extra £166 million for social care, some £3.9 million of which will go to Kent. The increase in core spending power is also really welcome.

When we talk about local government finance, we tend just to look at core funding or the amount of money for social care, but we need to look at it in the round, because a whole load of it comes from, say, the Department for Education. I am concerned about Home Office funding. In terms of the local government finance settlement, the Home Office does a fantastic job for Calais. Over the years it has handed out £200 million, but it does not give quite the level of funding we need at the frontline in Kent and in Dover, where we take a lot of unaccompanied asylum-seeking children. The county council has been making a powerful case that it does not get the kind of funding compensation from the Home Office that it should get for the fact that Kent is bearing the brunt in terms of the number of unaccompanied asylum seekers.

Let me set out the issues and challenges. The total cost of net funding from the Home Office is £25.4 million. In the current year, the shortfall is £4.6 million. If there are no changes to the financing arrangements, the coming year will see a further deficit of £3.9 million. That affects public services for the residents of Kent, because services have to be provided to people who have come to this country who are not from Kent or normal residents of Kent. That is challenging.

There is a challenge with care leavers, with a funding gap of £3.1 million. If someone turns 18, the amount of money given to the county council falls dramatically, yet the costs on the council stay very high indeed. We should remember the cost of the Millbank reception centre near Ashford in Kent. For unaccompanied asylum-seeking children there is a gap of £0.6 million, because the regulations entitle all children living in foster care at their 16th birthday to remain living with their carers, if they so choose. There is also £300,000 of ineligible costs.

There is a large funding gap. I know that there is always pressure to hand out another cheque to Calais and to France—the amount over the past two years now totals £200 million—but I put it to the Home Office that we also need to fund the frontline in Kent and Dover. We need to make sure that we get a decent and fair settlement for the residents of Kent to cover the costs of the county having stepped up to the plate by caring for and doing the right thing by vulnerable unaccompanied asylum-seeking children, many of whom are children fleeing war zones who are in fear for their lives. They are not fakes—children who are really economic refugees—as has been a concern.

We need to make sure that proper funding is in place for the county council so that there is not an impact on public services that means others lose out. I very much hope that the Home Office will take those points on board and recalibrate the funding to ensure that Kent does not lose out.

7.7 pm

Rachel Maclean (Redditch) (Con): It is a great pleasure to follow my hon. Friend the Member for Dover (Charlie Elphicke).

I shall make an extremely short contribution on behalf of the people of Redditch, which is quite a unique place. It is a semi-urban area in the middle of a rural county, Worcestershire. It shares many of the characteristics of neighbouring Birmingham, yet it is in a rural area. I wish to make the point strongly to the Front-Bench team that they must take that into account in their work on fair funding for areas such as Redditch and Worcestershire. I know that the Minister will do that.

I thank the Minister for listening to my representations and my lobbying on behalf of the people of Redditch. I welcome the increased funding for Worcestershire, which is equivalent to a 3.1% increase in the core spending power and could total £14.8 million if all the flexibilities are taken into account.

Like many colleagues, I have raised the issue of adult social care. My local council colleagues, who do a fantastic job in Worcestershire for the people of Redditch, are happy that they are going to receive an additional £1.5 million, on top of the £2 billion in the Budget. We urge the Government, in their future discussions, to think carefully about the pressures of the living wage on the delivery of services to the most vulnerable people in our population.

I thank the Government for the good news on the revenue support grant. I find it astonishing when I hear Opposition Members talk about crumbs from the table. How is £2 billion and the billions and millions of pounds that are put into local communities crumbs from the table? Of course we would all like to see more money spent, but the reason we cannot spend it is the dire economic situation that was left to us by the Labour party. That is a real shame. We should welcome the hard work that our local councillors do. I thank the Government for this settlement and ask them to look carefully at the people of Redditch.

7.10 pm

Andrew Gwynne (Denton and Reddish) (Lab): I begin by thanking colleagues from all parts of the House who have contributed to this debate, including my hon. Friends the Members for Sheffield South East (Mr Betts), for Birmingham, Northfield (Richard Burden), for Nottingham North (Alex Norris), for Stoke-on-Trent Central (Gareth Snell), for North Durham (Mr Jones) and for Bolton South East (Yasmin Qureshi), and the hon. Members for Ludlow (Mr Dunne), for Shrewsbury and Atcham (Daniel Kawczynski), for Newton Abbot (Anne Marie Morris), for Wellingborough (Mr Bone), for Corby (Tom Pursglove), for North Dorset (Simon Hoare), for Bath (Wera Hobhouse), for Waveney (Peter Aldous), for Dover (Charlie Elphicke) and for Redditch (Rachel Maclean).

I pay tribute to everybody who serves in local government, both councillors and officers. Let me make a special mention of Denton West councillor Brenda Warrington who, a couple of weeks ago, became the first ever female leader of Tameside Metropolitan Borough Council, and a very fine leader she will be.

It is clear from the contributions from both sides of the House that there is massive concern not only about the growing crisis in funding local government, but worse, about this Government's inaction in addressing it adequately. Only this week we have seen a council effectively declare itself bankrupt. The issuing of a section 114 notice in Northamptonshire, a Tory-controlled

council, should send shivers down the spines of Ministers, because they know that this is a crisis caused in part by them and their actions. The warning signs at Northamptonshire had been obvious for some time, but only in this Government would the Secretary of State toddle along formally to open the council's new £53 million headquarters that it is now being told it may have to sell off. Perhaps that was the fault of his officials, too.

Northamptonshire completely overshadowed the Secretary of State's big announcement yesterday of an additional £150 million found from the magic money tree of the Ministry of Housing, Communities and Local Government. When local government budgets have been slashed by £5.8 billion since 2010, it seems that the Secretary of State cannot even shake that tree effectively. We all know from reports in the media and from Tory MPs' tweets on Monday night that this is solely about trying to prevent a rebellion on his own Back Benches.

The £150 million extra going into social care this year is still a cut. The Secretary of State, with his banking background, might be able to kid his Back Benchers with this sop, but this year, additional Government spending on social care, even with this sum, is still facing a cut of £177 million. It is not the first time that this Government have tried this trick, because two years ago the transitional grant scheme provided an additional £300 million of funding, and what happened? Eighty per cent. of it went to Conservative-controlled councils, 70% of which were county councils. In contrast, metropolitan districts got only an additional 2% of additional funding, despite the fact that many of them were among the hardest hit. Places such as Nottingham, Knowsley and Liverpool received no additional money. When the Government talk about fair funding, they must mean funding for all councils, irrespective of their political persuasions and none, based on the services they need to provide to the communities they represent.

Let me provide Members with a few quotes:

"Councils in England face an overall funding gap that will exceed £5 billion by 2020."

Then there is

"£1.3 billion...needed right now...to stabilise the...care provider market",

and:

"Councils also face an unprecedented surge in demand for children's services and homelessness support."

Those are not my words; they are the words of Conservative peer and head of the LGA, Lord Porter. How out of touch can this Government be? How long can the Secretary of State bury his head in the sand, telling himself, "Yes, we're making cuts, but they're having no real impact on the ground"? He should speak to Tory councillors, because we know there is a real problem in local government when even Tory councillors are saying today what Labour councillors were saying five years ago.

I commend the work of all councillors in these difficult times. They need commending for doing all they can to support local services and local communities, despite this Government's best efforts. This incompetent Secretary of State even thought he could come to the House of Commons in December and pass a provisional settlement off as fact, when he tells us today that his officials were to blame. He knew that it was riddled with errors. He

can blame his officials today, but his letter to me, which he signed only two days ago, was far less definite. He said:

"My intention is always to provide local authorities with as much certainty as possible...We published the Provisional Local Government Finance Settlement before Christmas to give councils notice of the figures they should use to plan their budgets...At that time...we knew the overall scale of the error in the...published data...We therefore published the Provisional Settlement on 19 December on the basis of the...statistics."

Those were his words, and it was his signature. The Secretary of State is either so incompetent that his officials do not bother to tell him about important details ahead of him making a statement to the House of Commons, or he does not read the letters that go out in his name, which is perhaps why he needs to place a corrected version of the letter in the Library.

I have written to the Prime Minister today to draw her attention to this sorry affair, because it has done incredible damage to the Secretary of State's reputation and to the Department's reputation in the local government sector. Councillors deserve better. Many councils are doing all they can to help people live independently in their communities and reduce demand on hospitals, but with unprecedented funding cuts since 2010 and social care services facing a £2.3 billion funding gap by 2020, that is becoming increasingly difficult.

It is not just adult social care. As Labour's first health check report showed, demand for children's services is also placing growing pressure on local authorities. Funding to support children and their families has been cut by 55% over the last seven years, and the result of those cuts has been appallingly clear. Cuts to early years intervention meant that a record number of children—some 72,000—were taken into care last year. The number of serious child protection cases has doubled in the last seven years, with 500 new cases launched each day. More than 170,000 children were subject to child protection plans in the last year, which is double the number seven years ago.

Many of us hoped that the Budget would contain the genuine new funding that our children's services need, but the Secretary of State failed to get that put in place. We then hoped that yesterday's announcement might offer some hope for children's services—another let-down. When is the Secretary of State going to stand up to the Chancellor and demand the money that the sector so desperately needs? The financial crisis engulfing local government should be giving the Secretary of State sleepless nights. The *Local Government Chronicle* suggests that there are already at least 10 authorities preparing to follow Northamptonshire and issue section 114 notices, and the *Municipal Journal* reports that one in 10 council bosses fear that their local authority will not have enough funding to fulfil its statutory duties in 2018-19. Ministers cannot afford to stand by and wait for that to happen.

Today's vote offers all Members on both sides of the House an opportunity to send a very clear message to the Government that things have to change, that vital public services should be properly funded, and that our communities deserve better than this botched and rushed settlement. I hope that all Members will join us in the Lobby to stand up for their communities, their public services and their councillors, and to get this Government to think again about their damaging approach to council funding for next year.

7.19 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rishi Sunak): It is a pleasure to close this debate. I thank hon. Members on both sides of the House for their valuable contributions. I pay particular tribute to all Members who are either former or serving members of local authorities and have brought that expertise to bear today. I pay a special tribute to my predecessor, my hon. Friend the Member for Nuneaton (Mr Jones), who has left impressively large shoes for me to fill.

Local government and the hard-working, dedicated people who work in it deliver vital services every day at the heart of the communities they serve. I am deeply honoured to represent them in government—to listen to them, learn from them, and work with them to build communities that people are proud to live in. I am therefore delighted that this settlement delivers on our promise to local government. It confirms the third year of an unprecedented four-year deal accepted by 97% of councils, providing long-term certainty to local government. It is a deal that delivers more than £200 billion over a five-year period, allowing councils to be bold and ambitious in planning for the future.

But there is no room for complacency. This Government are under no illusions about the pressure on local services, so today's settlement seeks to ease that pressure while shielding taxpayers from unaffordable bills. We have gone above and beyond the four-year deal to listen and respond to what the sector wants.

Imran Hussain: On a point of order, Mr Deputy Speaker. I apologise to the Minister, but I have been advised that I must raise this point of order immediately. When I took part in the debate earlier, I should have put on the record and referred Members to my registered interest as a serving local councillor.

Mr Deputy Speaker (Sir Lindsay Hoyle): Excellent—sorted. Minister.

Rishi Sunak: Thank you, Madam Deputy Speaker. *[Laughter.]* I am sorry—Mr Deputy Speaker.

Mr Deputy Speaker: I may be called Lindsay, but—*[Laughter.]*

Rishi Sunak: We have gone above and beyond the four-year deal in listening and responding to what the sector wants. That is why last year we allowed increased flexibility in the use of the adult social care precept, and why this year we have proposed additional flexibility on the core council tax referendum principle.

On adult social care, of which we have heard much today, on top of the extra £2 billion announced at the spring Budget last year, we have now announced an additional £150 million extension to the adult social care support grant, and we have increased the rural services delivery grant to its highest-ever level.

We are also building on the highly popular business rates retention scheme. Local authorities estimate that in the year just finishing they will keep about £1.3 billion in business rates growth, and we expect this to be maintained going forward.

Steve Double (St Austell and Newquay) (Con): The Minister knows that I have raised a number of times the issue of people avoiding paying both council tax and

business rates on holiday homes by converting them to business use and enjoying small business rate relief. Councils in tourist areas are losing out from that. Will he commit to trying to close that loophole?

Rishi Sunak: I thank my hon. Friend for his intervention. He rightly points out that he raised this issue in Prime Minister's Question Time earlier and has made representations to me about it. I am pleased to confirm that my officials and I are looking into the matter. He makes the point well. The existing system does leave some scope for ambiguity, and we will look into that.

The vital funding that comes from business rates retention—over £1 billion—is a direct result of local authorities driving economic growth in their areas, and it is on top of the core settlement funding that we have announced today. Over the long term, local government will be transformed, becoming increasingly self-sufficient with local resources funding local services. But to achieve that, we all know that the funding formula needs to become fairer, more transparent and more responsive to changing demands. Getting it right will of course be a challenge, but the prize if we can do that is a system that will be truly fit for the modern world and allow councils to face the future with confidence.

The business rates retention proposals that we mentioned earlier are a key step in this journey, and we hope to see local authorities retaining 75% of business rates from 2020-21. There is a great deal of enthusiasm across the country for this new model, and I can assure the House that I and my Department are committed to working with the sector to make this a success.

I turn briefly to some of the specific points that have been made. The hon. Member for Sheffield South East (Mr Betts) and my hon. Friend the Member for North Dorset (Simon Hoare) were right to pay tribute to local councillors who have, we acknowledge, made difficult decisions and have done an extraordinary job over the past few years. My hon. Friends the Members for Shrewsbury and Atcham (Daniel Kawczynski), for North Dorset, for Waveney (Peter Aldous), for Redditch (Rachel Maclean) and for Ludlow (Mr Dunne) talked about rural areas and the need for fair funding. I can assure them that we are committed to that. The fair funding review will specifically take a fresh look at how council tax should be taken into account when redistributing income, and relative costs of delivering services will also be considered.

My hon. Friends the Members for Corby (Tom Pursglove) and for Wellingborough (Mr Bone) rightly talked about the role of governance and leadership in local councils. They were followed by my hon. Friend the Member for Newton Abbot (Anne Marie Morris), who rightly said that it is not just about how much, but how it is spent. Unaccompanied asylum seekers and the costs that councils have to bear were raised by my hon. Friend the Member for Corby and the hon. Member for Dover (Charlie Elphicke). I am pleased to announce that the Government have allocated funding from a £29 million pot for exactly that. My hon. Friend the Member for Corby will be pleased to know that Northamptonshire will receive £231,000 from that grant, and the hon. Member for Dover will know that Kent will receive more than £1 million.

Opposition Members talked a lot about whether the funding was fair. They pointed to Knowsley, so they will be pleased to learn that it receives core spending

power per dwelling 26% higher than the average. Indeed, across the country, the 10 most deprived local authorities receive core spending power per dwelling 23% higher than the least deprived. We heard a lot from the Opposition about money. Indeed, the hon. Member for Dover put it well: there is no question to which the answer is not more money. We all know where that money has to come from—our hard-working taxpayers. Under the last Labour Government council tax doubled, and that is what we would have to look forward to again.

This is a settlement that honours our commitment to local government—delivering certainty, recognising the challenges and making additional resources available, all while keeping excessive council tax rises in check. It gives councils the resources they need to provide the world-class services that their communities expect and deserve. I commend it to the House.

Question put.

The House proceeded to a Division.

Mr Deputy Speaker (Sir Lindsay Hoyle): I remind the House that the motion is subject to double-majority voting: of the whole House and of Members representing constituencies in England.

The House having divided: Ayes 287, Noes 223.

Votes cast by Members for constituencies in England: Ayes 263, Noes 188.

Division No. 117]

[7.28 pm

AYES

Adams, Nigel	Cartledge, James
Afolami, Bim	Caulfield, Maria
Afriyie, Adam	Chalk, Alex
Aldous, Peter	Chishti, Rehman
Allan, Lucy	Chope, Sir Christopher
Allen, Heidi	Churchill, Jo
Amess, Sir David	Clark, Colin
Andrew, Stuart	Clark, rh Greg
Argar, Edward	Clarke, rh Mr Kenneth
Atkins, Victoria	Clarke, Mr Simon
Bacon, Mr Richard	Cleverly, James
Badenoch, Mrs Kemi	Clifton-Brown, Sir Geoffrey
Baker, Mr Steve	Coffey, Dr Thérèse
Baldwin, Harriett	Costa, Alberto
Barclay, Stephen	Courts, Robert
Baron, Mr John	Crouch, Tracey
Bebb, Guto	Davies, Chris
Bellingham, Sir Henry	Davies, David T. C.
Benyon, rh Richard	Davies, Glyn
Beresford, Sir Paul	Davies, Mims
Berry, Jake	Davies, Philip
Blackman, Bob	Davis, rh Mr David
Blunt, Crispin	Djanogly, Mr Jonathan
Boles, Nick	Docherty, Leo
Bone, Mr Peter	Dodds, rh Nigel
Bottomley, Sir Peter	Donaldson, rh Sir Jeffrey M.
Bowie, Andrew	Donelan, Michelle
Bradley, Ben	Double, Steve
Bradley, rh Karen	Dowden, Oliver
Brady, Sir Graham	Doyle-Price, Jackie
Brereton, Jack	Drax, Richard
Bridgen, Andrew	Duddridge, James
Brine, Steve	Duguid, David
Bruce, Fiona	Duncan, rh Sir Alan
Buckland, Robert	Duncan Smith, rh Mr Iain
Burghart, Alex	Dunne, Mr Philip
Burns, Conor	Ellis, Michael
Cairns, rh Alun	Elphicke, Charlie

Eustice, George	Jones, Mr Marcus
Evennett, rh David	Kawczynski, Daniel
Fabricant, Michael	Keegan, Gillian
Fallon, rh Sir Michael	Kennedy, Seema
Fernandes, Suella	Kerr, Stephen
Field, rh Mark	Knight, rh Sir Greg
Ford, Vicky	Kwarteng, Kwasi
Foster, Kevin	Lamont, John
Fox, rh Dr Liam	Latham, Mrs Pauline
Frazer, Lucy	Leadsom, rh Andrea
Freeman, George	Lee, Dr Phillip
Gale, Sir Roger	Lefroy, Jeremy
Garnier, Mark	Leigh, Sir Edward
Gauke, rh Mr David	Letwin, rh Sir Oliver
Ghani, Ms Nusrat	Lewer, Andrew
Gibb, rh Nick	Lewis, rh Brandon
Gillan, rh Dame Cheryl	Liddell-Grainger, Mr Ian
Girvan, Paul	Lidington, rh Mr David
Glen, John	Lord, Mr Jonathan
Goldsmith, Zac	Loughton, Tim
Goodwill, Mr Robert	Mackinlay, Craig
Gove, rh Michael	Maclean, Rachel
Graham, Richard	Main, Mrs Anne
Grant, Bill	Mak, Alan
Grant, Mrs Helen	Malthouse, Kit
Gray, James	Mann, Scott
Grayling, rh Chris	Masterton, Paul
Green, Chris	Maynard, Paul
Green, rh Damian	McLoughlin, rh Sir Patrick
Greening, rh Justine	McPartland, Stephen
Grieve, rh Mr Dominic	McVey, rh Ms Esther
Griffiths, Andrew	Menzies, Mark
Gyimah, Mr Sam	Merriman, Huw
Hair, Kirstene	Metcalfe, Stephen
Halfon, rh Robert	Miller, rh Mrs Maria
Hall, Luke	Mills, Nigel
Hammond, rh Mr Philip	Milton, rh Anne
Hammond, Stephen	Mitchell, rh Mr Andrew
Hancock, rh Matt	Moore, Damien
Hands, rh Greg	Mordaunt, rh Penny
Harper, rh Mr Mark	Morgan, rh Nicky
Harrington, Richard	Morris, Anne Marie
Harris, Rebecca	Morris, David
Harrison, Trudy	Morris, James
Hayes, rh Mr John	Morton, Wendy
Heald, rh Sir Oliver	Mundell, rh David
Heapey, James	Murray, Mrs Sheryll
Heaton-Jones, Peter	Murrison, Dr Andrew
Henderson, Gordon	Neill, Robert
Herbert, rh Nick	Newton, Sarah
Hinds, rh Damian	Nokes, rh Caroline
Hoare, Simon	Norman, Jesse
Hollingbery, George	O'Brien, Neil
Hollinrake, Kevin	Opperman, Guy
Hollobone, Mr Philip	Paisley, Ian
Howell, John	Parish, Neil
Huddleston, Nigel	Patel, rh Priti
Hughes, Eddie	Pawsey, Mark
Hunt, rh Mr Jeremy	Penning, rh Sir Mike
Hurd, rh Mr Nick	Penrose, John
Jack, Mr Alister	Percy, Andrew
James, Margot	Perry, rh Claire
Javid, rh Sajid	Philp, Chris
Jenkin, Mr Bernard	Pincher, Christopher
Jenkyns, Andrea	Prentis, Victoria
Jenrick, Robert	Prisk, Mr Mark
Johnson, rh Boris	Pritchard, Mark
Johnson, Dr Caroline	Pursglove, Tom
Johnson, Gareth	Quin, Jeremy
Johnson, Joseph	Quince, Will
Jones, Andrew	Raab, Dominic
Jones, rh Mr David	Redwood, rh John

Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert

Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
Chris Heaton-Harris and
Amanda Milling

NOES

Abbott, rh Ms Diane
 Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Antoniazzi, Tonia
 Ashworth, Jonathan
 Bailey, Mr Adrian
 Barron, rh Sir Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Blackman-Woods, Dr Roberta
 Blomfield, Paul
 Brabin, Tracy
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 Cadbury, Ruth
 Campbell, rh Mr Alan
 Carden, Dan
 Champion, Sarah
 Chapman, Jenny
 Charalambous, Bambos
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann

Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Coyle, Neil
 Crausby, Sir David
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cunningham, Alex
 Cunningham, Mr Jim
 Davey, rh Sir Edward
 David, Wayne
 Davies, Geraint
 De Cordova, Marsha
 De Piero, Gloria
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Dodds, Anneliese
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Ellman, Mrs Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Field, rh Frank
 Fitzpatrick, Jim
 Flint, rh Caroline

Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gardiner, Barry
 George, Ruth
 Gill, Preet Kaur
 Glindon, Mary
 Goodman, Helen
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Hanson, rh David
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hepburn, Mr Stephen
 Hill, Mike
 Hillier, Meg
 Hobhouse, Wera
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Howarth, rh Mr George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, Susan Elan
 Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Lee, Karen
 Lewis, Clive
 Lewis, Mr Ivan
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 Madders, Justin
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McInnes, Liz
 McKinnell, Catherine

McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Norris, Alex
 O'Mara, Jared
 Onasanya, Fiona
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pidcock, Laura
 Platt, Jo
 Pollard, Luke
 Pound, Stephen
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Robinson, Mr Geoffrey
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sherriff, Paula
 Shuker, Mr Gavin
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Tami, Mark
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie

Walker, Thelma
Watson, Tom
Whitehead, Dr Alan
Whitfield, Martin
Williams, Hywel
Williams, Dr Paul
Williamson, Chris

Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Noes:
Colleen Fletcher and
Thangam Debbonaire

Question accordingly agreed to.

Resolved,

That the Report on Local Government Finance (England) 2018–19 (HC 791), which was laid before this House on 5 February, be approved.

7.43 pm

More than three hours having elapsed since the commencement of proceedings on the first motion, the Deputy Speaker put the Questions necessary for the disposal of business to be concluded at that time (Order, 5 February).

LOCAL GOVERNMENT FINANCE (ENGLAND)

Resolved,

That the Report on Referendums Relating to Council Tax Increases (Principles) (England) 2018–19 (HC 792), which was laid before this House on 5 February, be approved.—(*Sajid Javid.*)

Resolved,

That the Report on Referendums Relating to Council Tax Increases (Alternative Notional Amounts) (England) 2018–19 (HC 790), which was laid before this House on 5 February, be approved.—(*Sajid Javid.*)

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

INSOLVENCY

That the draft Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2017, which were laid before this House on 6 December 2017, be approved.

IMMIGRATION

That the draft Immigration and Nationality (Fees) (Amendment) Order 2018, which was laid before this House on 15 January, be approved.—(*Christopher Pincher.*)

Question agreed to.

PETITION

M42 Motorway Service Area

7.44 pm

Dame Caroline Spelman (Meriden) (Con): I rise to present a petition relating to the proposal for a new motorway service area at junction 6 on the M42. An MSA near junction 6 was proposed long before the route of HS2 was finalised or the extension of the runway at Birmingham airport. It was so long ago that at the time, the Transport Secretary was Lord Prescott. He was minded to approve the motorway service area, subject to the outworking of taking the hard shoulder into normal running, which today we call a smart motorway. Years later, the application has still not been decided, but the congestion on this stretch of the M42 gets heavier and heavier every day. In addition, Highways England has now said that the risk of creating a new junction south of junction 6 but above junction 5, close to the new MSA proposal, would be reasonable, even though they would have to deviate from the normal standards for motorway junctions.

The petitioners ask the Secretary of State for Transport to reconsider how a motorway service area can be considered a sustainable development under today's planning law. I present for consideration a petition of 645 signatures.

Following is the full text of the petition:

[The petition of residents of the Meriden Constituency,

Declares that the proposed motorway service area near Junction 6 of the M42 is unsustainable; not least as a result of the threat it poses to road safety.

The petitioners therefore request that the House of Commons to call on the Secretary of State for the Department of Communities and Local Government to reject the proposals for the construction of a new motorway service area; particularly in light of significant transport and infrastructure changes since the original application was made in 1999.

And the petitioners remain, etc.]

[P002113]

Woodlands Hospice, Aintree

Motion made, and Question proposed, That this House do now adjourn.—(Amanda Milling.)

7.46 pm

Dan Carden (Liverpool, Walton) (Lab): It is a pleasure to have an Adjournment debate on my local hospice, which is such an important topic. Many people think that a hospice is place where people go to die, but it is actually a place where people go to live. It would not be a debate on a hospice and end-of-life care without reminding ourselves of the words of Dame Cicely Saunders, who is widely acknowledged as the founder of the UK hospice movement:

“You matter because you are you, and you matter to the last moment of your life. We will do all we can not only to help you die peacefully, but also to live until you die.”

When I recently visited Woodlands Hospice in my constituency, that is exactly what I found. Although it may sound counter-intuitive, it was a place brimming with life. Woodlands Hospice is an independent charity situated in the grounds of Aintree University Hospital. It covers a population of 330,000 in north Liverpool, south Sefton and Kirby and Knowsley. The hospice provides 15 in-patient beds with a purpose-built wing. Its wellbeing and support centre, which includes multi-professional assessment days, group therapies, outpatients, complementary therapies and a therapy-driven outreach service, provides services to enable people living with cancer and other life-limiting illnesses to live their lives in a positive and independent way.

Jim Shannon (Strangford) (DUP): I asked the hon. Gentleman beforehand whether he would give way, and he said he would. It is important to put this point on record. Does the hon. Gentleman agree that those who work in hospices, such as Woodlands and the Marie Curie Hospice in Northern Ireland, do tremendous work and are much to be thanked for the tremendous care that they provide, not just for patients, but for families?

Dan Carden: I am delighted to agree. This is a great opportunity to thank all those staff and volunteers, wherever they are across the UK.

Bill Esterson (Sefton Central) (Lab): My hon. Friend was describing the excellent work that goes on at Woodlands Hospice, and my constituents benefit from that as well. In addition, the hospice provides “Hospice At Home”, helping people out in the community. The combination of services is vital to supporting the national health service. Does he agree that failing to support hospices, including Woodlands, is very damaging and undermines the national health service?

Dan Carden: Absolutely, and I am coming to how the hospice sector is such a key part of our national health service.

It was a privilege to learn about the work of the wonderful staff and, importantly, the volunteers. More than 125,000 people give their time to volunteer for hospices each year. They are the lifeblood of the hospice sector. The Woodlands’ volunteer workforce of over 200 people from all walks of life and all ages add value to the patient experience, while the volunteers themselves get opportunities to develop their skills, avoid isolation and build a sense of community.

Woodlands Hospice must raise £1.3 million, which it tries to achieve with the help and support of communities in my constituency and beyond, but against the backdrop of financial uncertainty and squeezed living standards, that is no easy feat, particularly in more deprived communities such as mine, which have been hardest hit by austerity. I will return to the issue of funding later, but there are a number of ways our community supports Woodlands that do not involve straightforward cash donations: volunteering, undertaking challenge events for sponsorship, holding coffee mornings and—this year, I hope—becoming a friend of Woodlands via the new membership group scheme, which I will be taking up myself as soon as it is operational.

The support for Woodlands shown by my constituents illustrates how dearly we hold the care it provides. All Members here know how much their constituents value the care provided by hospices in their own local areas. That is what inspired me to call this debate tonight—to highlight the value of hospices as an essential part of the healthcare economy and to look at sustainable funding for hospices around the UK, particularly in the more deprived areas. It is right that those in more deprived areas, who will struggle to raise funds, receive more statutory funding.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I am grateful to my hon. Friend and neighbour for giving way. Like him, I recently visited Woodlands, and I congratulate him on securing this debate. Does he agree that the NHS funding that Woodlands receives is vital to its long-term sustainability and that we are seeking assurances from the Minister that at the very least it will be maintained in the future?

Dan Carden: I absolutely agree. I hope that this debate will focus people’s eyes on the hospice sector across the UK and at Woodlands, where we need to ensure viable funding, and also funding that is longer term and better planned. Pressure needs to be taken off hospice managers as they plan the kind of care they provide for our constituents.

People who face progressive life-limiting illnesses require different levels of care. Apart from care and treatments specific to their conditions, they are likely to have what is often called palliative care, particularly as they approach the end of their lives. Death is a natural part of life. We will all die eventually, and most deaths—around three quarters—are expected, so the majority will require some form of palliative care, and everyone deserves to be able to end their life in comfort and dignity. That principle should be central to any civilised society.

There is, I am sure, agreement across the House on the importance of palliative care. It is not a bonus or extra, but an essential part of a good healthcare system. The hospice sector supports around 200,000 people with terminal and life-limiting conditions in the UK every year. This amounts to more than four in 10 of those estimated to need expert end-of-life care. Hospice care is free for everyone and provided for however long it is needed, be it days, weeks or even months. More than 40,000 people in the UK receive bereavement support from hospices each year.

Hospices support people with a wide range of conditions, including cancer, motor neurone disease, cardiovascular disease, dementia, multiple sclerosis and Parkinson’s disease—to name just a few—and they are increasingly

supporting people with multiple life-limiting conditions. Most hospice care is provided while people are in their own home, but it can also be provided in a care home or at the hospice itself as an in-patient. It is a style of care rather than something that necessarily takes place just in one building. Hospices also aim to feel far more like a home than a hospital.

Outcomes are difficult to assess, and of course most patients do pass away, but it is worth remembering that many do not. A gentle, dignified, reflective and peaceful death with 24/7 expert care and surrounded by loved-ones is something that cannot be measured by traditional means, but we can measure the value in the appreciation and wellbeing of the patients and families helped through their bereavement. When I visited Woodlands, I was delighted to meet people who had long and happy associations with the hospice, had made friends there and still visited regularly for support with their health, but also to keep in touch with staff and friends.

It is also clear that NHS pressures mean increased pressures on hospices.

Conor McGinn (St Helens North) (Lab): I thank my hon. Friend for giving way, and for outlining the work of the hospice movement. Does he agree that the values and ethos of the movement are deeply ingrained in communities throughout Merseyside? Willowbrook Hospice in St Helens, which is celebrating its 20th anniversary, is a good example. But hospices should not have to rely on the generosity of our constituents: they need statutory funding, because they are an integral part of social care.

Dan Carden: I welcome my hon. Friend's intervention.

Britain's older population is set to increase sharply in the next few decades. The number of people aged 85 or over is expected to double in the next 20 years, and the number of people aged 100 or over is set to increase by more than eight times by 2035, to more than 100,000. The number of adults with life-limiting conditions is also on the rise. Everyone deserves high-quality, compassionate care at the end of their lives.

In recent months we have again witnessed the impact of severe winter pressures on the NHS, which has left hospitals buckling under unprecedented demand. Most people in the United Kingdom—just over half—currently die in hospital. Hospitals are amazing, life-saving places, and I pay tribute to all the staff who keep our NHS running at such difficult times. It is our country's greatest achievement.

The hospice sector plays a vital role in providing care for those who no longer respond to curative treatment, so that patients who have no clinical need to be in a hospital bed can receive specialised and personalised care provided by a hospice multi-professional team. That also frees up hospital beds for those with acute care needs. A good hospice is a perfect example of good health and social care integration. We need a joined-up approach by the NHS, social care, the community and the voluntary sector. I welcome the Government's decision to bring social care under a departmental umbrella, and I hope that the Minister will reassure me that hospices too will be recognised as a crucial part of the care system as a whole.

On average, adult hospices in the UK receive a third of their income from the Government, although the amount received by individual hospices varies widely.

The rest comes from community fundraising, grant applications, hospice charity shops, lotteries and investments. According to Hospice UK, collectively charitable hospices in the UK need to raise about £1 billion a year from their local communities, which amounts to about £2.7 million per day. In a period of stagnant wages, and with national income distributed unevenly, that is a constant challenge, and the fact that it affects different areas and regions differently must be taken into account. Hospices rely on NHS funding contributions, and need assurances that those will continue even in the challenging financial climate that the NHS currently faces.

Some hospices have agreements in place for multi-year funding, but many are reliant on year-by-year decisions on funding levels, and that requires constant planning by hospice managers. NHS funding needs to be on a more committed and sustainable basis to allow for planning and development, and to enable staff to devote more of their time and energy to doing what needs to be done in relation to patient care. Of course, in more deprived areas, such as the communities in north Liverpool, the need for statutory funding is even greater. The fundraising opportunities that are available in the catchment areas of individual hospices can be very limited. Deprivation also means more complex health needs among the population that hospices serve. All too regularly, I see people dying younger, people dying from addictions, and people dying from diseases that are linked directly to poverty.

The complexity of funding for hospices creates further organisational difficulties for management and staff. Commissioning and contracting arrangements are still causing issues: nationally, a third of hospices are now working with four or more commissioners. Woodlands, for instance, covers a number of clinical commissioning groups, and requires each CCG to maintain or increase funding each year just to stand still. When funding decisions are made on a year-by-year basis, simply maintaining funding can take up much time and effort that should ideally be focused on patients and care.

I am sure I speak for the entire House when I say that we are all very grateful for the care that hospices deliver to people and communities across the country. They need ongoing recognition of the value that they provide to the healthcare economy as a whole. Specialist palliative care and end-of-life services need to be proactively included in transformation plans and service developments. The Government's intentions were set out in July 2016, when they said that

“every person nearing the end of their life should receive attentive, high quality, compassionate care, so that their pain is eased, their spirits lifted and their wishes for their closing weeks, days and hours are respected.”

In order to realise those aims for every person in the UK, we must look at the funding framework as a whole to make it easier for hospices to receive sustainable NHS funding.

Can the Minister address two specific points: what guarantees are there that as pressures increase on NHS budgets, statutory funding to hospices, especially those in more deprived areas with the specific health problems affecting poorer communities, will be protected, and what is the Minister doing to encourage longer term funding models—multi-year agreements—so that hospices can plan better and care better? The people-centred

[Dan Carden]

care that responds to complex and changing needs provided by hospices like Woodlands is invaluable, and I believe every Member will want to do all we can to support the work they do across our constituencies.

I want to finish by paying tribute to the wonderful staff and amazing volunteers who make Woodlands the wonderful life-affirming place that it is, as well as thanking all those who give up their time to volunteer in hospices across the UK.

8 pm

The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): I thank the hon. Member for Liverpool, Walton (Dan Carden) for the way in which he has approached this debate. I commend him on making an excellent speech, as he could not have been better at articulating the positive contribution that hospices make. I do not think there was anything in his speech with which I disagreed, which is quite unusual.

I was struck by the hon. Gentleman's description of hospices as places where people go to live. When I visit hospices, I am struck by the very real efforts that their staff go to to make them comforting places. It can be a more difficult time for the loved ones than it is for the person who is ending their life, but they really are comforting places, and the hon. Gentleman is right to pay tribute to all the staff who work in them.

The hon. Gentleman powerfully praised the efforts of his own hospice, Woodlands, which is clearly providing an excellent service. I am grateful that he has given me the opportunity to address some of the concerns and make it clear how much we value the contribution that hospices make to the NHS.

It is testament to the excellence of our hospice sector that last October's "State of Care" report by the Care Quality Commission showed that 70% of hospices are rated as good and 25% as outstanding. Those figures are higher than for any other secondary care service, which illustrates the significance of hospices' contribution. Woodlands Hospice received a good rating in the CQC report. Like the hon. Gentleman, I congratulate its hard-working staff and volunteers on ensuring that patients get the personalised care and support that they need.

NHS England has advised that Liverpool clinical commissioning group, which is the main commissioner for the hospice—I hear what the hon. Gentleman says about there being more than one CCG, which probably adds to the strain on the hospice with regard to long-term funding—provides £900,000 of funding a year. Sefton also provides £240,000 per year, which brings the total amount provided to the hospice to over £1 million a year. As the hon. Gentleman outlined, the CCGs of Liverpool, South Sefton and Knowsley are in the process of reviewing their end-of-life care provision. They are taking into account population need, service demand, and all providers of that care, including Woodlands Hospice.

I am sure that the hon. Gentleman welcomes, as I do, the attention that local healthcare planners are giving to this important area of care. I suggest that the commissioners should pay close attention to what the hon. Gentleman and his colleagues have said tonight, speaking on behalf of their communities, about the value they

place on this service. I hope that the commissioners will also take note of my comments when I say that the hospice sector, and this particular hospice, are making a very real contribution to people at the end of their life.

I know that many Members have hospices in their constituencies that they support and champion, so I thought that it might be helpful if I set out the broader position on hospice funding. As the hon. Gentleman outlined, the sector is characterised by strong voluntary contributions and philanthropic activity, which is to be celebrated.

We have 223 registered independent hospices and small number of public hospices that are run internally by NHS trusts. Around three quarters of hospices provide adult services, with the remainder caring for children and young people. The hospice movement was established from charitable and philanthropic donations, so the vast majority of hospices rely heavily on charitable income for the lion's share of their budgets, but they do receive some statutory funding from CCGs and the Government for providing local services. As the hon. Gentleman suggested, the statutory funding varies from place to place for a wide number of reasons—he highlighted deprivation as one of them—but adult hospices receive an average of 30% of their overall funding from the NHS.

Funding remains a local decision, which I think is right, and the hon. Gentleman will be aware that we take deprivation into account when making our allocations to CCGs. He referred to long-term funding stability and the importance of knowing how much the Government will provide, and I will reflect on that important point. It would be good practice to give as much certainty as possible, which is a principle of our health funding more generally, so that will bear examination.

Mr George Howarth (Knowsley) (Lab): I am grateful that the Minister has committed to reflect on the thoughts of my hon. Friend the Member for Liverpool, Walton (Dan Carden) about a national framework, but the difficulty in having locally determined support from CCGs is that that will inevitably vary from place to place. Some CCGs are under much more financial pressure than others, which is why it is important that we have some kind of national framework.

Jackie Doyle-Price: I would not want to depart from the principle that this is for local decision makers, but that is not to say we do not make clear our expectations about what CCGs should be delivering as we develop our national policies on end of life, and support for hospices forms part of that. Given the number of people who pass away in hospices and the care that they receive, we would encourage CCGs to carefully consider the extent to which they support hospices.

In addition to NHS funding for locally commissioned services, children's hospices receive £11 million through the children's hospice grant, which is awarded annually and administered by the NHS. Children's hospices tend to receive smaller amounts of statutory funding because of how they have developed and the services that they provide. Unlike adult hospices, which tend to be more focused on end-of-life care services, children's hospices can provide support for much of a child's life, and that can involve not only more clinical care, but much more support for families.

It is worth highlighting the point made by the hon. Member for Liverpool, Walton that philanthropic support does not just mean money. I pay tribute to all those involved in volunteering in hospices. That is a fantastic example of how communities come together to bring out the best in people, so I thank everyone involved in that work.

Members may be reassured to hear that, to improve commissioning arrangements, NHS England is making a new palliative care pricing system available in April. That should help local areas to plan services, and it will also encourage more consistency and, perhaps, transparency in how much CCGs are supporting the sector.

While hospices are, of course, an important feature of end-of-life care provision in this country, it is important to see them within the wider context of our ambitions for such care. As the hon. Gentleman mentioned, the Government have published the end-of-life care choice commitment, which is designed to transform end-of-life care, and the hospice sector is an important partner in that process. We are determined to significantly improve patient choice by enabling more people to die in the place of their choice, be that at home, in a hospice, in a care home or in hospital. Our commitment is to set out the further action that we will take to deliver high-quality, personalised end-of-life care for everyone, including by delivering advance care planning and ensuring that we have the necessary conversations earlier. I draw Members' attention to the reference to hospice care at home, which is a significant aspect of the programme. We need to make sure that more people are aware of what their options are, and we need to encourage innovation in end-of-life care. In collaboration with partners from the voluntary sector, including key hospice and end-of-life charities, the Government and NHS England have been working to make sure that the quality and availability of end-of-life care services continue to improve and that our end-of-life care commitment is delivered.

As I have already mentioned, the Government believe it is right that CCGs have the autonomy to shape local services according to local need, but it is important that we do more to provide commissioners with the tools, evidence, support and guidance to demonstrate the benefits of delivering our vision for end-of-life care. A crucial part of that is strengthening the provision of

end-of-life care services outside hospital and in the community so that people can make the choice of where they wish to end their life.

To deliver this, we are working with sustainability and transformation partnerships so that there is tailored information to assess where we need further investment, commissioning and intervention. NHS England is also a member of the national palliative and end-of-life care partnership, which is made up of charities and organisations from across the health and care system that have together developed a framework for improving end-of-life care at a local level. More guidance will be published through that body soon.

NHS England has also commissioned Hospice UK to undertake an evaluation of the cost-effectiveness of hospice-led interventions in the community. I fully anticipate that could be a good news in support of the hon. Gentleman's arguments. Although many such care models exist across England, there is poor data on what are the most effective approaches, which makes it rather more difficult for CCGs to confidently commission such services. The project will examine hospice-led initiatives that appear to be having a positive impact on where people are cared for, as well as on where they die. The Department and NHS England will pay close attention to the findings when they are made available, which should be next month.

We fully acknowledge that more needs to be done if we are to meet our ambition to reduce variations in end-of-life care and to ensure that the system works effectively to support more people to die in the place of their choice. However, I am confident that through NHS England's programme board for end-of-life care, with all key system partners and stakeholders, including the hospice sector, we have the best opportunity to continue delivering the progress in end-of-life care that we all want, however and wherever it is provided. I cannot emphasise enough that hospices are central to our commitment. Local commissioners will wish to reflect on all the comments that were made in this evening's debate when they come to make their allocations, and I wish Woodlands Hospice every success in the future.

Question put and agreed to.

8.13 pm

House adjourned.

Westminster Hall

Wednesday 7 February 2018

[MIKE GAPES *in the Chair*]

European Free Trade Association

9.30 am

Stephen Hammond (Wimbledon) (Con): I beg to move,

That this House has considered the European Free Trade Association.

It is a great pleasure to serve under your chairmanship, Mr Gapes, and to see so many colleagues from across the House here so early on a Wednesday morning, when there are so many Select Committees and other things going on.

We all know that this country voted to leave the European Union, and we accept that result. However, what that referendum did not say was how we should leave the European Union. That is what today's debate is about. One of the great myths of that referendum was that this country also voted to leave the single market and the customs union. It did not. Leaving the European Union was the only option on the ballot paper. How we leave the European Union is the most difficult challenge facing this country, and it is up to us, the Parliament of this country, to decide how we do it.

I think both sides of the House agree that we need an exit and a deal that allow us to trade freely with our former partners and to sign new free trade agreements, and that provide a level of economic certainty to businesses and economic and security certainty to our citizens. I want to discuss an option I think should have wide appeal across the whole House—indeed, it was consistently supported by Brexiters prior to and during the referendum debate.

There are a number of misconceptions about the European Free Trade Association that need to be addressed. Those misconceptions, I say frankly to those on my Front Bench, were repeated by one Minister last week. It was not the Minister who is answering the debate, but the level of miscomprehension in evidence was concerning.

Crucially, EFTA membership gives the opportunity to have, but does not automatically entail, membership of the single market. It does not envisage political integration. It is economically motivated. EFTA does not issue legislation or establish a customs union, and decisions are made by unanimity.

If we examine EFTA, there are three distinct benefits to the UK as we leave the European Union. It brings significant free trade benefits. On joining EFTA, we would automatically become part of the free trade area between the current EFTA four—Norway, Switzerland, Liechtenstein and Iceland—which covers trade in most goods and services and eliminates tariff barriers. In addition, we would be able to benefit from the free trade agreements they have already signed with third countries. We should not underestimate that; EFTA has 27 free trade agreements covering 38 countries and 900 million customers.

In text and context, many of those agreements are more modern than some of the deals the EU is signing with third countries now. Some of the analysis, certainly

around services, would suggest that some of the free trade agreements being signed by EFTA and some of its existing free trade agreements are a much better fit for the UK economy than some of the EU's, and are more comprehensive. For example, EFTA has a free trade agreement with Singapore and Hong Kong—two incredibly important markets for the United Kingdom, and areas without a completed EU deal.

James Cartledge (South Suffolk) (Con): My hon. Friend is making an excellent speech. Did he see the recent coverage in *The Daily Telegraph* noting that South Korea, and possibly other nations with which we have trade deals through the EU, would be looking to use our exit to potentially renegotiate the terms? Does he agree that, were we in EFTA, it would surely be in our favour that EFTA has trade deals with those countries, which would make the process far simpler for us?

Stephen Hammond: I entirely agree with my hon. Friend, and I want to make a point in a moment about some of the Government's ambitions regarding their Trade Bill.

Joining EFTA would be a significant help when it comes to making up for the loss of EU free trade agreements. It would demonstrate to the world that the United Kingdom is not leaving Europe as it leaves the EU, and it would highlight our commitment to global trade. Joining EFTA does not in any way stop the Government's plan to negotiate a deep and special bespoke arrangement with the EU. Indeed, if that is the Government's ambition and they wish to achieve it, they should consider joining EFTA, because it would greatly assist that goal by framing it within an institutional set-up that the EU is familiar with.

The negotiations on the Comprehensive Economic and Trade Agreement show how difficult and time-consuming a UK-EU deal could be. CETA took seven years. It was the most ambitious EU free trade agreement so far negotiated, and the Government's stated ambition is to go some way beyond it. The chances that they will be able to fulfil that ambition without a framework that the EU is familiar with strikes me as laudable but potentially difficult to achieve.

The EFTA court, the surveillance authority, the council and secretariat are all institutions understood and trusted by the EU, with well-established systems for information access and consultation. They can be used as part of any future UK-EU deal, to strengthen our commitment and avoid creating new institutions.

Dr Rupa Huq (Ealing Central and Acton) (Lab): As a fellow London MP, I am sure the hon. Gentleman receives numerous representations from constituents on EU citizens and financial passporting rights. Those people probably think the best course of action would be not to leave at all. Since that is not realistic, will he do all he can to exert pressure on the high command of his party and his namesake the Chancellor—sadly, he is not in the high command anymore—to ensure we have a pragmatic, not a purist Brexit? That way, if the arrangements are ready-made, some of the bumps can be avoided.

Stephen Kinnock (Aberavon) (Lab) *rose*—

Stephen Hammond: I see the hon. Gentleman also wishes to intervene. If he does so at this stage, maybe I could answer both points.

Stephen Kinnock: I thank the hon. Gentleman for giving way, and he is making a powerful speech. Is it not the case that the European economic area option ticks many of the leave boxes—no European Court of Justice jurisdiction, the ability to control the inward flow of immigration and the ability to strike trade deals with third countries—but also delivers the certainty that business is so desperately calling out for, because it is a well-established, well-understood agreement that has existed since 1993, but with no ever closer union built into it? Is it not by definition the form of Brexit that ticks the boxes in line with what the vast majority—we might call it the silent majority—of the British people want in this debate?

Stephen Hammond: In response to the hon. Member for Ealing Central and Acton (Dr Huq), it is, of course, not my decision who is in the high command, but I understand her sentiments. I absolutely hear her point about financial services. That is why I was very pleased to see the Government taking the initiative and offering unilateral passporting to financial services. Of course, that will work to the greater benefit only if we are able to ensure that the European Union agrees the terms as well, but it was a good start. I wholeheartedly agree with her that the Government's commitment on EU citizens must be made real and be part of the deal.

The hon. Member for Aberavon (Stephen Kinnock) is absolutely right. In terms of my hon. Friends who are Brexiteers—a few of them are in the Chamber today—I was discussing with one of them last night that the EFTA arrangements are something we can build a consensus around in this country. That is a sensible option, suiting both sides of the argument, and I would welcome any of the pragmatic leavers, including a number who advanced this case during the referendum, joining the cause and arguing for EFTA.

John Stevenson (Carlisle) (Con): This is a really important debate and I congratulate my hon. Friend on securing it. I completely agree with his point that EFTA is understood by all parties; that is one of its great strengths. Does he agree that its true strength, and the one that could be the basis for our negotiations and unite all parts of the debate, is the fact that it has great flexibility within it?

Stephen Hammond: My hon. Friend is absolutely right that it has great flexibility. That is why I am putting it forward. There is not only one option. I had a chunk in my speech about what one colleague said in response to the question last week from my hon. Friend the Member for Eddisbury (Antoinette Sandbach), which cited the Switzerland option. Of course, that still allows for bilaterals, and some of those are still available, but there is a panoply of options within the EFTA arrangements.

There is some misconception about whether we would be welcomed back into EFTA, and I make the point that it is not only a flexible arrangement but one we would be welcomed back into.

Dame Caroline Spelman (Meriden) (Con): I congratulate my hon. Friend on securing this timely debate. Is it not the case with EFTA that it does not have the pooling of sovereignty that is currently a big issue in our relationship

with the European Union? Most importantly, it affords the flexibility of excluding agriculture and fisheries. We all know that the CAP does not fit well with our large farm structures and that the common fisheries policy has proved very contentious. Those two important industries would benefit from greater flexibility.

Stephen Hammond: My right hon. Friend is completely right. I am grateful to her for making that point, because such points need to be heard loud and clear so that the misconceptions can be fought off.

Peter Grant (Glenrothes) (SNP): I was a bit concerned when the hon. Gentleman referred to pragmatic Brexiteers and pointed at me; I may be pragmatic, but I would certainly not call myself a Brexiteer. I am interested in his suggestion that the UK would be welcomed into EFTA. Can he give us his basis for that? Three expert witnesses appeared before the Exiting the European Union Committee yesterday—I understand three more will appear today—and all of them thought it extremely unlikely that the four EFTA members would want the UK to join, partly because the UK's population is about four times bigger than the current total population of EFTA, and there would be significant concerns about upsetting the balance of EFTA. What indications has he had from the four Governments of the current EFTA countries that they wait with open arms to welcome the United Kingdom in?

Stephen Hammond: I apologise if I, with a sweeping hand gesture, put the hon. Gentleman into the Brexit camp, which he does not wish to be in; that was certainly not my intention. I have had lunch with the president of the EFTA court, and I had lunch with the ambassador to the United Kingdom of one of those countries yesterday, but let me quote the Norwegian ambassador to the EU:

“We would maintain an open-minded stance in the event of an application for EFTA membership. Overall, it is in Norway's interest to maintain as close trade policy cooperation with the U.K. as possible”.

There is a lot of scaremongering about this point, yet it is clear from speaking to any of the ambassadors that the reality is that they would welcome our application.

Kevin Hollinrake (Thirsk and Malton) (Con): My hon. Friend is making an excellent speech. Does he propose EFTA membership as a transitional or a permanent state?

Stephen Hammond: I certainly see EFTA more as a potentially permanent state, rather than transitional. I know a number of my Brexiteer friends would probably see it as more of a transitional arrangement, but I see it as potentially long term, partly because of the point I have been making—that membership in no way undermines the Government's ambition to secure a long-term, bespoke deal with the European Union. There is nothing within the EFTA structure that would prevent that. Given that our ambition is to be global Britain, we should take every opportunity we can to be so, and EFTA will fulfil those ambitions and objectives.

Jeremy Lefroy (Stafford) (Con): Does my hon. Friend agree that there is, as I think he alluded to, a cultural element to this as well? The UK is making it quite clear

that, while we may be leaving the EU, we are not leaving Europe. This would send an absolutely clear statement of that, and that we are still very much European and very much committed to our friends and neighbours in Europe.

Stephen Hammond: My hon. Friend and I must be of the same mind, or he must have read or have had foresight of my speech. I was going to make the same point in a few moments' time, but given he has made it for me, I shall cut my speech down. He is, of course, absolutely correct.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The hon. Gentleman is making an interesting and strong case for EFTA and the EEA. Does he agree that there is a fundamental issue at stake: that the kind of potential end state he talks about, and indeed many of the others we have debated, show that there are many options for how we leave the EU? There is not just one way. That is the real issue at stake. Unfortunately, there are some in this place who would like to close the debate down and say there is only one alternative and no others. In fact, there are many ways in which we could go forward, and it is up to us as a country and as a Parliament to choose.

Stephen Hammond: The hon. Gentleman knows that I do not always agree with him, but he is absolutely right on this matter. That is why it is important that there is a consensus from us, as a Parliament, when speaking to the British people, pointing out that there are a range of options. We should not close any of them down as we look for the best solution for this country.

Sir Christopher Chope (Christchurch) (Con): It is implicit in what my hon. Friend says that he is against our remaining in a customs union. Switzerland, which is in EFTA, is outside a customs union and has the freedoms that go with that. Do I take it from my hon. Friend's speech that he accepts that we should leave the customs union?

Stephen Hammond: First of all, nothing in EFTA implies a customs union; there is no customs union with EFTA. That myth is being perpetrated. My hon. Friend is absolutely right that Switzerland is not in a customs union, and nor are any of the other EFTA members. I accept that we are likely to leave the customs union, but as he will know, it is the Government's stated policy, in the Prime Minister's Lancaster House and Florence speeches, that the possibility of a customs union is left open. Nothing has changed in terms of Government policy, so I am entirely in line with Government policy on that.

Mr Dominic Grieve (Beaconsfield) (Con): On that point, it is also clear that the first-stage agreement that we reached in December, concerning the border between Northern Ireland and the Republic, must imply the maintenance of a form of customs union. What form that might take is clearly open to some level of debate, but as my hon. Friend may agree, it is quite explicit that it must follow that there is regulatory alignment to prevent the need for customs checks.

Stephen Hammond: As ever, my right hon. and learned Friend makes the point rather better than I can. It is absolutely clear that that is implicit and, based on the

evidence we heard in the Treasury Committee, explicit in what the Government signed or agreed to at the end of phase 1 of the negotiations in December.

EFTA provides a great deal of flexibility, as we have explored in a number of interventions. It keeps open the option of joining the EEA agreement, which I think would be the right thing to do. However, it must be right that, as we leave the EU, we keep our options open. I say to the Minister in all sincerity that there is a lack of clarity over exactly what type of deal the Government want. We talked about CETA and beyond, and as I said a moment ago, CETA is the most advanced trade agreement that the EU has yet signed with a third country. I understand that the Government want to go beyond that, but the clock is ticking, and in trying to spend a huge amount of time carving out a middle ground between CETA and the EEA, the chances are that we may end up with nothing at all, or with something well below the Government's ambitions.

It seems to me that an EFTA-style EEA relationship—the Norway option—could be achieved rapidly and will go much further than CETA goes at the moment. That is a route we could pursue for the UK's best interest, and it must not be allowed to be dismissed without proper analysis and consideration.

Chuka Umunna (Streatham) (Lab): I congratulate the hon. Gentleman on securing this important debate. First, with regard to CETA, one reason why that kind of relationship would not be appropriate for the UK is that CETA substantially covers goods, whereas 80% of our economy is services. Secondly, as he may come on to, one of the objections raised to our being part of EFTA, and using that as a way of accessing and being part of the EEA, is that we would be a rule receiver as opposed to a rule maker. Does he agree that it is wrong to say that EEA and EFTA members have no influence on the rules that apply? Does he also agree that if we want to access the single market, we will have to comply with its rules, and that we are more likely to be able to frame those rules if we are part of the EEA, through EFTA, than if we are sitting outside and simply accessing the single market through a free trade agreement?

Stephen Hammond: I of course agree with the hon. Gentleman. I am about to make exactly those points, because it is important that they are made loud and clear. As he will know and will have observed, I have spent a lot of time in the Chamber over the last two years making the case for services, which is one of our biggest tax generators. The public services that we all enjoy will not be able to be funded in the same way if we do not protect those services. As he will have wanted to point out, the EFTA arrangement covers services in many cases, whereas CETA, for instance, does not. That is a clear issue that the Government will have to confront.

The EFTA-EEA framework is motivated purely by the economy and not the pursuit of a political objective such as ever closer union. It is crucial that people remember that. The EEA would give the UK the same access to the single market as it has now for most goods and services. It is an off-the-shelf, already tested model that would provide businesses and our citizens with the most certainty that we can give them as we leave the EU. Yes, we would be subject to EEA regulation, but as

[*Stephen Hammond*]

my right hon. Friend the Member for Meriden (Dame Caroline Spelman) pointed out, it does not cover the controversial common agricultural and common fisheries policies or justice and home affairs. From the outset—to allay the concerns of some of my hon. Friends—we would have control of those policy areas.

Daniel Zeichner (Cambridge) (Lab): Will the hon. Gentleman give way?

Stephen Hammond: I will just finish the point, because it is relevant to what the hon. Member for Streatham (Chuka Umunna) said. He is of course right: regardless of any deal with the EU that we choose to do, domestic businesses hoping to trade with the EU and the rest of the world will have to comply with what are often called laws but in reality are trading standards, and most of those are international trading standards, so there would be no change there.

Daniel Zeichner: Does the hon. Gentleman agree that a further advantage of the EEA-EFTA arrangements is access to EU programmes such as Horizon 2020 and Erasmus, which is of crucial importance to science and research and the universities sector?

Stephen Hammond: The hon. Gentleman has clearly read the EFTA arrangements correctly. I concur with him.

Kevin Hollinrake: Can my hon. Friend also confirm that EFTA/EEA does not cover taxation, so we would have an independent VAT policy, for example, if we joined EFTA/EEA?

Stephen Hammond: My hon. Friend has clearly also read the EFTA agreement and arrangements, and he is of course correct. There is no principle of direct effect with EEA-EFTA membership. As he has pointed out, that means that all laws must be approved by domestic legislatures. The UK would participate in drawing up proposed EEA legislation by serving on relevant committees. That is more of an input than is currently planned by the Government for their transition or implementation period—call it what you will. And certainly EFTA would have more of an influence collectively over the process with the United Kingdom as a member. We would regain our seats on global regulatory standard-setting organisations, on which much of EEA law is based, and ultimately we would retain a right of reservation.

This would all be supervised by the EFTA Surveillance Authority and the EFTA court, not the EU institutions. That would preserve for the Government the red line of avoiding ECJ jurisdiction.

Anna Soubry (Broxtowe) (Con): I congratulate my hon. Friend on his excellent speech. I am sorry that I cannot stay for the full duration of what I anticipate will be an equally excellent debate. Has he explored whether it is possible for any arrangement that we come to with the European Union by way of a free trade agreement to be in effect docked? If we join EFTA, it could be docked in EFTA and therefore the EFTA court could have some role in relation to that agreement,

which, again, gets away from any of the concerns that many right hon. and hon. Members have about the ECJ.

Stephen Hammond: My right hon. Friend is of course a lawyer and I am not, but I have had conversations with the president of the EFTA court, Mr Baudenbacher, and he would agree that her interpretation is correct and what she describes would be possible. That is only one opinion, but it is that of the president of the EFTA court and therefore it clearly carries some weight and some merit.

The EFTA court has made divergent decisions from the ECJ on numerous occasions. In fact, because the EFTA court deals with cases more quickly, it often hears the novel cases first, and in some cases the ECJ follows the EFTA court. The EFTA court's rulings are only advisory domestically, so it cannot overrule our sovereign court, the Supreme Court. Again, the point is that we would be heavily involved in influencing.

Nicky Morgan (Loughborough) (Con): I, too, congratulate my hon. Friend on securing this very important debate. Does he agree that one reason why many people voted to leave the European Union was that they wanted the UK to take back control? He has just brought up the very important word “sovereignty”, which for many people in the debate is at the heart of why they voted the way they did in June 2016; many people wanted to go back. Of course, the UK was a founding member of EFTA in 1960, so does he agree that the EFTA-EEA arrangement would meet the test of looking back to a day when we were happy with our relationship with the European Union and, of course, the UK would take back control?

Stephen Hammond: My right hon. Friend, the Chairman of the Treasury Committee, is right. One great virtue of what we are talking about today is that we are looking at where the UK is at its best, in that we are looking at the economics rather than becoming obsessed with ideology about some of the political points. This proposal solves many of the legal arguments and gives economic certainty to businesses and citizens, which is clearly what the House wants.

Nigel Dodds (Belfast North) (DUP): I, too, congratulate the hon. Gentleman on securing this important debate, and I thank him for his generosity in taking so many interventions. Can he clarify that his position is to join EFTA in order to remain or be part of the EEA, or does he contemplate being part of EFTA without EEA membership?

Stephen Hammond: One point that I am making is that there is a range of options for us as a Government and a country to consider. Personally, I would argue for the EFTA-EEA arrangement, which I think gives us a huge number of advantages. It gives some certainty to British business. It allows us to do what the Government want to do in having a bespoke EU-UK deal and would allow that to be negotiated in a timely way. It would give us advantages in relation to free trade. We will not be in “the” customs union. If we chose to do so, we could establish “a” customs union. It seems to me that the EFTA-EEA arrangement is absolutely a good place for the United Kingdom to start as we leave the EU.

Whether that is the choice of the House, if it comes to be discussed on the Floor of the House of Commons, is another matter. My point is that there is a range of options. Personally, I will argue for the EFTA-EEA arrangement; I think that is the best arrangement.

Let me deal with the point that the right hon. Member for Belfast North (Nigel Dodds) may have wished to come on to—I am getting close to the end of my remarks, Mr Gapes, but you will have noticed that I have taken a fair number of interventions so that colleagues can be heard.

Understandably, free movement of people will be a concern for many, notwithstanding the fact that EU migrants are net contributors to our economy and that the last set of figures available—official statistics—showed that net EU immigration was down to about 9,000 a year. It is true that, under protocol 15 and articles 112 and 113 of the EEA agreement, EFTA states can suspend free movement of people on a reciprocal basis. It is important to remember that. Some will say that that is only theoretical, but it is important to remember that the European Commission agreed, during the pre-referendum negotiation, that the UK would be justified in applying the proposed emergency brake for similar reasons. Therefore, the protections enshrined in articles 112 and 113 of the EEA agreement would undoubtedly apply should we choose to join EFTA, because the precedent has already been set.

As for EU budget contributions, which would be another concern, they would of course be subject to negotiation, and we have already conceded the concept of paying for access if we deem that to be in our interest. The EFTA-EEA countries make a financial contribution to the EU in two ways. They contribute, first, towards European cohesion efforts and, secondly, towards the programmes in which they participate. The House of Commons Library has been frequently quoted by hon. Members on both sides of the House to justify their position, so I would guide people to the Library's estimate that if the UK were to join the EFTA-EEA arrangement, the contributions to the EU would be 25% less than any contribution that we make now or would make during any transition period.

The concern has been expressed that the current EFTA members might have reservations about one of the big G8 economies joining. However, as I said in response to an intervention, the indications that I have had, from quite powerful authorities, are that we would be welcome in EFTA. It would be a chance for EFTA to be renewed and revitalised, with better prospects and new aspirations for arrangements with other countries. The argument that the EU is trying to tell Norway not to move forward—as we have seen from what the Norwegian ambassador to the EU has said—may be a bit of a game and role play, but the reality is that the United Kingdom would be welcomed back into EFTA.

I ask the Minister to ensure that the Government keep open the option of re-joining EFTA. I see no reason why it would not fulfil the Government's ambition. It provides the Government with the flexibility they say they require—and I agree—in negotiating to get the best deal for Britain, but I remind hon. Members that there is nothing in EFTA membership that seems to go against any of the plans the Government have set out so far.

Finally, in a national crisis—and this is a national crisis—the British political class has always had the ability to put aside ideology, reach a national consensus and act in the national interest. Surely that is in the ability of this generation's political class. We must be able to stand up and show that we can match our forefathers. We should be seeking to build that national consensus and achieve the best outcome for Britain. It is abundantly clear to me that there is no model that will satisfy all sections of the British public. I believe—I have said this many times—a no-deal scenario would be bad for our economy. However, this approach would fulfil the result of the referendum. It would satisfy a large—I think overwhelming—majority of the British public and perhaps, importantly, this House of Commons, and go a long way to healing the divisions that were there. I recognise that EFTA is not a universal panacea, nor does it have all the benefits of membership of the single market and the customs union, but I believe, and I hope this whole House believes, that Britain's negotiating position and its economic position post-Brexit will be improved by joining EFTA.

Several hon. Members *rose*—

Mike Gapes (in the Chair): Before I call Back Benchers, I would like to make clear that I have to call the Front Benchers at 10.30 am. We have very limited time if all three Front Benchers are to get their full time and we are to give Mr Hammond time to make a brief comment at the end. I implore you to be brief, minimise your interventions, and if you have already intervened, please do not intervene again if you can avoid it. Hopefully, I will be able to call all those who are indicating they wish to speak.

10.2 am

Ian Murray (Edinburgh South) (Lab): It is a pleasure to serve under your chairmanship for the first time, Mr Gapes. We normally sit side by side on the Select Committee on Foreign Affairs, so the roles are slightly changed this morning. I also pay tribute to the hon. Member for Wimbledon (Stephen Hammond) for bringing this timely debate to the Chamber.

I say to the Government, at this time of national crisis and debate, it should not really be for Back-Bench Members of Parliament to have to bring debates to Westminster Hall on so critical a matter. If it is about taking back control, Parliament should be debating this every single day of every single week, so that the public can have a real view about where we are heading as a country in exiting the European Union. We are clearly no longer in a debate about staying in the EU; instead, we are talking about the least worst option when we leave.

The hon. Gentleman's arguments clearly demonstrate that EFTA is one of the options the Government could choose to ensure we have the least worst exit from the EU. Whether it is leaked, not leaked, written, not published or whatever, the Government's analysis shows that this is the least worst option, so why would they not take it? I have consistently said in the main Chamber, in Westminster Hall, and indeed in newspaper articles, that whether one agrees with these arguments or not, the fact that the Government have taken them off the table shows that their direction is towards a place that will fundamentally

[*Ian Murray*]

damage the UK economy for generations to come. It is also clear to anyone who follows this debate in any kind of detail that the goals, aims and objectives the Government have set themselves when leaving the European Union are completely and utterly incompatible—incoherent—with the red lines they have set themselves.

A trade deal with the European Union. Maintaining tariff-free, frictionless access. Ensuring the issues around Northern Ireland are resolved. Achieving regulatory harmonisation. Staying in European programmes such as Erasmus and Horizon 2020—Edinburgh University has issued its annual report, the back pages of which show where it gets its research funding from, and there is page after page showing tens of millions of pounds that come from the European Union. If the Government want to achieve all of those objectives—I have no doubt that they do—I suggest they reach out, keep everything on the table and say to Parliament, when taking back control, that the best way to achieve all of those objectives is through EFTA, the EEA, a single market or a customs union. Whichever way we want to look at it, let us keep those options on the table and have those arguments.

EFTA is important because it is about economic integration between its members. The EEA allows that economic integration between the EFTA members and the European Union. That seems to me to be very similar to the Prime Minister's goals and objectives in both her Lancaster House and Florence speeches. We want free, frictionless trade. We want regulatory harmonisation. We want goods and services to be included, as my hon. Friend the Member for Streatham (Chuka Umunna) said. As the hon. Member for Wimbledon said, this is not CETA, but is it CETA plus plus plus, which the Secretary of State for Exiting the European Union mentioned a few weeks ago?

Stephen Doughty: My hon. Friend is making an excellent speech. Does he agree that the problem the Government have got themselves into is that instead of keeping all the options open, the Prime Minister is having to respond to the extremists in her own party on a reactionary basis and close off options, exactly when we should be exploring the possibilities of all the options and the best way forward for the country?

Ian Murray: My hon. Friend hits the nail on the head. This Government are not looking at the best possible option for exiting the European Union. They are trying to resolve a decades-long problem in their own party, which is now raising its ugly head again, as we have seen in the newspapers in the last few weeks. I firmly believe that many senior members of the Government and influential Members on the Government Back Benches would rather see the UK fall off a cliff, to achieve their ideological goals and take control of their own party, than do what is in the best interest of the country.

I will wrap up, because I am aware others want to speak. EFTA is the ninth largest trading partner in the world in goods and the seventh largest in services. It is the third largest trading partner with the EU in goods and the second largest in services. If that deal was put on the table to the United Kingdom by Michel Barnier today, we should bite his hand off to take it. It is on the table, it is here and it is ready made. The Government

would be committing a massive dereliction of duty if they did not at least consider the option of staying in EFTA.

10.8 am

Antoinette Sandbach (Eddisbury) (Con): It is a pleasure to serve under your chairmanship, Mr Gapes. Last week at DExEU questions, the Under-Secretary of State for Exiting the European Union, my hon. Friend the Member for Wycombe (Mr Baker), challenged me to table a debate on EFTA. I am grateful to my hon. Friend the Member for Wimbledon (Stephen Hammond) for having the considerable foresight to have already done so. I know that he and others have been at the forefront of the push to get EFTA onto the Government's agenda. I listened carefully to his contribution and share most—in fact all—of his perspective. His timing could not have been better, because it is vital that we have an evidence-led debate on this subject and on the broader subject of the UK's relationship with the EU.

The main focus of my remarks will be the transition and how best to manage our departure, should a deal not be achieved before Brexit day. At the end I will address EFTA membership in the longer term and how this can be in our national interest. I will be brief, because I have discussed this recently. If hon. Members wish to know my thoughts in more detail, they can check the *Hansard* record of the debate on 22 January.

The Government do not have much time left to strike a deal, as Michel Barnier reminded us all yesterday. The time is coming when the Government must make tough choices, and those need to be based on evidence rather than on ideology—particularly an ideology that can be seen at the fringes of our party. The Government are also delaying several key pieces of work that will prepare us for the world post being in the EU. The road haulage Bill has been delayed, and the immigration White Paper has been delayed and may not be published until the end of the year.

I have consistently called for Ministers to be given the time that they need to think through their decisions. This is, as others have said, one of the most complex tasks the country and its Administration have faced in decades, and the timeframe for making decisions should reflect that, but under the current arrangements, we will have to restructure our entire relationship with the world in just a couple of years. Roy Jenkins once compared Tony Blair's approach to winning high office to that of a museum curator carrying a Ming vase across a polished marble floor. I cannot help but think that Ministers may sympathise with that image as they hold on to something as precious as the democratic choice of the public while having to deliver Brexit in a manner that does not harm the economy, wear away at the social fabric of this country or damage our standing abroad. To do that, I ask Ministers to make up their minds on all the best available options, and to respect the wishes of all our constituents, not just either the 52% or the 48%.

There are considerable merits of EFTA for a longer transition period. I support the Government's ambition for a deep and enduring partnership with the EU. Given our shared history and geography, it would be wrong to adopt CETA wholesale. To propose an entirely new arrangement is ambitious, but I welcome that ambition.

Our partnership must be deeper than the EU has with any other third party, and it must include a deal on services, which make up almost 80% of our economy and are therefore essential to our prosperity.

I am aware of the pressure that the Government are under to strike a deal soon, and this is where the first benefit of EFTA should become apparent. If we were able to expedite rejoining EFTA it would provide a soft landing should the Government fail to strike a deal before the deadline. Currently, failing to strike a deal would see us ejected from the EU with no alternative to WTO terms. EFTA should be that alternative. Last week's Treasury estimates, which are the best data we have at this point, suggest that WTO terms would cost us 8% of GDP growth over the next 15 years.

Kevin Hollinrake: My hon. Friend is making an excellent speech. To take her back to her earlier comments on a transition: is she proposing this scenario as a transition or a permanent state?

Antoinette Sandbach: It is the option that gives us the leeway to negotiate. It is an important staging post. Given the severe impacts that the WTO alternative would have, it is a safe harbour, if I can put it that way, with all the benefits that my hon. Friend the Member for Wimbledon has already outlined.

The reality is that if we do not take advantage of the opportunity that EFTA membership would give us, we are facing a cost of 8% growth in our GDP. That is a very significant cost that will have a significant impact on tax revenues and employment prospects in this country. By comparison, EEA membership through EFTA would allow us to recoup 6% of that lost growth, which is important for the Government to consider. I note that this month the UK Trade Policy Observatory has published an important briefing paper on the sectors most vulnerable to Brexit, looking at the different options. Perhaps those who are not convinced by the Treasury analysis can look at independent analysis—although I think the Treasury analysis is independent—published by a third source.

EFTA also allows the Government to meet their existing commitments, particularly around having no hard border between Northern Ireland and the Republic of Ireland. It seems to me, from the provisions in paragraphs 49 and 50 of the agreement made in December, that that is a crucial ambition that we need to step up and achieve. We need to examine whether EEA membership and continuing membership of the customs union is the only way to deliver that promise. Even if it is not, it gives us the time to look at what other options are available.

I listened with interest to the concerns expressed by the noble Lord Bridges in the debate on the European Union (Withdrawal) Bill last week that transition needed to be a bridge to the future, not a gangplank into thin air. EFTA offers that bridge: a graduated transition that sees us leaving the EU, regaining control of swathes of policy areas, but retaining the vital trading and economic links that have built up between the UK and Europe, until a better deal can be struck. I know that some Members are concerned that this is a route to allow mischievous remainers to get back into the EU, but that is not correct: it is not the intention. Leave won; some leavers still need to get used to that. Those who

have fought for decades to secure our departure from the EU have far more to fear from a badly executed Brexit than they do from using EFTA to bridge any potential gaps.

Like my hon. Friend the Member for Wimbledon, I think that the long-term benefits of EFTA will become clear should we apply to rejoin, as I hope we will. He has already outlined the potential market access to more than 900 million people. From a sovereignty perspective, EFTA decisions require unanimity; we would still have the power of our veto. We would take back control of farming and fisheries. We would be rid of ever closer union and there would be no prospect of the single currency. EFTA would address a huge part of the public and political concern about the EU, while still allowing the UK to benefit from the single market.

I do not want to revisit the details I discussed a fortnight ago, but I do want to add two points. I have faith in the Prime Minister's ability to strike a deal, but if we do not reach agreement with the EU regarding the Irish border, EFTA would allow us to extend the existing commitment we have made into the longer term. The breathing room that EFTA arrangements provided would strengthen the Prime Minister's hand in negotiations. In the event of no deal, the UK faces significant detriment from WTO terms.

EFTA offers a route that will allow Ministers to respect the referendum result, our commitments on the Irish border and the needs of our economy. In a number of areas, it would allow considerably greater freedom of action than we currently enjoy. It would ensure that the most complex parts of our negotiation with Brussels—the issue of the Irish border—is resolved in the short term, and it would provide more time to create a bespoke solution. It allows us to minimise the risks of no deal and strengthen our hand in negotiations. If Ministers disagree so vehemently with the Treasury analysis, what are their own assessments of the impact of no deal? What deficiencies do they identify in not only the Treasury analysis, but much of the analysis by independent think-tanks that are external to the UK civil service?

EFTA constitutes the best arrangement for a plan B in the unlikely event that plan A fails. I believe that it is a good deal for Britain in the longer term, and ask that colleagues rethink this issue and recognise how EFTA can offer us a safer, more secure route out of the EU and into the world.

10.19 am

Paul Masterton (East Renfrewshire) (Con): It is a pleasure to serve under your chairmanship, Mr Gapes. I will be very brief so the other two speakers have a chance to get in.

From the conversations I have had across East Renfrewshire in recent months, people are increasingly fed up. They do not want to hear any more about a hard Brexit, a soft Brexit, a red, white and blue Brexit, a "Brexit means Brexit" Brexit or even a "Brexit means Breakfast" Brexit. It is time for practical, workable solutions to be put forward in the national interest. They do not want ideology. If we have to give it a name, they want a "smart Brexit", as my hon. Friend the Member for Wimbledon (Stephen Hammond) put it in a recent article.

[*Paul Masterton*]

We must be pragmatic, sensible and honest about the situation that faces us. Should we be optimistic? Yes, we can be and we should be, but that optimism has to be grounded in reality. It is far too simple an argument to say that the Germans need us to buy their cars and the French need us to buy their brie so it will all be great.

Just as Government contingency planning for all scenarios must cover a no deal, it must also cover us entering EFTA with the EEA bolt-on. I simply ask that that option is not taken off the table. Let me be clear, that is not necessarily a final destination—although we should not rule that out—but a safe harbour or staging post that would give us a suitable and workable framework from which to work while the free trade agreement is thrashed out and formalised.

EFTA guarantees to people who voted leave that we are implementing their democratic will to leave the European Union. If anything, it finds that sweet spot in reflecting that the EU referendum result, although decisive, was not overwhelming. We will be in the single market but not members of the EU. We will leave the EU sensibly—even conservatively—if we recognise that trade is only one part of our integrated and co-operative relationship that needs to be unpicked.

In EFTA, from day one, we will be outside the broken CAP system and the hated common fisheries policy, which are totemic issues that lie behind the largely ignored but sizeable minority leave vote in Scotland. Any question of ever closer union would be gone; we would not be under the direct jurisdiction of the European Court of Justice, as there is no direct effect and no supremacy of EEA law, and our membership dues would be significantly reduced. Freedom of movement can be dealt with flexibly within the EFTA system because, contrary to what is commonly asserted, Schengen is not part of the EEA agreement.

EFTA will also give us scope to form trade deals across the world from day one and to take advantage of the bloc's existing FTAs while we create those bilateral agreements. Preferential access to EFTA's markets while we finalise our new global trading relationships would provide a good basis for British business. Arguably, EFTA's suite of trade agreements are a better fit for the UK than the EU's, given our trading patterns, and they are more comprehensive. EFTA's size and nimbleness as a bloc has allowed it to adapt its approach to free trade agreements to cover trade in services. EFTA would ultimately allow us to start our journey to our destination, while giving us the flexibility to ready ourselves for what may lie ahead.

If the referendum was not just about the economy but about increasing national sovereignty, I believe EFTA would tick that box too. That is why it is an option that also finds favour among many moderate leavers and it should not be dismissed out of hand by the Government. When we look back in 10 years' time, we will not regret taking the time to get what was needed, but we will regret rushing to leave the European Union as quickly as possible to meet an arbitrary, self-imposed hard deadline.

10.22 am

James Cartlidge (South Suffolk) (Con): It is a pleasure to serve under your chairmanship, Mr Gapes. I will follow my hon. Friend the Member for East Renfrewshire (Paul Masterton) in being as brief as I can.

To my hon. Friend the Minister, I say that I, like most of my hon. Friends, want the Prime Minister to achieve a successful, bespoke deal, but the clock is ticking. To put it bluntly, levels of agreement are not optimal on the internal flank. I hope he can answer one question: if EFTA-EEA is such a bad idea, why are its four constituent countries among the richest and most successful on the face of the planet?

This is not project fear. We talk about hypothetical scenarios, such as what would happen if we left without a deal or under a soft or hard Brexit, but those countries are out there in the real world, not gazing at their navels, but negotiating trade deals and making a success of a trade bloc that we created with them in 1960. They have found a way to be sovereign countries, to deal with the huge behemoth of the European Union on their borders and to somehow retain that combination of prosperity, security and, yes, sovereignty.

Back in Westminster, we are in a hypothetical realm where we keep talking about all the possibilities that may emerge. If one were to be hypothetical and ask, "What deal could we possibly construct on which we could conceivably unite as a country?" it would have to do the following. It would have to please those on the Brexit wing by enabling us to negotiate our own trade deals from day one of leaving. EFTA does just that. For the Mayor of London, who wants us to stay in the single market, for the Scottish Parliament, which also wants us to stay in the single market, and for the many of us who think that that would be right for the City of London and services, we would have to stay in the single market. In EFTA-EEA, we stay in the single market. For everyone, there would have to be a control on unsustainable migration. In EFTA-EEA, we have the control that should migration surge again, article 112 and, importantly, article 113, which guarantees our right to negotiate free movement, would apply and have applied in practice in the real world.

Vicky Ford (Chelmsford) (Con): The free movement issue is very sensitive. In the EFTA relationship, Liechtenstein has a cap on the total number of EU citizens it allows in each year. It is a much smaller country, but the principle is there.

James Cartlidge: Yes, the principle is there. The powers are there in black and white and they can be used unilaterally. There is simply no way to dispute that.

To return to the hypotheticals, from a Brexiteer point of view, we would want something that gives us visible signs of power back on day one. We would be out of fisheries, which is why Fishing for Leave supports membership of EFTA—it knows that next year, it could get power back for fisheries. We would be out of the common agricultural policy. We would be out of the serfdom of the ECJ and under the EFTA court.

I will finish by referring to the transition. Even as someone who campaigned for remain, I think the Government's current proposal would mean a vassal transition where we had absolutely no control. To people in the Brexit camp, I say that surely the proposed transition, where we have literally no say in future laws, is far inferior to one where we go into EFTA next April, have powers back, and have the security of staying in the single market. That is the best transition, which would enable us to have a safe harbour to secure our long-term future, as other hon. Members have said.

A range of continental lagers are available, but if Carlsberg did an off-the-shelf, last-minute Brexit deal that pleased everybody, it would probably look an awful lot like EFTA-EEA.

10.26 am

Mr Peter Bone (Wellingborough) (Con): It is nice for a leaver to make just a brief contribution—perhaps you have heard enough from leavers, Mr Gapes. I congratulate my hon. Friend the Member for Wimbledon (Stephen Hammond) on securing this important debate. It is a pleasure to follow my hon. Friend the Member for South Suffolk (James Cartlidge), who made a powerful case from his point of view in relation to EFTA.

My view is that we should get behind the Government. We on this side of the Chamber should certainly be supporting the Prime Minister and the Government. To say that this is a Brexit-dominated Government, when the Prime Minister, the Chancellor, the Deputy Prime Minister, the Home Secretary, and the excellent Minister were remainers, paints an unfair picture. I think the Government are working in the interests of all the British people.

The Government decided to delegate the decision about whether we remain in or out of the European Union to the British people. There was a massive democratic process and we had the leave result. We are leaving in 413 days, so as my hon. Friend the Member for South Suffolk said, the clock is ticking.

In the referendum, the British people voted to end free movement, not to spend billions and billions of pounds each year with the EU, and to make our own laws in our own country that will be judged by our own judges. Within all that, Parliament should debate what Brexit looks like—quite rightly—and this debate is part of that.

Heidi Alexander (Lewisham East) (Lab): Will the hon. Gentleman give way?

Mr Bone: I cannot, because I have very little time.

It is right that the Government are saying, “Hang on. We’re the fifth biggest economy in the world. We want to make a bespoke deal.” The Brexit Secretary has described the deal as Canada plus plus plus, but he is really saying that it is a bespoke model. From that point of view, how can people object? We are in a unique situation. We already have a free trade arrangement with the European Union. It sells us £80 billion more of goods than we buy from it, so it is in its interest to have a deep and special relationship.

In conclusion, I hope the whole House will get behind the Government to achieve what must be in the British interest: a bespoke deal and a special relationship with the European Union. I urge my Conservative colleagues to stop carping at the Prime Minister, to get behind her and to support the Government, not vote against them. They should argue their case and let the Government take us out of the European Union in the best possible way in 413 days’ time.

10.30 am

Peter Grant (Glenrothes) (SNP): I am grateful for the opportunity to begin the winding-up speeches. Scotland’s preferred option was not to leave the European Union

at all. It is dangerous to conduct this debate on the basis that all the arguments have been lost. I sympathise with a great deal of what hon. Members have said today, but their starting point seems to be, “We have now lost the argument—we are in for a hard Brexit and for coming out of the customs union and the single market, but let’s see how much we can salvage.” It is not too late for the Government to come to their senses and decide not to leave the single market or the customs union.

It is important that we continue to compare the benefits and disadvantages of EFTA membership not with the hard Brexit that we are heading for, but with where we are now. As hon. Members have said, we had a referendum over membership of the European Union but nobody in the United Kingdom has ever voted in a referendum on the single market or the customs union, so none of us has the right to say that we know how people feel about our membership of them.

I must remind hon. Members of the likely economic impact. Some have decided that the economic forecasts are not worth the paper that they are written on. Presumably they think the billions of pounds it costs to run the Department that produces those forecasts are not worth it either, so I look forward to the Estimates debate in a few weeks’ time—I can think of a big saving to our spending on the Treasury. The Scottish Government’s paper “Scotland’s Place in Europe” indicates that over the 10 years after Brexit, GDP in Scotland is likely to fall by £11 billion a year and public spending is likely to fall by £3.7 billion a year, on top of any reduction imposed from Westminster. That is twice Scotland’s total expenditure on further and higher education, which demonstrates the scale of economic damage that we face.

The UK Government say that they have not done any impact analysis, but they have done analysis of the impact, which is not the same thing. I have not yet seen those papers in their Fort Knox establishment on Parliament Street, so I can only quote from what has already been put in the public domain. The BuzzFeed papers show that the Treasury think that at best we will see a 2% reduction in economic growth, even if we remain in the single market, and at worst we could face an 8% reduction, which would be a recession like none that we have ever seen or ever want to see. We are talking about a serious threat to the economic and social wellbeing of these islands.

I recognise that membership of EFTA—if we are allowed in, although it is still not guaranteed that the four existing members will want us to join—would not be as bad for us as falling off the cliff edge, but it would still be significantly worse than where we are now. I hope that all hon. Members who have argued for EFTA today will not accept that the argument about full membership of the single market or the customs union has been lost. EFTA countries are not in the customs union; we heard evidence from several witnesses in the Exiting the European Union Committee yesterday about what that means for Switzerland. In some ways, the Swiss position appears to be closest to what the Government want, because officially it does not include free movement of people, although in practice it pretty much does.

Heidi Alexander *rose*—

Peter Grant: I will give way once, but I am conscious of time.

Heidi Alexander: I understand the note of caution that the hon. Gentleman articulates about EFTA, but I also understand that Scottish National party policy is to remain in the single market. If his party does not favour remaining in the European economic area by staying in EFTA, how does it propose to remain in the single market?

Peter Grant: As I said, our best option is to respect the wishes of the 62% not to be dragged out of the European Union, but if that option is taken off the table—

Paul Masterton *indicated dissent.*

Peter Grant: I note that Scottish Conservatives want to pooh-pooh the idea that 62% of the population of Scotland can just be ignored. My concern about EFTA is not that I do not like what it offers, but that it does not offer nearly as much as we have now. In particular, it does not involve membership of the customs union.

Switzerland does not have what it regards as a hard border with the European Union. Apart from its border with Liechtenstein, it is completely surrounded by land borders with EU countries, but most people travelling in and out do not notice anything like a hard border. Nevertheless, it estimates that approximately 2% of vehicle traffic is stopped and searched. Applying that model to the only land border that the United Kingdom will have with the European Union would result in 200 stop-and-searches a day near the border on the island of Ireland. That is simply not acceptable, and it cannot be allowed to happen.

Even the most favourable—or least unfavourable—scenario for leaving the customs union is likely to create significant security problems in Ireland. It is not just about having a hard border. We have an agreement on all sides that there will be no infrastructure on the Irish border, but it is very difficult for somewhere inside the customs union to have a border with no infrastructure whatever with somewhere outside it. There will be significant repercussions for the whole of Ireland if the United Kingdom leaves the customs union.

Kevin Hollinrake: Will the hon. Gentleman give way on that point?

Peter Grant: I really do not have time.

Those repercussions are among the reasons—they are possibly the single most pressing reason—why we have to persuade the Government that they have got it wrong. The unilateral and politically motivated decision to leave the customs union was a mistake, but there is still time for it to be rectified. There is still time for the Government to accept that they got it wrong and that they do not have a referendum mandate to take us out of the customs union or the single market.

I was interested in the point made by the hon. Member for South Suffolk (James Cartlidge) that the four EFTA countries are among the wealthiest in the world by GDP per capita. It is not only EFTA countries that are in the top 15 or 16, and certainly above the United Kingdom; so are Luxembourg, Ireland, Sweden, Belgium, Finland and Denmark, none of which are in EFTA but all of which are in the single market. Membership of the single market and the customs union may be a factor, or it may be that all the countries I mentioned

and all four EFTA countries have the status of being small, independent, modern European nations—perhaps that is what we should be looking at, but that is an argument for another day.

I must sound a final word of caution. Although hon. Members have referred favourably to the Norwegian and Swiss situations, we were told yesterday in the Exiting the European Union Committee about the Swiss People's party, which is a bit like UKIP with a Swiss accent but is the biggest single party in the Swiss Parliament. It has initiated the process of calling a referendum—a popular initiative, as the Swiss constitution describes it—to extricate Switzerland from EFTA and pull out from agreements with the European Union. Although a lot of countries originally saw EFTA or the European economic area as part of an accession process to get from nowhere to full membership of the European Union, it appears that there is a big danger of the hard right in Switzerland treating EFTA as a way of cutting its links with the European Union. So let us be careful: we may think that the minority in this House who want a hard Brexit will be satisfied and let things lie if we somehow persuade the Government to go for EFTA, but it will not be long before they seek to follow the Swiss example. They will agitate for a referendum as they did before, not on leaving the European Union this time but on the hardest of all hard Brexits.

As I have said before, and as I think the vast majority of hon. Members believe, a hard Brexit would be economically and socially calamitous for the people of these islands. It is still not too late for the Government to give a guarantee that they will not go for that kind of Brexit. They should not simply say that they want to join EFTA, but go further and say that they want to remain in the single market and the customs union—not for two or three years after we leave the European Union, but for as long as we possibly can.

10.39 am

Matthew Pennycook (Greenwich and Woolwich) (Lab): It is a pleasure to wind up for the Opposition and to see you in the Chair, Mr Gapes. I join other hon. Members in congratulating the hon. Member for Wimbledon (Stephen Hammond) on securing this debate and on the considered way in which he framed the issue.

The Labour party has continually made clear that we want to seek a deal with the European Union that secures all the benefits of the single market and the customs union and that involves no diminution of the EU-derived rights—employment rights and equality rights—health and safety standards, and environmental protections and standards that we currently enjoy.

Jobs and the economy must be the Government's priorities in the next phase of the negotiations, so it is absolutely right that Parliament debates in detail the pros and cons of any and every means of potentially securing a departure from the EU that protects both. I echo what many hon. Members have said in the debate this morning: every option must be kept on the table.

It reflects poorly on the Government that Back Benchers have to bring Ministers to Westminster Hall and have only an hour to speak on issues of this importance. We should be debating the pros and cons of European Free Trade Association arrangements and other arrangements in great detail on the Floor of the main Chamber; that we are not doing so is a missed opportunity.

I very much welcome the attempt by the hon. Member for Wimbledon to convince the Conservative party to ditch the ideological baggage, and to drag with him the Government and the small group on the Government Benches who favour—for ideological reasons—the hardest of departures from the European Union.

There are misconceptions about EFTA, and they need to be challenged. We need to have an honest debate about what the trade-offs and the compromises involved in an EFTA arrangement, or other arrangements, would be. However, all options must be considered and, as other hon. Members have said, nothing should be taken off the table.

In the brief time I have available to me, I will sound a few notes of caution about the trade-offs when it comes to EFTA, or at least examine some of them. I will start with the transition period, because a number of different views have been expressed this morning about whether EFTA would apply in the transition or afterwards and about the variants that it might cover.

I fail to see how EFTA could work in terms of a transitional arrangement, and that is for two reasons. The first is that, as we have argued for some time, the Government must pursue transitional arrangements on the same basic terms as those that apply now, which includes membership of the single market and the customs union, and would involve the jurisdiction of the European Court of Justice. That is supported by businesses and trade unions, and—if people pay any attention to what the European Commission has been saying on the EU27, they will know this—it is also the only option that is available. I cannot see how EFTA, as a transitional vehicle, could be realistically negotiated.

Even more importantly, an EFTA transition would in a sense entail what the Government—and we agree with them on this—have explicitly sought to avoid. Businesses and individuals do not want two points of transition towards the end state. They do not want a situation whereby they would depart the EU and go on to EFTA terms, and then go on from EFTA terms to the final end state of a bespoke deal.

James Cartledge: What the hon. Gentleman talks about as a transition is not really a transition; it is an extension of existing membership, and there is no point in trying to deny that. EFTA can be a transition in this sense—that we go into it, as others have said, as a safe harbour. However, he seems to be ruling out the idea that, once we are in EFTA, there would ever be any further change, when it would clearly be in our national interest to look at how we might, for example, strengthen co-decision making or consider divergence within parts of the single market. The point is getting to a safe position to do that. That is what a transition is—not an extension of our existing membership.

Matthew Pennycook: I disagree, because I do not see a transitional arrangement on those terms as an extension of membership; we would lose our voting rights and our representation in the European Parliament. However, that is the only transitional arrangement on offer, and the one that the hon. Gentleman is suggesting is not a serious possibility. Also, as I have said, it would involve two points of disruption for businesses and individuals. For that reason, we favour a transition on the same basic terms as now. However, if we are talking

realistically, and we are talking about a post-transitional arrangement, EFTA membership is clearly something that the Government should consider.

I will just probe a bit of the argument that the hon. Member for Wimbledon made in terms of there being a range of viable options open to the UK within EFTA, each of which warrants consideration. It is difficult to see what would be gained by EFTA membership alone. I take the point that obtaining it would secure for us access to the EFTA free trade area and the four EFTA states, as well as participation in trade agreements with the 27 countries in the EU, but in no way would that make up for the loss of trade that would come from losing the 50 preferential trade deals that the EU has with third countries or the many other trade deals that it is negotiating. Moreover, EFTA membership alone would not secure for the UK preferential access to the EU internal market.

In the same way, it is difficult to see how the Swiss model, or a variant of it, would work for the UK. As hon. Members will know, Switzerland has only partial access to the EU's internal market. We must also consider services, the future of which is integral to our country. I know that the hon. Gentleman has real concerns about them, and we both do, because of our constituencies. Services are covered only to a limited extent by the Swiss model. Crucially, Swiss bilateral agreements do not provide for cross-border access in financial services. So it is difficult to see how the Swiss arrangement would work for the UK, notwithstanding the issues that it has in terms of its sustainability or the length of time that it has taken to negotiate.

Stephen Hammond: The hon. Gentleman is, of course, laying out the range of options I said were available and making the point about all their pros and cons. However, I think it was pretty clear from my speech that I think that the EFTA/EEA arrangement, which is what I argued for consistently throughout my speech, is the option, one, that I prefer and, two, that the Government should look at.

Matthew Pennycook: In a sense, the hon. Gentleman reinforces my point, which is that the realistic debate that we should be having is about the EEA/EFTA option. I do not think that the other options are particularly practical or desirable, for a variety of reasons, so that option—the EEA/EFTA one—is what we should concentrate on.

When it comes to the EEA/EFTA model, the Opposition recognise that it undoubtedly has a range of advantages.

Kevin Hollinrake: Earlier in his remarks, the hon. Gentleman mentioned the customs union. Is it the Opposition's policy that we must remain in the customs union?

Matthew Pennycook: The Opposition's policy is that a full customs union with the EU remains on the table; it should be an option that we explore, and I will come to the reasons why.

Despite the advantages that EFTA provides, it also has some inherent limitations. One of the most serious, which we have to grapple with if we are going to seriously consider and debate the advantages of the EEA/EFTA model, is what it would mean for the border

[*Matthew Pennycook*]

in Northern Ireland. Unless that model is complemented with a customs union or customs arrangement of some kind, I do not necessarily think that EFTA alone would solve the problem in Northern Ireland.

That is because the agreements that the EFTA members have struck with third countries involve the collective dropping of tariffs. I do not think that those agreements can be supplemented with a customs union or customs arrangement in a way that would solve the problem in Northern Ireland. Earlier, the right hon. Member for Meriden (Dame Caroline Spelman) mentioned agriculture. There are issues within EFTA where there is explicit freedom to diverge, which I think makes the Northern Ireland border situation complicated, and it is certainly not clear that it would be solved by straight-up EFTA membership.

In addition, there are the concerns that have been raised about freedom of movement and payments into the EU budget. Neither of those issues is insurmountable, but we need to have a really honest debate about how we would reconcile the concerns that were raised in the referendum, and that undoubtedly lay behind the vote in the referendum, and the economic conditions that are required in the country going forward.

There are also very practical reasons why the EEA/EFTA option could be challenging. It is clear to me that the majority of the legal opinion on this shows—Professor Baudenbacher would say this himself—that the UK ceases to be a member of the EEA when we leave the EU. We cease to be a contracting party; article 1.26 of the EEA agreement says that very clearly. It is not clear—this needs further explanation—whether we could seamlessly join EFTA in a way that allows us to remain a member of the EEA agreement continuously. As a number of hon. Members have said, there are also real questions about whether the EFTA states—in particular, Norway—would be happy to have us join.

Stephen Hammond: They would.

Chuka Umunna: They would.

Matthew Pennycook: Well, they might be. I think there is a range of opinion out there about it; I have spoken to a number of different people with different views. The hon. Member for Wimbledon said that he had spoken to the ambassador and the professor himself. I note the comments of the Norwegian Prime Minister in August last year, when she said that the UK joining EFTA, even for a temporary period, would be a “challenging and costly” undertaking. Again, those concerns are not insurmountable, but we need to grapple with how realistic this option is and, in particular, with whether EFTA’s institutions—especially its court—could cope with the volume of cases that would land in them if the UK was to join EFTA.

All of that speaks to a wider point, which is that the four EFTA economies are very different from the UK economy. The size of the EFTA countries and the nature of their economies make UK membership of EFTA a challenging prospect.

All of that needs to be debated, and it cannot be debated in an hour and a half in Westminster Hall. The EFTA option should not be taken off the table, but

there are real reasons why the Labour party believes that a bespoke deal following a transitional arrangement on basic terms should be what we are aiming for, and therefore EEA/EFTA would not be our first preference. However, as I say, the key point is that that option should not be taken off the table. In the end, it is up to Parliament to decide, which is why it is so important that we have a meaningful vote—

Mike Gapes (in the Chair): Is the hon. Member bringing his remarks to a conclusion?

Matthew Pennycook: I am.

The issue should be for Parliament to decide, and this option should not be taken off the table. The Government need to give serious consideration to it or at least to provide time for debates about the pros and cons to allow us to explore why—if they have—they have ruled it out.

10.49 am

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): I start by congratulating my hon. Friend the Member for Wimbledon (Stephen Hammond) on securing this important debate on the European Free Trade Association, to which I am delighted to respond. I note that he beat our hon. Friend the Member for Eddisbury (Antoinette Sandbach) in securing this debate, but as my hon. Friend and colleague at DExEU, the Member for Wycombe (Mr Baker), said in the House on 1 February, a number of colleagues have suggested EFTA membership as a possible option, and it is important that we debate it.

Although we recognise the benefits of ensuring continuity in our relationships with the EFTA states, we do not plan to seek membership of EFTA, for four key reasons. First, EFTA membership in and of itself does not deliver any market access to the EU. As my hon. Friend the Member for Wimbledon pointed out, there are some misconceptions. It is important to delineate the difference between the EFTA agreement and the EEA. EFTA is a trading bloc between four European countries: Switzerland, Norway, Iceland and Liechtenstein. Three of them participate in the EU’s single market through the EEA agreement, while Switzerland participates in some areas through a series of bilateral arrangements with the EU. As such, joining EFTA does not say anything about our future economic partnership with the EU.

Those calling for us to join the EFTA need to be more specific, as my hon. Friend was, about whether they mean joining the EEA, or attempting to copy the Swiss agreement, or negotiating a different bespoke agreement. The Prime Minister has been clear that participation in the EEA agreement would not work for the UK because it would not deliver on the British people’s desire to have more direct control over the decisions that affect their daily lives, and it would mean accepting the continued free movement of people, which both the Conservative and Labour manifestos pledged to end at the last election. Switzerland, on the other hand, has a patchwork of agreements with the EU that fall short of the ambitious economic partnership we are seeking. Neither model strikes the balance of democratic control and mutual market access we want for our future partnership with the EU.

Secondly, our ambition as a global trading nation goes beyond the scope of EFTA's existing free trade agreements with third countries. Leaving the EU offers us an opportunity to forge a new role for ourselves in the world, to negotiate our own trade agreements and to be a positive and powerful force for free trade. Alongside new FTAs, we are also committed to achieving continuity in our existing trade and investment relationships with third countries by transitioning the EU's free trade agreements. It is worth noting that EFTA's network of preferential trading arrangements falls short of our ambitions.

Thirdly, EFTA membership means accepting free movement between EFTA members—that principle is underpinned through the legal framework of the EFTA convention. While we do not regard the referendum result as a vote to pull up the drawbridge, it must be a priority to gain control of the numbers of people who come here from Europe.

Finally, while we want to maintain our deep and historic relationships with EFTA states, the UK is in many ways different from those countries, as the hon. Members for Greenwich and Woolwich (Matthew Pennycook) and for Glenrothes (Peter Grant) pointed out. Our population is around 65 million, while the EFTA states together make up roughly 14 million people. In 2015, the EFTA bloc's collective GDP amounted to £710 billion as compared with the UK's £1.9 trillion. The UK's participation in EFTA would fundamentally change the nature of that group and would not be an appropriate model for our future relationship with the EU or those countries.

Antoinette Sandbach: Some have proposed that EFTA should be a plan B in the event that the Government do not achieve the ambitions they are outlining, instead of WTO rules. What does the Minister say to that?

Mr Walker: We are absolutely focused on achieving a deep partnership between the UK and EU. Of course we need to look at our contingency plans, and I am sure Ministers will take note of this debate in that regard, but we want to focus on achieving a partnership that in many ways goes beyond the EFTA arrangements we have discussed.

James Cartlidge: Will the Minister give way?

Mr Walker: No, I need to make a little progress because I have got quite a lot to try to cover.

Membership of EFTA alone does not automatically guarantee UK access to the EU single market, and EFTA states have the different trading relationships I have described. In this debate, most people have spoken about the EEA and EFTA. The EEA, which is sometimes referred to as the Norway model, would mean the UK having to adopt automatically and in their entirety new EU rules over which we would have little influence and no vote. As the Prime Minister has said, such a loss of democratic control could not work for the British people. It would also involve continuing to pay substantially into the EU budget.

Chuka Umunna: Does the Minister not accept that if we are to do the free trade agreement that he and his colleagues in government keep talking about, we are going to have to comply with European standards anyway?

We have much more chance of having some influence—albeit, I accept, not a vote—if we do so through EFTA and EEA membership. The hon. Member for Wimbledon (Stephen Hammond) has been clear he is arguing for that.

Mr Walker: The Government are ambitious about the extent of the trade agreement we can do with the EU. The EU has a number of trade agreements with other countries where there is mutual recognition and regulatory alignment, but not the absolute harmonisation of rules. I do not accept the premise of the hon. Gentleman's argument.

I will not be able to cover all the comments, so I want to focus a little more on international trade. Members have asked why we do not plan to rejoin EFTA as a way of continuing our trading relationships with its members and trading with the wider world through the adoption of its existing free trade agreements. As I have already stated, EFTA has a network of 27 free trade agreements as compared with the EU's 40 FTAs. While many of those agreements significantly overlap, EFTA agreements still focus on traditional areas of market access and therefore tend to be less comprehensive and more goods-focused than those of the EU. It is also notable that some EFTA FTAs specifically exclude trade remedies that the UK may seek to have as part of our independent trade policy. The UK is in many ways different from those countries.

Paul Masterton: Will the Minister give way?

Mr Walker: I will give way for the last time.

Paul Masterton: Is the point not that by joining EFTA, we can roll into the existing EFTA trade agreements and agree a new bilateral trade deal at the same time? We would be protected while striking out our own trade deal.

Mr Walker: My hon. Friend makes an interesting point. It is certainly true that a number of the EFTA states have those bilateral arrangements, but it is important to note that even if EFTA members were to welcome us back—as the hon. Member for Glenrothes pointed out, that is not a certainty—we would not have immediate or automatic access to their 27 FTAs. Our entry into each one would need to be negotiated individually with the third countries involved. That process would take time, with no guarantee of success. EFTA is not an off-the-shelf model that would deliver ready-made trade deals, as some have suggested. Instead, as I said earlier, leaving the EU offers us an opportunity to forge a new role for ourselves in the world: to negotiate our own trade agreements and to be a positive and powerful force for free trade. As Members know, we are committed to delivering continuity in the EU's existing trade relationships with third countries.

Ian Murray: Will the Minister give way?

Mr Walker: I will not right now. We want continuity, rather than the replacing of agreements with their mostly shallower EFTA counterparts. We are already in discussions with third countries over how to put the arrangements in place upon exit, and I will come back to that point.

Ian Murray: Will the Minister give way?

Mr Walker: I cannot give way right now because I have to cover a few more points.

[Mr Robin Walker]

Another important drawback of EFTA membership is that it requires free movement between its members. A number of Members have touched on that. It is true that Liechtenstein has a derogation from the principle of free movement of people under the EEA, but Members will agree that the UK is in many respects different from Liechtenstein, which is a country with a population numbering less than most of our constituencies—in 2016, the population totalled some 37,000. It is also worth noting that in 2016 more than a third of Liechtenstein's population were not Liechtenstein citizens.

We of course want the UK to remain an open and tolerant country. It is important to note that the Prime Minister has written to EFTA citizens and EU citizens to assure them that we want to reach agreements that protect their right to achieve settled status in the UK.

Finally, I reiterate that there can be no question of our ties of friendship with our EFTA friends and neighbours, nor of our commitment to them. Taken together, the EFTA bloc of states is our third largest export partner in goods and services after the EU and the USA—that is larger than India and China combined. We receive 5% of our imports by value from them, making EFTA our fourth largest import partner. Norway and Iceland were also founding members of NATO. I reassure Members that we are seeking to maintain our excellent relations with EFTA states, with whom we have long-standing cultural and economic ties, as well as crucial trading relations. The Prime Minister wrote specifically to EFTA nations.

I do not have a great deal of time to go into the implementation period, but it is important to note, as the hon. Member for Greenwich and Woolwich said, that we are seeking only one set of changes. It is crucial that business does not face two sets of changes. With that, I give my hon. Friend the Member for Wimbledon the floor for a chance to respond.

10.59 am

Stephen Hammond: I thank the Minister for his response. Like my hon. Friend the Member for Wellingborough (Mr Bone), I of course support the Government's ambition to have a bespoke deal. Nothing I have set out this morning would in any way prevent that. The Minister, whom I regard as a thoughtful politician, will understand that I am disappointed by his response. Although this Chamber has had the chance to consider the motion, the feeling I detect from the Chamber is that the whole House would like to have a chance to reflect on the matter. I therefore say to the Minister that I have decided to provide that by tabling later today a number of amendments to the Trade Bill to be debated on Report. That will give the whole House the opportunity to discuss EFTA on the Floor of the House.

Question put and agreed to.

Resolved,

That this House has considered the European Free Trade Association.

Agriculture GCSE

11.1 am

Julian Sturdy (York Outer) (Con): I beg to move,

That this House has considered the introduction of an agriculture GCSE.

It is a pleasure to serve under your chairmanship, Mr Gapes, I think for the first time. As Members may recall from previous debates, my professional background is in agriculture; I draw Members' attention to my declaration in the Register of Members' Financial Interests. My background and experience have naturally made me a passionate advocate for UK farming. British agriculture is the essential foundation of the UK food and drink industry, which as our largest single manufacturing sector employs one in eight people and contributes more than £100 billion to the economy each year, including through a growing volume of exports. Farming also plays a vital role in protecting our environment, maintaining and conserving the land, soil and landscapes that make up our precious natural heritage.

So why a GCSE in agriculture? One of the foremost functions of our education system is to equip young people with the necessary skills to contribute to the social and economic life of our country. I firmly believe that, given the significance of agriculture to our economy, environment and society, the education system should ensure that the younger generation are able to flourish in the sector, and should give them the option of doing so at the earliest possible opportunity by offering an agricultural GCSE in schools across England and Wales.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for securing this debate. Bearing in mind that the average age of farmers in the UK is approaching 60, does he agree that a new lease of life is needed and that the GCSE will give those who are perhaps not from a farming background but who have a love of the land the opportunity to gain an understanding and to get involved in farming? We in Northern Ireland have done that so far.

Julian Sturdy: I entirely agree with the hon. Gentleman. I have not quite reached the farmer's average age yet, which is around 59 at the moment. I was going on to mention that Northern Ireland already has a GCSE in agriculture, which started in 2013.

Bill Wiggin (North Herefordshire) (Con): I really hope the Minister will answer this when she responds later: why is it good enough for GCSEs to be provided to young people in Northern Ireland, but not in North Herefordshire?

Julian Sturdy: It is up to the Minister to respond to that, and I hope she does, but I do not want to see a GCSE in agriculture only in North Herefordshire. I want to see it in England and Wales and perhaps Scotland as well.

Kirstene Hair (Angus) (Con): We do not have a national 5 in agriculture in Scotland, so it would be a positive move to introduce it there and to get further behind apprenticeships as well, so that students have room to develop from national 5 into an apprenticeship when they leave school.

Julian Sturdy: I entirely agree with my hon. Friend, who makes a valuable point.

My support for the agriculture GCSE is based on two central arguments: first, the course would offer great benefits to GCSE pupils in helping to equip them for a skilled and fulfilling career that agriculture can offer; and secondly, it would support the farming sector by providing a better and larger pool of young, educated and skilled workers. I have already mentioned Northern Ireland. It is important to re-emphasise that Northern Ireland has had a GCSE in agriculture since 2013. I could not get the figures, but I would be interested to know what the take-up has been in Northern Ireland.

Bill Wiggin: My hon. Friend will find that 17 schools already offer the GCSE in Northern Ireland, with an average of 10 students per class. Agriculture, horticulture and animal care is the fastest growing degree subject, with an increase in applications of 117%, so clearly the demand is there.

Julian Sturdy: I am glad my hon. Friend has brought those figures to this debate. I can always rely on him to bring facts to the table. It is also worth mentioning that there is an opportunity for those who are privileged enough to have the advantage of taking an IGCSE qualification in agriculture offered by Cambridge Assessment, but it is clear that opportunities are limited to a small cohort of students in the UK, so I do not think that that really qualifies. We have to make sure that it is offered right across the board.

Scott Mann (North Cornwall) (Con): I am grateful to my hon. Friend for securing this debate. Does he envisage the GCSE being provided in secondary schools or will he broaden his remit to encourage organisations such as the Duchy College in my constituency to provide the GCSE, so that the college can broaden its remit?

Julian Sturdy: My hon. Friend makes a valid point. It is important to ensure that all education facilities have the opportunity to offer a GCSE in agriculture. It should be available to all—that is the premise of the argument—and not a limited few.

Dr David Drew (Stroud) (Lab/Co-op): Will the hon. Gentleman give way very briefly?

Julian Sturdy: Very briefly.

Dr Drew: The hon. Gentleman is being very generous. I actually taught rural studies, although I look too young. Does he accept that the wider rural economy is crucial to the relationship between agriculture and the rural hinterland?

Julian Sturdy: Again, I entirely agree. I will go on to mention that this is not just about agriculture. The wider rural economy, the environment and food security link back to agriculture and food production.

I understand that the Department for Education has recently introduced changes to secondary qualifications and wants a time to allow those to settle down, but a model exists for how to design and teach the subject at GCSE level, which suggests it would be straightforward for the Government to make it available. Has there been

any consideration of replicating the content of the GCSE syllabus available to those in Northern Ireland for students in Britain?

I have been sympathetic to an expansion in GCSE options for some time, but I was encouraged to argue for this more publicly by the intervention of the BBC “Countryfile” presenter, Adam Henson, who publicly called for the introduction of an agriculture GCSE in September last year. He said:

“You can get a GCSE in religious studies and business, so why not in agriculture?”

That is a fair question. A GCSE in agriculture has a strong claim to feature among current non-core science and mathematics options, which currently include geology, astronomy and psychology. Expanding the offer to include the option of a GCSE in agriculture would be a sensible and logical development of the Government’s welcome plans to expand the provision of vocational and technical education in order to create a better skilled and more productive workforce, enjoying higher wages and better living standards. That is recognised in the Government’s industrial strategy, which made the claim of

“putting the UK at the forefront of this global revolution in farming.”

Colin Clark (Gordon) (Con): I am old enough to remember when there was an O-grade, or an O-level, in agricultural science in Scotland—I am substantially older than my hon. Friend the Member for Angus (Kirstene Hair), who is far too young to remember it. An agriculture GCSE has to be about food production and what the countryside is really about, as opposed to the countryside as a national park. The best thing that could come out of it would be that people connect again with food production and the countryside.

Julian Sturdy: I entirely agree that it is about connecting with food production, and ensuring that we understand where our food comes from, how it works in the chain, the environmental impacts, and how we manage production. I cannot say that I am old enough to remember the O-level; my year was the last to take O-levels, but I cannot remember having the opportunity to take that one. The point is that we have to ensure that we move forward, and the GCSE would be one way of doing that.

I am watching with interest the development of plans for T-levels, as a full technical alternative to A-levels, but if there is truly to be the parity of esteem necessary to boost the take-up of vocational and technical skills, the option of a vocational or sector-linked qualification needs to be offered to pupils as soon as possible, at the time they first select the qualifications that they will take—that is, at GCSE level. Have the Government considered the effects of boosting the number of students taking the agriculture, environment and animal care route from 2022 by introducing a dedicated pre-16 qualification?

In Parliament, we are all familiar with employers saying that schools do not do enough to prepare our young people for the world of work. Offering an agriculture GCSE would go some way to respond to those concerns, by allowing pupils to equip themselves for work at an early age. GCSE-age children could learn about a practical and essential subject, directly linked to a varied and dynamic field of employment.

Jim Shannon: I thank the hon. Gentleman for giving way; he has been very gracious. As we move towards leaving the EU on 31 March next year, the opportunities for agri-food business to increase across the whole world are magnificent and large. Does the hon. Gentleman feel that now may be the time to focus on them? There are opportunities in farming here, and in exports overseas.

Julian Sturdy: I could not agree more with the hon. Gentleman; he makes the point very well. As we move forward with Brexit, now is the time to push the boundaries and take agriculture to new levels. To do that, however, we will need the skills base for the future, and we have to enthuse young people. A GCSE in agriculture gives us a real opportunity to do that.

Sadly, there is plenty of evidence that young people do not consider agriculture as a potential career path at the moment, which is unfortunate considering its vital role in the UK economy, and in addressing the huge global challenges of world hunger, food security and environmental conservation. Only 4% of UK workers would ever consider farm work or going into agriculture. Statistics show that about 20,000 students opt to study agriculture at university each year. As my hon. Friend the Member for North Herefordshire (Bill Wiggin) said, that is a growing number, which is very encouraging. However, some 280,000 school leavers sign up for business-related degrees. Introducing agriculture as an option early on, at GCSE level, would give young people a chance to understand the huge opportunities that the sector offers them, and would do something to correct the imbalance.

The comparison with business studies in those statistics, along with Adam Henson's comments that I quoted earlier, are important because it is essential that we remember that farming is a business, and therefore offers exactly the same opportunity for entrepreneurship and innovation as urban enterprises, as well as addressing huge environmental and humanitarian concerns. Moreover, it is a business sector that will be at the forefront of unfolding technological developments and exciting scientific advancements. A GCSE option would be a useful way of alerting school pupils and school leavers to those opportunities.

Agriculture is being, and will be, transformed by the fourth industrial revolution, and it is important to alert pupils and parents to the option of pursuing a career in a high-tech, high-skill industry, utilising the latest scientific innovations. School leavers entering the farming sector in the next few years could expect to use GPS technology to harvest wheat, to use driverless tractors, to use drones to deliver herbicides to weeds on a precision basis, to grow wheat with nitrogen-fixing bacteria, and to use other new technologies that will drive up animal welfare, such as robotic milking parlours. The industry needs entrants with sound scientific understanding and applied skills.

In the next few decades, robotics, biotechnology, gene editing and data science will become increasingly established in the farming sector. Our country is home to some of the best agri-science research in the world, such as at Rothamstead Research in Herefordshire—

Bill Wiggin: Hertfordshire.

Julian Sturdy: Sorry, Hertfordshire—once again, I thank my hon. Friend for giving the correct details. Other examples include Fera Science, just outside my constituency in North Yorkshire, and Stockbridge

Technology Centre in North Yorkshire. We should be trying to fire the imaginations of our young people by engaging them in the classroom with such examples as soon as possible, just as we try to inspire pupils with the achievements of British scientists and astronauts and the richness of British cultural and literary achievements in their science and English GCSE courses. The development of indoor vertical farming using hydroponics will also expand the opportunities for growing food in urban areas, which could make agricultural knowledge just as relevant to pupils in urban areas as in rural ones.

An agriculture GCSE would also encourage schoolchildren to grapple in a practical manner with the huge practical, humanitarian and environmental challenge of global food security. The growth of the global population means that, as a world, we have to produce 70% more food over the next 30 years to keep pace with demand, and to ensure that people do not go hungry. Moreover, we have to do so in an environmentally sustainable way that makes the best use of our finite resources.

The challenge is as significant in its own way as that of climate change, and I argue that, like climate change, it should be included in school curricula. Putting an agriculture GCSE on the curriculum would also widen opportunities for students, by giving them the option to learn about a sector that relatively few of them will have knowledge of, or have considered as a career choice. The majority of farms are family businesses, mine being no exception, and the routes to getting involved if someone is not directly from a farming background can, sadly, be quite limited. That is to the detriment of both the sector and school leavers, who are restricted in their ability to get a taste of a sector in which they could well thrive.

As chair of the all-party parliamentary group on science and technology in agriculture, I was pleased to host the UK and Ireland delegates to the global agricultural summit here in Parliament last November. All the current entrants were university students. I was hugely impressed by their knowledge, their enthusiasm for the latest advances in agriculture and their desire to contribute solutions. However, what was most telling was that not a single one of them had a family background in farming. They had all been drawn to the sector by developing their own independent interest and research into agricultural questions. That certainly emphasised to me the capacity of agriculture to challenge and inspire young people, but I would also highlight that it is relatively rare for children to become independently interested in it, which reinforces the value of having the option at school so that they can make informed choices on the basis of a comprehensive array of available options.

As well as being of benefit to younger people, having an expanded pool of educated and enthusiastic young people would also be very useful for the sector and the wider UK food and drink industry. As has already been mentioned, the age of the farming workforce is ever increasing. Farming is challenging and changing. In the race to keep up with the pace, we need a high-skilled workforce entering the industry with applied capabilities and an awareness of the breadth of available opportunities. I commend the Government for pushing ahead with a substantial reform to post-16 education, but its effectiveness could be limited if measures are not introduced to expand the opportunities in secondary education to include a GCSE in agriculture.

I ask the Minister to look closely at this issue going forward. There is a great opportunity for our economy, as well as an opportunity to give young people the skills in what is, to me, an incredibly vibrant and exciting sector.

11.22 am

The Minister for Apprenticeships and Skills (Anne Milton):

It is a pleasure to serve under your chairmanship, Mr Gapes. I congratulate my hon. Friend the Member for York Outer (Julian Sturdy) on securing this debate. He spoke passionately and emphasised the need for people—not just young people—to know about careers in all aspects of farming. He also mentioned agri-tech. In my role as Minister for Apprenticeships and Skills, I have met a number of people in that sector about the opportunities. My hon. Friend and I have spoken at length before about grazing horses. This is a new subject for us to discuss, and I heard everything he had to say.

I am mindful that with apprenticeships and T-levels there is a tendency for the focus to be urban-based and for rural areas to be forgotten. I assure my hon. Friend, as well as the hon. Member for Strangford (Jim Shannon)—who has now left—my hon. Friends the Members for North Herefordshire (Bill Wiggin), for Angus (Kirstene Hair) and for North Cornwall (Scott Mann), and the hon. Member for Stroud (Dr Drew), that I will not forget that, because it is important.

My hon. Friend the Member for York Outer raised the issue of food production across the world and the international aspects of farming, which is equally important. It is also important that the sector gets the workforce it needs. He will be aware that a number of subjects taught at key stage 4 and earlier include some core knowledge about food production and the environment. Those have been recognised in the changes that have come about to GCSEs. There have also been a number of changes to GCSEs that make the content more rigorous. Whatever someone does after 16, it is critical to have a good foundation in maths, English and digital skills. My hon. Friend mentioned the importance of understanding that farming is a business. Business skills are important, and such skills are predicated on a solid grounding.

In geography, for instance, pupils are expected to learn about changing weather, climate change, global ecosystems, biodiversity and resources, including an overview of how humans use, modify and change those ecosystems and environments in order to obtain food, energy and water. In the nutrition GCSE, pupils are required to understand the economic, environmental and socio-cultural influences on food availability. That is quite important. There is also content in some of the science GCSEs. I suspect that that will not be enough to satisfy my hon. Friend the Member for York Outer, or indeed my hon. Friend the Member for North Herefordshire, who spoke with his usual passion, but material in the core reformed subjects provides a general background, which forms an important grounding in some of the knowledge needed to go on and run a business.

Schools can also do outdoor learning and there is a certain amount of freedom, which many schools use. I gather that there are more than 100 schools with farms in the UK, a fact I was not aware of. They bring pupils from both rural and urban areas to understand a little

bit more about farming. Also, there is a City & Guilds technical certificate in agriculture for 16 to 18-year-olds, so some opportunities do exist. In addition, apprenticeships and T-levels—technical education that will be on a par with A-levels—will change the world. To some extent, it is in the hands of hon. Members to go out into their schools to highlight the opportunities that exist.

The first teaching of T-levels will start in September 2020, with the remainder launched in two phases in 2021 and 2022. The agriculture, environment and animal care route will be rolled out in the second phase, which gives it a degree of importance not afforded to all. The content of the T-levels will be decided by employers, professionals and practitioners, which will mean they have real market relevance and real currency within the sector. We are currently consulting on T-levels and I am sure the farming sector and the broader agri-tech sector will have input.

My hon. Friend the Member for York Outer is right that early introduction to the issues is important. I launched our careers strategy in December last year. The strategy recognises that young people's interaction with work is absolutely critical—not just doing work placements, but employers coming into schools. There are now duties on schools to bring people in and there are clear benchmarks about what they have to achieve in terms of introducing young people to the wide range of careers and the routes to getting there. Entrepreneurial, talented new entrants are needed to encourage the next generation of farmers.

There has been wide-scale reform of apprenticeships. There will be some farmers who pay levies, but there are opportunities even for small and medium-sized enterprises. Apprenticeship standards for land-based service engineer and land-based service engineer technician are already live and a number of standards are in development, including crop technician, farrier, poultry technician and stockperson. The Institute for Apprenticeships is working with employers to ensure that quality standards are high. I recently met some students in a school for young people with special needs. I was very impressed with the work that they are doing to encourage those children, who are going on to do level 2 apprenticeships in agriculture, farming and animal care. It is very impressive.

We want to make sure that the sector has the right skills, but what is absolutely critical is overcoming a not insignificant degree of parental and teacher prejudice about the options that are open for young people. It has been a pleasure to have this debate. I am sorry I did not have longer, but I assure my hon. Friend that I am on the case. It is very important that the tendency with these changes for an urban focus is spread out into rural communities. National Apprenticeship Week is coming up. He will have the opportunity—

Bill Wiggin: Will the Minister give way?

Anne Milton: Yes, briefly.

Bill Wiggin: It is critical that we have an academic qualification for people in urban areas in this subject, rather than making them do apprenticeships that they cannot reach because they live in the towns.

Anne Milton: My hon. Friend is absolutely right, because it is also about attracting people back into the countryside. One of the issues for rural communities is

[Anne Milton]

that people leave and go elsewhere. There are high-level qualifications too—it is not just about levels 2 and 3; it is about levels 4 and 5. The degree opportunities were mentioned, and degree apprenticeships are really taking off. There is not much not to like—

11.30 am

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Palestinian Children and Israeli Military Detention

[GRAHAM STRINGER *in the Chair*]

2.30 pm

Graham Stringer (in the Chair): The debate is highly over-subscribed, so I will impose a time limit when Sarah Champion sits down. If hon. Members intervene on her—she says she is willing to take interventions—they will go down the order of speakers, because it looks like, even with a time limit, there will not be sufficient time to call everybody who has requested to speak.

Sarah Champion (Rotherham) (Lab): I beg to move,

That this House has considered military detention of Palestinian children by Israeli Authorities.

It is a genuine pleasure to serve under your chairmanship in this very important debate, Mr Stringer. I strongly welcome the fact that the Government addressed the issue of Palestinian child detainees during the third universal periodical review of Israel at the UN Human Rights Council two weeks ago. They recommended that Israel take

“action to protect child detainees, ensuring the mandatory use of audio-visual recording in interrogations with all child detainees, ending the use of painful restraints, and consistently fully informing detainees of their legal rights.”

That important statement signals a positive intent to engage constructively with this issue.

I called this debate in the same spirit: I want to support and encourage Israel to meet its international obligations regarding the rights of children. It meets them fully for Israeli citizens but, alas, does not do so for Palestinian children. To be clear, I am not making a judgment about the crimes Palestinian children are alleged to have committed or about Israel's right to uphold the law. This debate is specifically focused on Palestinian children in military detention.

Two years ago, I secured a similar debate. I would love to tell the House that many of the issues discussed then have now been addressed, but sadly the situation remains largely the same. In March 2013, UNICEF published a report entitled “Children in Israeli Military Detention: Observations and Recommendations”, which concluded that

“the ill-treatment of children who come in contact with the military detention system appears to be widespread, systematic and institutionalized throughout the process, from the moment of arrest until the child's prosecution and eventual conviction and sentencing.”

Mr Jim Cunningham (Coventry South) (Lab): Is there any evidence that the Israeli Government have taken any notice of the British Government's request?

Sarah Champion: There is some evidence. I will come on to the recommendation that the Government made when the UK sent over some lawyers a number of years ago. I am grateful that the Minister is engaged in dialogue at the moment, and I hope he will update us on the current situation.

Last year, the authoritative west bank non-governmental organisation Military Court Watch found that, four years after the publication of the UNICEF report, only

one of its 88 recommendations—No. 21, on access by lawyers to medical records—had been substantially implemented.

Paula Sherriff (Dewsbury) (Lab): Military Court Watch reported that 79% of children detained in 2017 signed a confession or a statement in Hebrew. Does my hon. Friend share my concern that the majority of those children would not have had a guardian or responsible adult with them, and that they probably would not have understood the language they were committing to?

Sarah Champion: I share my hon. Friend's concern, and I will address that point. Arabic is an official language in the state of Israel, so why are the documents presented to children in Hebrew? I will let my hon. Friend draw conclusions.

Sir Desmond Swayne (New Forest West) (Con): Before the hon. Lady leaves Military Court Watch, will she give way?

Sarah Champion: That was quite a rude interruption. Please go ahead, though.

Sir Desmond Swayne: What evidence is there that NGOs such as Military Court Watch and other Israeli NGOs that perform this valuable function have themselves been subject to a measure of harassment at an official level?

Sarah Champion: I am afraid I cannot answer that, because I do not know the data. I hope that any organisation that is trying to speak on the basis of facts does not suffer harassment, but as the right hon. Gentleman knows, too often, when we put our head above the parapet, it gets shot off multiple times.

A year before the UNICEF report, a group of senior UK lawyers published an independent study entitled "Children in Military Custody". Published in 2012 and funded by the Government, it found that Israel was in breach of at least eight of its international legal obligations under the UN convention on the rights of the child and the fourth Geneva convention, due to its treatment of Palestinian children held in military detention.

Imran Hussain (Bradford East) (Lab): I thank my hon. Friend for securing this very important debate. As she knows, Palestinian children as young as 12 are routinely taken from their homes in night-time raids, blindfolded, bound, shackled, interrogated without a lawyer or parent present and with no audio-visual recordings, put into solitary confinement and forced to sign confessions. These are children we are talking about. What part of that is not plainly and simply wrong?

Sarah Champion: It is hard to argue with my hon. Friend's passionate intervention.

The UK report set out 40 recommendations on arrest, interrogation, bail hearings, plea bargaining, trials, sentencing, detention, complaints and monitoring. Military Court Watch stated last year that only one of the UK report's recommendations—No. 33, on the separation of children from adults in detention—had been substantially implemented. The empirical evidence is clear: half a decade after the publication of the UNICEF and UK lawyers' reports, which contained dozens of recommendations to

bring Israel's military system of detention of Palestinian children in line with basic international legal standards, there has been limited implementation by the authorities.

Dr Matthew Offord (Hendon) (Con): Perhaps the hon. Lady would like to take this opportunity to explain to the House why Israel uses military courts.

Sarah Champion: I can do, but that is quite a big topic. Because of the, in my opinion, illegal occupation, people have to go through a military system, rather than a civilian system. The unfortunate thing is that that is applied to the Palestinians, who rarely have parity with the Israelis.

Although I praise the Israeli Government for allowing the studies to go ahead, it is disappointing that that leading international democracy has largely not acted on the recommendations, which were made in good faith. I now turn to the specific areas I would like the Minister to focus on.

Andy Slaughter (Hammersmith) (Lab): I was last in the west bank in November—I have declared that in the Register of Members' Financial Interests—and I visited a family whose young son had been seized in the middle of the night and detained. He was in administrative detention. Does my hon. Friend agree that, in one respect, things have got worse since our last debate, because Israel has started using administrative detention—detention without charge for unlimited periods? That must be wrong on any basis.

Sarah Champion: Yes. That technique is not used often, but it is used. It allows the child to be held in detention without any charges being brought against them, and without their having the right to respond to the charges.

The prevalent practice of night-time raids by Israeli military personnel causes a huge amount of distress to children and their families. Inevitably, night raids on civilian population areas by any military tend to terrify those communities. After 50 years of use, they can become hugely debilitating. Although conducting night arrest operations reduces the potential for clashes with local residents, the practice cannot be said to be in the best interests of the child—a primary consideration under the UN convention on the rights of the child.

The UK report recommended:

"Arrests of children should not be carried out at night save for in extreme and unusual circumstances. A pilot study of issuing summonses as an alternative means of arrest should be carried out."

UNICEF made similar recommendations. Following those recommendations, it was most welcome that Israel announced the introduction of a pilot scheme in February 2014, whereby summonses would be issued requiring attendance at police stations for questioning, in lieu of arresting a child at night. That was to be similar to the practice for Israeli children. Military Court Watch reports, however, that the use of summonses in lieu of night arrest has been very low. It found that 6% of the children affected in 2017 reported being served with a summons as an alternative to a night arrest; in 2016 the figure was just 2%.

Even in cases in which summonses are used, Military Court Watch identified a number of issues: in most cases, the summonses were delivered by the military after midnight; relevant parts of the summonses were

[Sarah Champion]

frequently handwritten in Hebrew without Arabic translation; relevant information, such as the nature of the accusation, was missing; and no reference to the child's legal rights was included in any of the summonses. Military Court Watch further reports that, in the 80 cases it documented in 2017, 65% of children still reported being arrested at night, in what are frequently described as terrifying raids undertaken by the military.

There is some good news, but overall, since the summons scheme has been in operation, it has been apparent that, first, it is infrequently utilised and, secondly, arrests in terrifying night raids continue to be the norm. Furthermore, the indications—yet to be confirmed—are that the pilot scheme may now have been discontinued altogether. Will the Minister therefore please request from his Israeli counterparts confirmation as to whether the pilot scheme is still operational? Will he also request data on the use of summonses since the pilot scheme was announced in 2014, and will he urge that children should not be arrested at night except in extreme and unusual circumstances?

Next I would like to speak about the right to silence. As we all know, the right to silence is an ancient and fundamental legal right, granting protection against self-incrimination. Significantly, that right is also enshrined in Israeli military law. When implemented properly, it provides vulnerable children with some protection against undue pressure during interrogations, which may lead to false confessions. Military Court Watch notes that 84% of children continue to report not being informed of their right to silence. It further notes that in the 16% of cases in which

“children were informed of this right, the manner and circumstances in which the information was conveyed raises serious questions as to whether the notification is sufficient.”

Another fundamental legal right is timely access to legal representation. International legal standards provide that interrogations should take place in the presence of a lawyer to protect against self-incrimination and to provide safeguards against potential ill-treatment or coercion. Israel's highest court has confirmed the fundamental nature of the right to consult with a lawyer during the interrogation stage of an investigation.

In the 2015 update to its report, UNICEF noted that Israel's military prosecutor highlighted that Israeli military order 1651, issued in 2009, provides a detainee with the right to meet and consult with a lawyer. Although military law is silent on when such a consultation should take place, it is accepted that it must occur before questioning, subject to limited security exceptions. As in many situations, however, there is a large gap between the law and what happens in practice.

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): Does my hon. Friend condemn the dangerous and short-sighted rhetoric of the President of the United States at the recent Davos conference, when he threatened to cut off Palestinian aid? Does she agree that, should that happen, the UK must ramp up its financial aid to Palestine so that Palestinians, especially children, do not pay for Trump's fanatical world view?

Sarah Champion: I agree with my hon. Friend. As with the debate today, I think we forget that we put such statements on the public record, and they can have a

direct and immediate effect. We hope that today's speeches have a positive one, but in the case of Donald Trump, I can only say that he has had a very negative impact on the relations between the two countries.

Martin Whitfield (East Lothian) (Lab): On legal representation, this geographical area has two separate sets of rules applied to it. Under the civilian code that applies for Israeli children, there is a requirement for a parent to be in attendance during interrogation, and an undertaking that interrogations not occur at night, but the same is not reflected in the military rules. Is it not a great shame that those rules could not be matched up?

Sarah Champion: I agree with my hon. Friend. There are many, many examples in which there is no parity. That is one of the things that I urge the Israeli Government to look at, because it is blatant discrimination and is not necessary.

Military Court Watch reports that, in the 80 testimonies it collected in 2017, 81% of the children reported not having access to a lawyer before interrogation. As a result, most children still consult a lawyer for the first time in a military court, after the critical interrogation phase is over. Given that context, the UK legal charity Lawyers for Palestinian Human Rights has implemented a Know Your Rights campaign in partnership with Defence for Children International-Palestine to empower and educate Palestinian children in the occupied west bank to secure their basic rights if detained in Israel's military detention system.

The campaign started in 2014 and is ongoing, due to the Israeli authorities' continuing non-implementation of basic human rights and due process safeguards. I therefore ask the Minister to engage with the Israeli authorities to ensure, as a bare minimum, that: first, all children are, at the time of arrest, informed in their own language of their right to silence, and relevant documents are provided to them in that language; secondly, all children are able to consult a lawyer of their choice before their interrogation and, preferably, also during interrogation; and, thirdly, in order to ensure compliance, a breach of those principles results in the discontinuance of the prosecution and the child's immediate release. I further ask the Minister to urge the Israeli authorities, as my hon. Friend the Member for East Lothian (Martin Whitfield) suggested, to allow a parent or guardian to accompany the child during questioning—a right afforded to Israeli children when questioned by the Israeli police.

Audio-visual recording of interrogations is a practical safeguard. The UNICEF and UK reports recommended audio-visual recordings of all interrogations of children. Such recordings provide an essential further safeguard against potential ill-treatment or coercion; they also provide protection to interrogators against false allegations of wrongdoing. One would assume that that would be a win, win outcome. Perhaps in response to the recommendations, the military authorities issued military order 1745 in September 2014, requiring the audio-visual recording of all interrogations of minors in the west bank. However, the order limited that protection to non-security offences, thereby rendering it largely redundant, as most offences involving Palestinian children, including stone throwing and protesting, are classified as security offences. I ask the Minister to urge the Israeli authorities to remove the security offence exception from the military order providing for audio-visual recording

of detainees and to ensure that all interrogations of children are audio-visually recorded and the tapes made available to the child's lawyer before the first hearing.

I will now say something about the prevalence of confessional evidence in the military court system, and the process by which those confessions are obtained. It is extraordinary and disconcerting that Israel's military court system has a conviction rate of 95%, according to its own figures. Confessional evidence is central to securing convictions in that system, whether direct confessions or confessions by others. Effective scrutiny of those confessions is virtually impossible, due to the lack of basic legal safeguards to which I have already referred. There is compelling evidence that the lack of legal protections for Palestinian children is destructive of their safety and welfare. An expert psychiatric opinion from Dr Carmon, commissioned by Physicians for Human Rights Israel, considered the emotional and developmental factors that lead children to make false confessions during interrogations. The implications of such confessions should be understood by all of us. Dr Carmon says:

"The violent arrest process and psychological interrogation methods mentioned...lead to the breaking of the ability of the child or adolescent to withstand the interrogation and flagrantly violate his or her rights. These interrogation methods, when applied to children and adolescents, are equivalent to torture."

Sir Desmond Swayne: Will the hon. Lady give way?

Sarah Champion: Let me finish the quotation first—it might answer the right hon. Gentleman's question.

"These methods deeply undermine the dignity and personality of the child or adolescent, and inflict pain and severe mental suffering. Uncertainty and helplessness are situations that can too easily lead a child or adolescent to provide the requested confession out of impulsiveness, fear or submission. It is a decision that is far from free and rational choice...These detention and interrogation methods ultimately create a system that breaks down, exhausts and permeates the personality of the child or adolescent and robs him or her of hope. These methods are particularly harmful to children and adolescents who live in poor, isolated populations, in a state of conflict, political tension, and/or severe social stress, such as the occupied Palestinian population. The harmful effects on children can also harm the society to which they belong.

Every child has the right to be a child, to his or her dignity, and to protection from all forms of violence."

Sir Desmond Swayne: A retired Israeli soldier told me that the explicit instructions for night operations were to carry them out in such a brutal manner as to achieve exactly the effect that the hon. Lady refers to.

Sarah Champion: I am very grateful to the hon. Gentleman of making that point. I too have spoken to retired Israeli soldiers and have, sadly, heard similar tales.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): My hon. Friend is making a very powerful case. I have witnessed the military courts in process. At the end of November 2017, 313 Palestinian minors were being held, so given the scale of the problem, not addressing it is likely to have longer term consequences for getting a proper and peaceful solution to the Israel-Palestine issue. Does she agree that it would be helpful if the Minister gave an update on commitments the Israeli Government have made?

Sarah Champion: I agree, and I look to the Minister to respond.

Dr Rupa Huq (Ealing Central and Acton) (Lab): My hon. Friend will remember that a year ago she and I both served on a delegation with Members from both sides of the House. She is quoting some horrific statistics and powerful testimony, but does she not agree that the terror experienced in military court by the kids who threw stones is often more powerful than the statistics in isolation? Sometimes people cannot get a grip on them. This debate should not be about the wider geopolitical situation, but the wellbeing of children.

Sarah Champion: I completely agree. That is what I want to focus on: we are talking about children. Regardless of the crime that they have or have not committed, they should still be treated with dignity and within the constraints of the law.

The arrest process and interrogation methods referred to by Dr Carmon were described in great detail in the UK and the UNICEF reports. It is deeply disturbing that two years after the release of the UNICEF report that concluded that ill treatment appears to be "widespread, systematic and institutionalised", the UN agency issued an update that found

"reports of alleged ill-treatment of children during arrest, transfer, interrogation and detention have not significantly decreased in 2013 and 2014."

Afzal Khan (Manchester, Gorton) (Lab): I thank my hon. Friend for securing this debate. In the light of what she says, would it not be appropriate for our Government to demand an independent inquiry from the Israeli Government into what is going on? That would help everyone.

Sarah Champion: The reality is that we are not in a position to demand. The purpose of this debate is to reach out a hand of friendship and to offer the skills and expertise that we have in this country on this topic, to work in partnership with Israel.

Although UNICEF is yet to release any further updates, reports issued by the US State Department, Military Court Watch and others indicate that the situation today remains substantially unchanged. It is worth recalling that the UK report noted that if the process of arrest and interrogation is occurring to a significant extent as described, Israel would be in breach of the absolute prohibition on torture and other cruel, inhuman or degrading treatment or punishment.

As a bare minimum of protection, I urge the Minister to make representations to ensure that no child is subjected to physical or psychological violence, no child is blindfolded or painfully restrained, and no child is subject to coercive forces and threats. Any statement made as a result of torture or ill treatment must be excluded from evidence in proceedings. I ask the Minister to make inquiries to UNICEF about when the agency will release its next update, and to commend it on the important work it has done.

Two years ago, in a debate on the same subject, I referred to Israel's policy of transferring Palestinian detainees—adults and children—from the west bank to prisons located in Israel, in violation of article 76 of the fourth Geneva convention. International law classes this activity as a war crime. In UK domestic law, the Geneva Conventions Act 1957 and the International Criminal Court Act 2001 class this activity as a war crime. The latest data released by the Israeli prison

[Sarah Champion]

service indicates that in 2017, 83% of adult detainees and 61% of child detainees were transferred and detained unlawfully. This practice affects approximately 7,000 individuals each year and it has continued for 50 years. Strikingly, however, Israeli military authorities informed UNICEF in late 2014 that they have no intention of changing this policy.

That rejection undermines the credibility of the international legal order, and therefore harms the security of us all. I have been to Ofer military court and spoken to parents. Because of the restrictions on movement and the requirement of permits to visit their children in Israel, some parents never get to see their children in prison. The unlawful transfer and detention of children in Israel is not just a legal issue but one of basic humanity. Has the Minister or anyone in his Department had any conversations that would shed light on Israel's decision to explicitly reject the specific UNICEF recommendation? What further steps does he intend to take to encourage Israel to meet its international legal obligations on the transfer of prisoners out of occupied territory? Can the Minister ascertain how many UK citizens are currently involved, directly or indirectly, with the unlawful transfer and detention of Palestinian prisoners outside the occupied territory? What measures will he take in respect of those individuals in accordance with the law?

By now I am sure everyone is aware of the case of Ahd Tamimi, a now 17-year-old girl from the west bank village of Nabi Saleh. In December, she was arrested in the middle of the night after being filmed confronting and slapping Israeli soldiers in her village following the shooting of her 14-year-old cousin. Like all Palestinian female prisoners, Ahd has been transferred to a prison in Israel. The case is polarising: on the one hand, there are those calling for her immediate release; on the other, Israel's minister for education calls for the military courts to impose a life sentence.

It is important that we all recall that Ahd is just one of more than 800 children arrested each year, according to the most recent data released by the military authorities. Most of these children are arrested in the middle of the night, frequently brutalised and systematically denied their legal rights. We need these children and their parents to have faith and confidence in a political solution and in due regard for the law. History has taught us that if politics and the law fail to meet the needs of the people, people turn to other solutions. The treatment of Palestinian children during arrest and detention is an issue that has been allowed to fester for too long and needs resolving. It concerns us all, because when Israel—our friend and a democratic state—breaks international law and obligations, it makes it that much harder to enforce them in respect of other countries around the world. Israel's decisions have a global impact.

Two years have elapsed since the Minister's predecessor explained to me and other MPs in this Chamber that the Government would fund the UK lawyers' return to Israel to review progress on the implementation of their report recommendations. Allowing the UK lawyers to enter into constructive technical dialogue with their Israeli counterparts, where they can share the UK's good practice, should expedite the implementation of the practical reforms that are urgently required to protect Palestinian children.

Stella Creasy (Walthamstow) (Lab/Co-op): My hon. Friend is making a very powerful speech about a lot of very complex issues. Before she sits down, will she tell us what role she envisages for non-governmental organisations and human rights organisations in some of the discussions that she thinks the Government could have with the Israeli authorities? She has talked a lot about the research they have done, but does she see a role for our human rights organisations in practical matters such as prison visits?

Sarah Champion: My hon. Friend makes a fantastic point. I have worked, as I am sure have many people in the House, with both Israeli and Palestinian organisations and international ones. They are trying to stabilise the situation and to help people come up with a practical solution that meets the needs of children and the broader needs in both countries.

I have asked many specific questions of the Minister. I know that a lot of people want to speak, so I understand that he may not be able to answer all my concerns here and now, but I would be most grateful if he wrote to me with his thoughts about those things.

Several hon. Members *rose*—

Graham Stringer (in the Chair): Order. I am going to impose a three-minute time limit. The Scottish National party spokesperson, the hon. Member for Glasgow North (Patrick Grady), has kindly offered to give up three or four minutes of his time, so I will call him at about 3.34 pm.

3 pm

John Howell (Henley) (Con): It is a great pleasure to serve under your chairmanship, Mr Stringer. I refer Members to my entry in the Register of Members' Financial Interests.

Let me start by giving some background. In 2011, in the face of riots, more than 3,000 arrests were made and more than 1,000 people were issued with criminal charges. Around half were under 21, and 26% were juveniles aged between 10 and 17. Some 21% were arrested for bottle or stone throwing. One hundred and fifty-eight male youths aged 16 or under were given custodial sentences. That is not a description of Israel; it is a description of the UK following the 2011 riots. Why has there been no Westminster Hall debate on the treatment of minors by the Palestinian authorities, the allegations of rape in Egyptian custody or the death sentences imposed on minors in Saudi Arabia?

Sarah Champion: Will the hon. Gentleman give way?

John Howell: No, I will not.

The singling out of Israel ignores the fact that Israel faces extensive acts of terror on its territory. It ignores the fact that Israel has established military juvenile courts, shortened the period of initial remand, stressed the rights of minors, raised the age of minority to 18, enacted a statute of limitations for the prosecution of minors, given parents legal standing and strengthened legal representation for minors. It also ignores the co-operation of Israel in the light of the 2012 Foreign and Commonwealth Office-funded report. The British embassy in Israel said:

"We welcome Israel's focus on the particular needs of this more vulnerable category of detainees".

As far as I am aware, the pilot programme in the west bank to issue summons, easing the need to arrest at night, to which the hon. Member for Rotherham (Sarah Champion) referred, continues. If Israel were to use civil courts instead of a military one, it would be accused of simply annexing the west bank.

Nevertheless, we must recognise that 30% of attackers against Israel—fuelled by intimidation that denies Israel the right to exist and glorifies terrorists and Nazi sympathisers—have been Palestinian minors under the age of 18. The majority were between 16 and 18. The youngest was an 11-year-old, who said after being arrested for stabbing an Israeli that he wanted to die a martyr.

Just over 300 minors are in custody after 400 violent, ideological terror attacks. That is not to be deprecated. The effect on wider civil disorder can be seen from the attack in Jerusalem on a 70-year-old Palestinian man who was mistaken for an Israeli. The use of minors in this way, driven by hate and incitement, is nothing more than the abuse of children.

Graham Stringer (in the Chair): Before I call the next speaker, may I ask the hon. Gentleman to give a full and clear indication of his interest?

John Howell: I referred to my entry in the Register of Members' Financial Interests, which contains the fact that I went on a trip to the area.

Graham Stringer (in the Chair): Thank you very much.

3.4 pm

Richard Burden (Birmingham, Northfield) (Lab): I congratulate my hon. Friend the Member for Rotherham (Sarah Champion) on securing this important debate and on the comprehensive way in which she introduced it. I also commend the Minister and the Government for the leadership that they showed on this issue during Israel's third universal periodic review at the UN Human Rights Council.

A range of bodies have made a number of core recommendations in the past six years that are relevant to the issue of military detention. The Foreign Office-commissioned "Children in Military Custody" report published in 2012 found that Israel was in breach of at least eight articles of international human rights law and international humanitarian law. In 2013, as my hon. Friend said, the UN Committee on the Rights of the Child expressed concern in a report that recommendations it made in 2002 and 2010 had been fully disregarded, and UNICEF published a report with 14 core recommendations, again reflecting concerns that had been raised time and again.

The Minister will know that the vast majority of those recommendations, the recommendations made in a debate in this place seven years ago and the recommendations made in the debate that my hon. Friend led just over two years ago remain unfulfilled. He will also know that in February 2016, a follow-up mission by UK lawyers to investigate the situation was cancelled because the Israeli authorities withdrew co-operation.

I know that the Minister cannot magically fix the world's problems, even though I am sure he would like to try, but I ask him to do two specific things as a result of this debate. First, will he push for a thorough review

of the implementation of the recommendations of the 2012 report commissioned by his Department, which should include seeking from Israel an assurance that it will facilitate a return mission so that those independent lawyers can assess whether, and if so how, things have changed since their first report and what will happen in the future? Secondly, will he follow through on the Government's approach to Israel's third universal periodic review last month? I would appreciate it if, as part of that, the Minister outlined how he intends to follow up on the recommendations I mentioned. The Government were absolutely right to call for Israel to put right these problems. The question is what is done about them.

3.7 pm

Ross Thomson (Aberdeen South) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank the hon. Member for Rotherham (Sarah Champion) for securing the debate. I draw Members' attention to my entry in the Register of Members' Financial Interests, which includes a trip that I took to the region in 2016.

I believe in human rights for all people around the world, and Palestinian children are no exception. Israeli authorities, be they military or civilian, have a duty to uphold those human rights and to ensure that their justice system is fair and proportionate. The UK Government were therefore right to raise concerns with the Israeli authorities, and we should continue to engage with Israel to improve its practices. As ever, the ultimate solution to these problems is a comprehensive peace agreement between Israel and the Palestinian Authority, and I welcome the fact that this Government continue to advocate for both sides to return to the negotiating table and resume peace talks.

However, we should be careful not to fall into the trap of accepting the simplistic narrative of anti-Israel propagandists. This complex issue cannot be solved with a round of Israel bashing. The Palestinian Authority rules over a society where it is easy for a child to be led into accepting terrorist ideology. The Palestinian Authority—not Hamas, but the so-called moderates in the Palestinian Authority—name schools after terrorists, give them honours and pay them monthly salaries. At the same time, they delegitimise the existence of the state of Israel and the Jewish presence in the region, and deny the Jewish connection to much of the region's history.

Carol Monaghan (Glasgow North West) (SNP): Will the hon. Gentleman give way?

Ross Thomson: No, I only have three minutes.

Is it any surprise, then, that some young Palestinians are becoming so radicalised that they are willing to engage in or incite terror? Since 2015, dozens of terrorist stabbings have been perpetrated by Palestinians under the age of 17. If we criticise Israel, we must also criticise the Palestinian Authority, whose security forces' record with children leaves a lot to be desired. In that region alone, we must also criticise Saudi Arabia for executing children, Iran for executing people who were arrested when they were children, and Egypt for—according to Human Rights Watch—allegedly torturing children.

Yes, let us call for Israel to improve its practices and uphold the human rights of Palestinian children, but let us also acknowledge the complexities that Israel faces. Let us stand up for the rights of children worldwide.

[*Ross Thomson*]

Let us also call for the Palestinian Authority to stop honouring terrorists and build a society where children are less easily radicalised. When we act with respect and consistency, we may find we get better results.

3.9 pm

Kate Hollern (Blackburn) (Lab): It is a pleasure to speak in such an important debate, and I congratulate my hon. Friend the Member for Rotherham (Sarah Champion) on securing it.

It is important that this debate is grounded in, and based on, human rights for children. The glaring gaps in basic human rights protection for Palestinian children held in Israel's military detention system damages respect for the international rule of law and creates an environment that enables routine ill treatment and lack of justice. As we have already heard, the majority of children are taken from their homes in the occupied west bank during the middle of the night. Heavily armed soldiers take the children away and several hours later they turn up in detention or interrogation centres alone, sleep-deprived, bruised and scared.

Interrogations tend to be coercive and include verbal abuse, threats and physical violence that ultimately result in a confession. Even if we argue that 16 to 17-year-olds are not children, which is incorrect, we must accept that any form of human rights abuse is abhorrent and should not be condoned in any way. Most Palestinian minors arrested by Israel claim to have experienced physical violence during detention. Recently the Defence for Children International Palestine detailed the scale of incidents and the type of abuse experienced by the Palestinian children whom they managed to speak to during around 60 visits to Israeli prisons in 2017.

Some 75% of children were subject to physical abuse, 25% were denied adequate food and 100% were denied the right to have their families at their interrogation. That is not something new. According to the latest data provided by the Israeli prison service, at the end of November, 313 children—I am talking about children—were held in military detention. Data for December 2017 have not been provided, but I suspect there will be a bit of a spike following Mr Trump's decision to move the embassy to Jerusalem.

As a grandma and a mum, it shocks and disturbs me that people, never mind children, are treated in such an appalling way. Colleagues need to ask themselves whether they think it is acceptable to label a child as a terrorist, and I urge the Minister to use all his powers—

Graham Stringer (in the Chair): Order.

3.13 pm

Joanna Cherry (Edinburgh South West) (SNP): I am grateful to be called to speak in this debate on a very important issue about which hundreds of my constituents in Edinburgh South West write to me on a regular basis.

In October 2016, I visited the west bank on a cross-party parliamentary delegation with the Council for Arab-British Understanding and Human Appeal. I refer to my entry in the Register of Members' Financial Interests in that regard. I visited the military court at Ofer. As a lawyer of 25 years' standing, I was not impressed with what I saw there, because of the lack of due process and the lack of respect for basic human rights norms.

To give one example, we observed the trial of a young Palestinian man for allegedly throwing stones at a settler car. The man's interrogator, who the defendant claimed had assaulted him during interrogation, was in court as a witness, with his gun casually slung in the back pocket of his jeans. It was claimed that the interrogation was conducted in Arabic and that alongside the statement an audio recording was taken. However, the audio recording was nowhere to be found, and the level of the interrogator's Arabic was revealed to be insufficient to be able to obtain and record a fair and accurate statement. The only transcript of the interview was in Hebrew. In a fair trial in a democracy that respects the rule of law, that case would have been thrown out. It was not, and that is the gravamen of the issue here.

The issue is not about military law, because sadly the west bank is under a hostile occupation, and occupations require military law—although they are meant to be temporary, and this one has lasted 50 years. However, having military courts is no excuse for disregarding the proper rules of justice and legal safeguards, particularly for children, but also for adults. There should be proper accounting for the physical and mental maturity of the detainees and an awareness of the long-term consequences of actions on children. That is not the case for Palestinian children in Israel's judicial system under military law in the west bank, and something needs to be done about it. I have been an MP for less than three years, and I remember when the hon. Member for Rotherham (Sarah Champion), whom I congratulate, secured a debate on this issue two years ago and we seem to be absolutely no further forward.

I know the Minister is an honourable man and that he takes his duties very seriously, particularly in this area. I am not speaking as a result of what I witnessed, but on behalf of hundreds of constituents who write to me about this matter regularly and feel passionately about it because they believe in human rights, due process and the rule of law. I look forward to hearing what the Minister is going to do about it.

3.16 pm

Andrew Percy (Brigg and Goole) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate the hon. Member for Rotherham (Sarah Champion), whom I know well and like a lot. The way in which she presented the debate this afternoon was in many ways consensual. She acknowledged there had been changes in Israel. However, I would take her to task on some of the things she did not say. The frustrating thing about debates on this subject is that they become divisive—you either believe in human rights or you don't. On this particular issue, we have to understand not only what is happening on the ground, but the context in which Israel operates the military courts.

As the hon. Lady said, there have been some changes, such as establishing the juvenile military courts and piloting a programme of issuing summonses to minors instead of arresting them in their homes. Those are things we should encourage. I know the Minister will seek to encourage such things, but we should also understand that those are not simple things to implement in a hothouse part of the world.

Many people raise the issues that have been roundly denied and debunked, such as the issue of statements being made only in Hebrew, as mentioned by my hon.

Friend the Member for Henley (John Howell). There have been plenty of examples of the improper conduct of investigations resulting in cases being thrown out, and any claim that a confession has been gained incorrectly results in an independent review, which is exactly as the process should be.

I do not have long to speak, so I will talk about context. There are a couple of things that the hon. Lady did not talk about. My hon. Friends the Members for Henley and for Aberdeen South (Ross Thomson) mentioned earlier how children and juveniles are being used in the conflict. If it were in any other part of the world, we would call some of those people child soldiers and we would be concerned about how they were being wound up and forced towards violent behaviour.

Chris Williamson (Derby North) (Lab): Will the hon. Gentleman give way?

Andrew Percy: No. I do not have time.

We must tackle the issue of Palestinian incitement as part of the debate, and the same goes for the lack of engagement from the west bank authorities for non-custodial sentences. We should also talk in these debates about what we can do as parliamentarians. I am proud to take a pro-Israel position. I am not anti-Palestinian—I consider myself to be pro-both—but those of us who take a more nuanced view on Israel should also talk about what we can do as parliamentarians, using our aid budget and all the rest of it, to bring people together, because that is the best way to bring an end to the conflict. I used to be a teacher and I know young people are quite positive and open-minded. Yes, there are concerns, which I hope the Minister will address, but things have happened, and we also have to remember the difficult context in which Israel is operating.

3.19 pm

Joan Ryan (Enfield North) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer.

The detention and trial of a child is a tragedy whenever it occurs. However, I am concerned that this debate is symptomatic of the disproportionate and unfair focus on Israel that is all too prevalent in the media, international institutions and this House. As my hon. Friend the Member for Rotherham (Sarah Champion) said—I congratulate her on obtaining the debate—this is the second debate in two years. However, we have not debated the fate, for instance, of child prisoners in Iran, where Amnesty International estimates there are at least 80 individuals on death row for crimes allegedly committed when they were under 18, or indeed the fate of others in Egypt, the Maldives, Pakistan, Saudi Arabia, Sri Lanka, Sudan and Yemen, which have all sentenced juvenile offenders to death since 2010. Israel is, of course, a liberal democracy, and should be held to a higher standard than the likes of Iran, Saudi Arabia and Sudan. We have also never discussed the fate of the 60,000 children locked up in juvenile detention facilities in the United States—many for truancy, under-age drinking or consensual sexual conduct—or the fact that, adjusted for size of population, 5.5 times more minors were arrested in 2015-16 in England and Wales than in the west bank by Israel.

None of that is to suggest that the plight of Palestinian children in the tragic conflict there is not important, but we must make clear our deep and continuing concern

at the Palestinian Authority's policy of inciting violence—a policy intentionally aimed at children and young people.

Chris Williamson: Will my hon. Friend give way?

Joan Ryan: I will not.

We see that policy in the naming of schools and sports tournaments after terrorists; in the newly revised curriculum, which asks students, as a maths exercise, to calculate the number of martyrs in Palestinian uprisings; and in the countless examples of anti-Semitism that litter children's TV programmes on official Palestinian Authority TV.

Sarah Champion: Will my hon. Friend give way?

Joan Ryan: I will not, at this point.

We must register our deep and continuing concern at the Palestinian leadership's attempt to recruit children into committing acts of violence. In December Fatah posted a photograph to its Twitter account of a young boy hurling rocks with a slingshot, together with a guide to how best to throw a rock. Let us remember that Yehuda Haim Shoham, one year-old Jonathan Palmer and three-year-old Adele Biton were all killed as a result of stones being thrown at cars they were travelling in.

Finally, it is important that we show our deep and continuing concern at the recruitment of children into Palestinian armed groups such as Hamas and Islamic Jihad. As Child Soldiers International has stated:

“Children received military training and are used as messengers and couriers, and in some cases as fighters and suicide bombers.” If we do not acknowledge and address those very serious issues, we run the risk of this debate being seen less as a matter of the welfare of Palestinian children and more as simply another opportunity to attack Israel.

3.22 pm

Dr Matthew Offord (Hendon) (Con): It is important to provide some context to the issue. Many things have been raised this afternoon, but I shall concentrate on just one. The hon. Member for Rotherham (Sarah Champion) raised the case of 17-year-old Ahed Tamimi. We all know what has happened to her now that she has been imprisoned, but I wonder whether hon. Members know what she said on Facebook straight after slapping an Israeli soldier. Out of earshot of the soldier, Ahed turned to the camera and said in Arabic:

“I wish that everybody all over the world would unite, so we can liberate Palestine...Be it stabbings, martyrdom-seeking operations, throwing stones, everyone must do his part and we must unite in order for our message to be heard that we want to liberate Palestine”.

I know what “martyrdom-seeking operations” means, and I am sure many other hon. Members do; that is why she was charged with inciting violence on social media.

Grahame Morris (Easington) (Lab): Will the hon. Gentleman give way?

Dr Offord: I will not, at the moment.

I hope that the Minister shares my concern at the fact that a key part of that sad incident has gone largely unreported, and that such sentiments are a product of the hate-filled rhetoric of the Palestinian Authority, rather than being those of a 16-year-old child.

Chris Williamson: Will the hon. Gentleman give way?

Dr Offord: No, thank you.

Ahed was 16 when she was arrested—*[Interruption.]* It is quite sad that some hon. Members find this amusing. I certainly do not. She was 16 when she was arrested in December. As far as I am aware, it is official Labour party policy to extend the vote to everyone over 16. Do Opposition Members believe that 16-year-olds should be held accountable for their actions or not? Whether it is stone-throwing, incitement to hatred or martyrdom operations—those are terrorist acts.

Sarah Champion: Will the hon. Gentleman give way, as I gave way to him?

Dr Offord: I will not give way.

Those are terrorist acts. There is a judiciary in Israel, and it is better for politicians in this country, and indeed in Israel, not to involve themselves in the judicial process. As has already been stated, there have been occasions when cases were thrown out because the evidence was not there. We must leave Israel to decide its own future, live in peace and security, and have its own laws of the land. We do not need hon. Members who are taking part in this debate to tell Israel how to live its life.

3.25 pm

Paul Blomfield (Sheffield Central) (Lab): It is timely that you have called me to speak now, Mr Stringer, because I too want to speak about the case of Ahed Tamimi. I met her in her home at Nabi Saleh in November, a few weeks before she was arrested. She is an ordinary teenager who has not been groomed as has been suggested by some speakers. *[Interruption.]*

Graham Stringer (in the Chair): Order.

Paul Blomfield: Perhaps hon. Members will hear me out. She is an ordinary teenager living in extraordinary circumstances, to which we need to pay some attention.

Nabi Saleh, an ancient village nestling among the citrus groves on the hillside north of Ramallah, dates back hundreds of years. It was recently joined by the illegal Israeli settlement of Halamish, which has taken much of its land. Someone standing in Nabi Saleh can look across the valley to Halamish on the neighbouring hilltop and begin to understand the sense of grievance. Halamish is well irrigated, with swimming pools and a proper water supply, which come at a cost to the people of Nabi Saleh, whose water has been rationed to a few hours a week. At the bottom of the valley is a spring, which has traditionally served Nabi Saleh, but which was requisitioned by the settlement. That has led to weekly protests by the villagers over the past four years.

Last December, during a protest, Ahed's cousin Mohammed climbed a ladder to look over a wall. A soldier immediately took aim and a bullet passed through Mohammed's head. When the same soldier turned up in the courtyard of her home on a night raid at 3.30 am on 19 December, Ahed and a cousin went out and shouted at them. The BBC broadcast a film of the incident last week on the main news. The soldier pushed her aside, and in retaliation Ahed slapped him. It was for that that she was arrested and charged with assault. She has been in jail ever since—for the past seven weeks. She was

16 at the time of her arrest. She marked her birthday in jail and is now 17. Yesterday the case was due in court. It was postponed again and will be heard next Tuesday, so now is the time to act.

I know that the Minister knows the Tamimi family and has, like me, visited Nabi Saleh, and shares many of my concerns. In answer to questions, he has said that the Government have made representations. I should like him to outline what action the Government will take in the next week and to demand Ahed's release. *[Interruption.]*

Graham Stringer (in the Chair): Order. I ask those in the Public Gallery not to intervene either vocally or by applause.

3.28 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Stringer.

The failure of Israelis and Palestinians to negotiate a two-state solution to their conflict has resulted in a disturbing situation, including what we are discussing today; but the Israeli-Palestinian conflict will be resolved only by direct negotiations between Israelis and Palestinians—not by the Palestinian Authority's incitement of young people to hate and kill, as is happening on the west bank today. Such incitement is specifically in breach of the Geneva conventions.

We must remember that 75% of the offences committed by Palestinian minors are violent crimes, including murder, attempted murder, shooting, making and throwing Molotov cocktails, and attacking soldiers. Thirty per cent. of assailants in the terror attacks of 2016 were under 18 years old. The youngest was 11. For example, in June 2016, 13-year-old Hallel Ariel was stabbed to death by Nasser Tarayrah, a 17-year-old Palestinian, who climbed into her home and stabbed her repeatedly in a frenzied attack in front of her younger siblings.

Such violence has been encouraged by the Palestinian leadership, in direct contravention of the Geneva convention, which specifically prohibits the recruitment and involvement of children in terrorist activities. Fatah recently tweeted a practical guide to show young people how to throw rocks, which were euphemistically called "stones". That has resulted in the murder of young people, including Yehuda Haim Shoham, aged five months. The Palestinian Authority incites hatred towards Jews and Israelis. In its October issue, the Palestinian youth magazine, *Zayzafuna*, claimed that Mohammed sanctified the throwing of rocks at Jews. Terrorists are glorified. A recent report by the Institute for Monitoring Peace and Cultural Tolerance in School Education—IMPACT-se—shows schoolbooks that glorify violence and martyrdom. The Palestinian Authority's rewritten 2017 curriculum teaches children about its support for people who carry out terrorist attacks. In May 2015, a PA TV programme, "The Best Home", showed a girl who recited a poem that called Jews

"barbaric monkeys who murdered Allah's pious prophets."

If young people are continually told that murderous terrorists are heroes, it is not surprising that they try to emulate them. Nobody can be content with the current situation, and all individual allegations of any injustice must be investigated. However, the answer is to negotiate

peace, not to glorify hatred and violence by telling young people and children that murdering Israelis is justified resistance.

3.31 pm

Marsha De Cordova (Battersea) (Lab): It is a pleasure to speak in this important debate, and I congratulate my hon. Friend the Member for Rotherham (Sarah Champion) on securing it.

At the end of November 2017, 313 Palestinian children were held in Israeli prisons, and three out of four of them will have experienced violence during their arrest. The majority of children will be arrested in the middle of the night, when heavily armed police break into their homes and drive them to a military detention centre where they will be interrogated. Many report being beaten and abused after their arrest and while in detention. Children are often interrogated without their parents or a lawyer present. Under military law children can be held in detention for 90 days without seeing a lawyer, and as of this year two children are held under administrative detention, which is indefinite imprisonment without trial. Currently, more than 180 children are held in detention without having been convicted. Under the occupation, children can be held for one and a half years before their case goes to trial.

There are two legal systems in the occupied territories. If an Israeli settler is arrested, they will be tried under Israeli civilian criminal law; if a Palestinian is arrested, they are tried in a separate military court. Access to justice is segregated. A child's nationality and ethnicity determine the type of justice that they receive under Israel's occupation. After sentencing, nearly 60% of Palestinian child detainees are transferred from the occupied territories to the prisons of Israel, in violation of the fourth Geneva convention. That means that most will be unable to receive family visits, due to the freedom of movement restrictions placed on Palestinians and the long time that it takes to issue a visiting permit.

Colin Clark (Gordon) (Con): Will the hon. Lady give way?

Marsha De Cordova: I will not.

If, step by step, we go through the journey of a child living under military occupation and what they will endure—the physical violence, the fear, the complete interruption of their life, and the huge swathes of time spent in detention—one thing becomes clear: this system is designed to repress, crush and intimidate generation after generation of Palestinians.

The military detention of children is a legal issue, and Israel is in breach of international law—namely the UN convention on the rights of the child and the Geneva convention. There is, of course, a deeper problem, because such detention is part of the cycle of humiliation and violence that characterises the continued illegal occupation of Palestine. That is a disgrace and should be condemned.

Finally, I wish to show my solidarity with Ahed Tamimi. Yesterday we celebrated the brave women in the UK who fought for their rights, often suffering the brutalities of the police and state as a consequence. Ahed Tamimi carries that flame forward for all young children such as her across the world—solidarity.

3.34 pm

Patrick Grady (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Mr Stringer, and I congratulate all Members who have contributed to the debate, and especially the hon. Member for Rotherham (Sarah Champion) on her powerful and detailed speech. I will leave the Minister as much time as possible to respond to her concerns.

As my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) pointed out, this issue is of huge concern to many of our constituents. We are dealing with basic questions about the rights of the child and the importance of the global conventions that govern them, as well as with specific questions about the role and actions of the Israeli Government.

The SNP condemns the arrest, detention and prosecution of Palestinian children by the Israeli Government, and we are deeply concerned about the increase in the number of children who have been detained as a result of the escalation of tensions in the territory. Estimates for the number of cases vary, but they are clearly into the hundreds, and the reports of people's experiences—night arrests, strip searches, blindfolds—are extremely concerning, as are reports of children being denied access to due legal process and lawyers. As the hon. Member for Rotherham said when opening this debate, such treatment is unacceptable on a basic human level, even before considering conventions and international human rights obligations.

Colin Clark: Will the hon. Gentleman give way?

Patrick Grady: I am not giving way.

Israel has ratified the UN convention on the rights of the child and the optional protocol on children and armed conflict, but it has been slow to incorporate the principles and provisions of the convention into its domestic legal system. In 2013, the UN Committee on the Rights of the Child was clear that Israeli actions constituted

“violations of the rights of Palestinian children and their families, feed the cycle of humiliation and violence and jeopardise a peaceful and stable future for all children of the region.”

Constituents have raised with me the specific case of Ahed Tamimi, and the hon. Members for Rotherham, for Hendon (Dr Offord) and for Sheffield Central (Paul Blomfield) all spoke about that case in different ways. In some ways that shows why this case has become symbolic—perhaps even metaphoric—for the broader conflict. It involves well-resourced, heavily armed and armoured soldiers on one hand, and, on the other hand a young, unarmed girl who is causing a bit of a nuisance and slapping those soldiers about. That has ended in her arrest, and the polarised views that that has caused. I agree that violence never solves anything, but a relatively minor incident has spiralled into something much bigger and triggered many further consequences and polarised perspectives.

Amnesty International, and others, are clear that the treatment of Ahed does not respect her human rights or fulfil Israel's obligations under the UNCRC. Indeed, Amnesty says that nothing she has done can justify her continued detention, and it has called for her immediate release. It is clear from my mailbag, and from Members who have spoken in this debate, that the public want

[Patrick Grady]

action from the UK Government, and for them to use their influence to call for action by the Israeli Government. I know the Minister does his best, and we are not expecting him to resolve a conflict that has been going on for decades, but it is important that the Government condemn in the strongest possible terms the mistreatment of children all around the world. They should also guarantee that UK funds will not support the military detention, interrogation, abuse or ill-treatment of Palestinian children. What dialogue are the Government having with the Government of Israel about how they intend to incorporate their obligations under the conventions into domestic law? More specifically, how will the Israeli Government take forward the recommendations in the various reports that have been referred to?

The SNP accepts that the Palestinian conflict is complex, and there are real sensitivities on all sides. However, the rights of the child are enshrined in international law and convention, and as the hon. Member for Blackburn (Kate Hollern) said—these days I do not see her on the train heading south as often as I used to—children are the victims of conflict, not parties to it. The rights and dignity of children in conflict must be upheld and protected.

Some Members asked about children involved in conflicts elsewhere in the world. Of course we should look at that, and if Members want to secure a debate on the human rights situation in other countries, I know that other Members—I have taken part in enough such debates—will speak out and condemn the situation in those countries.

The Government of Israel have a duty to live up to the protocols and conventions they have signed, and if progress is to be made in reaching a peaceful solution, surely a starting point must include taking children out of the equation. It is clear that there is a global public outcry against the detention of Palestinian children by the Israeli Government. The Israeli Government must act, and the UK Government must use their influence to help bring that about.

3.39 pm

Fabian Hamilton (Leeds North East) (Lab): We have had a passionate and wide-ranging debate on an issue that affects children. I congratulate my hon. Friend the Member for Rotherham (Sarah Champion) on securing it. She started her speech with an important statement when she said that she was not making a judgment on the alleged crimes that a Palestinian child may have committed, or on Israel's right to act to uphold the law. This debate has been about the way that children have been treated by a democracy that is widely respected around the world as open, democratic, and subject to the rule of law.

My hon. Friend said that half a decade after the UNICEF and UK lawyers' report was published, there has been limited implementation of its recommendations by the authorities, which I am sure we all agree is regrettable. She mentioned that there is another fundamental legal right that Palestinian children arrested by the Israeli authorities do not have: timely access to legal representation, which we would all agree is an important aspect of the rule of law in any nation. She also said it is

both extraordinary and disconcerting that Israel's military court system has a conviction rate of 95%, according to its own figures. We must then question whether justice really is being done.

My hon. Friend urged the Minister—I add my voice and that of Labour—that, as a bare minimum of protection, no child, whether in Israel, Palestine or anywhere else in the world, should be subjected to physical or psychological violence, blindfolded or painfully restrained, or subjected to coercive force or threats. That should be universal. I hope that Israel, above all countries in the world, would adhere to that.

We have heard powerful contributions from many right hon. and hon. Members, including the hon. Member for Henley (John Howell). My hon. Friend the Member for Birmingham, Northfield (Richard Burden) has a strong record in upholding the cause of a Palestinian state living side by side with the state of Israel. He asked the Minister to press for a review of the recommendations of the 2012 report, and I hope the right hon. Gentleman can offer us something on that.

The hon. Member for Aberdeen South (Ross Thomson) said that we must criticise the Palestinian Authority if we criticise Israel on its treatment of children. Yes, of course we must, because this is universal. This is not just about Israel; it is about every country in the world that supposes itself to uphold the rule of law upholding the rights of the child, too. My hon. Friend the Member for Blackburn (Kate Hollern) made a good speech, as did the hon. and learned Member for Edinburgh South West (Joanna Cherry). The hon. Member for Brigg and Goole (Andrew Percy) pointed to the context in which Israel operates its military courts and mentioned child soldiers. I suggest to him that the way in which children are treated by Israel in the Palestinian territories is rather different from the recruitment of child soldiers in parts of Africa we have seen in recent decades.

My right hon. Friend the Member for Enfield North (Joan Ryan) rightly talked about the detention and trial of a child being a tragedy wherever it takes place, and she compared the situation in the occupied territories with that in Iran and Saudi Arabia. We have had debates in this Chamber on human rights and especially the rights of the child in Iran. The hon. Member for Hendon (Dr Offord) knows a great deal about the subject, and my hon. Friend the Member for Sheffield Central (Paul Blomfield) set out the tragic case of Ahd Tamimi, who he met in Nabi Saleh, her own village. He made clear the context in which her arrest took place, which to me and others seemed a gross overreaction to her behaviour.

My hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) always makes a rational contribution to any debate on Israel and Palestine. She pointed out that 30% of terror attacks on Israelis are carried out by Palestinians under 18, and that the Palestinian authorities incite hatred against Israelis and Jews. Finally, my hon. Friend the Member for Battersea (Marsha De Cordova) made a powerful contribution.

I will be as brief as possible because we want to hear from the Minister, but from the official Opposition's point of view, as in any debate on issues relating to Israel and Palestine, it is important to think about the context in which these children find themselves. I ask the Minister and hon. Members to consider this question: how much has changed since my hon. Friend the Member

for Rotherham introduced her first debate on this issue in December 2016 in Westminster Hall? Have things got better, or have they got worse?

We have heard about the 50 years of occupation of the Palestinian territories and the increasing expansion of settlements that are illegal under international law. We heard that there is no plausible ongoing peace process, and of course we know about Donald Trump's attempts to help the situation as he sees it by recognising Jerusalem as the capital of Israel, which has sparked the resurgence of tensions all over the region—not just in the occupied territories and Palestinian areas but in Jordan and other countries. There have also been cuts by the United States to United Nations Relief and Works Agency funding, which has jeopardised the schooling and healthcare of Palestinian refugees all across the middle east, including around 500,000 children who are being educated in UNRWA schools.

The prospect of a two-state solution, which I am sure every Member in the Chamber supports, seems to be increasingly far off. As hon. Members will know, the Labour party has a strong policy of recognising the state of Palestine as an attempt to help the process of a two-state solution. Back in November, when I visited the region with the shadow Foreign Secretary, my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), we met Israeli and Palestinian politicians, who are struggling to engage with young people in the area. A generation is being badly let down by their own leaders.

Members have reflected on the numerous problems in the system that allow child prisoners to be kept. My hon. Friend the Member for Hammersmith (Andy Slaughter) was with us when we met children in the occupied territories last November. He referred to arrests, which are often made late at night, and often in Hebrew, which is traumatic for the families concerned. There is a disparity in the treatment of Israeli and Palestinian children in the way in which evidence is collected, and many other disparities between the treatment of settler children, who are Israelis under Israeli law, and Palestinian children, who are treated under military law.

Finally—I want to give the Minister enough time to respond to the many questions—there is a long-term problem in the increases in hostility between the Israel defence forces and Palestinian children under 18 years old. When I was in Qalandiya in November with the shadow Foreign Secretary, we heard first hand from a 14-year-old girl who had been arrested for posting critical comments on Facebook, having witnessed her brother's arrest in the middle of the night. Those children are the future leaders of a Palestinian state. What future awaits people on both sides if they grow up to fear and despise their Israeli peers for the treatment they received? Following the 2012 report, will the Government commit to make funding available for another report? What progress has been made since 2016 to press the Israelis to allow those lawyers to make a return visit?

Graham Stringer (in the Chair): Before I call the Minister, the proposer of the motion has waived her right to reply, so the Minister has until 4 o'clock.

3.48 pm

The Minister for the Middle East (Alistair Burt): Thank you, Mr Stringer. As a fellow Manchester man, it is as always a pleasure to serve under your chairmanship.

I thank the hon. Member for Rotherham (Sarah Champion) for initiating the debate and all colleagues who spoke. I will not be able to refer to each speech in the manner of the hon. Member for Leeds North East (Fabian Hamilton), who did a remarkable job to cover as much ground as he did, but I will refer to what I can.

The hon. Lady made a comprehensive and forensic speech. I will take her up on the offer of responding to a number of questions by letter, which I am happy to make available to any colleague. I also thank her for referring right away to the United Kingdom's position on the universal periodic review and to note what we have sought to do in this instance. Some very hard things have been said today. Colleagues speak for themselves and must justify their own words, but suffice it to say there is an element of truth in almost everything that has been said on both sides. That should be salutary to all of us. We are talking about incitement, killing, the death of children and the loss of land—in short, the catalogue of despair and misery that has haunted these lands for much too long. We set all that in that context.

Although I will devote most of what I say to the specific issue raised by the hon. Member for Rotherham of the rights of children, let me not ignore the issue raised by a number of my hon. Friends and by the right hon. Member for Enfield North (Joan Ryan) and the hon. Member for Liverpool, Riverside (Mrs Ellman), relating to incitement, and set my comments in that context right at the beginning. The UK strongly condemns the use of racist, hateful language that can stir up prejudice. We frequently press all sides on the need to refrain from provocative actions, incitement and inflammatory rhetoric. Israel and the Palestinian Authority need to prepare their populations for peaceful co-existence, including by promoting a more positive portrayal of each other. Engaging in or encouraging incitement and hateful action or language makes it more difficult to achieve a culture of peace and a negotiated solution to the conflict. We frequently press all sides on the need to refrain from those things; there are too many on each side to bring up individual occasions.

There has been a suggestion in the past of a trilateral forum in which Palestinians, Israelis and a third party can discuss specific incidents. I hope we might be able to return to that idea.

Chris Williamson: Will the Minister give way?

Alistair Burt: I will not, if the hon. Gentleman does not mind; there is a time limit and an awful lot to get through.

As I said in the House on 9 January, Israel's treatment of Palestinian minors, particularly the practice of holding them in military detention, remains a human rights priority for this Government, as set out in the universal periodic review. Clearly, the whole situation is inextricably mixed up with Israel's occupation of Palestinian territories, which is also why there are no civilian detention facilities. The situation will not be resolved until a settlement is negotiated that serves the interest of both sides. I will return to that later.

Children are entitled to special protections and due process under international humanitarian law. Those protections are reaffirmed in the UN convention on the rights of the child, to which Israel is a state party. Many of the issues raised today come fully within that convention. To take a phrase from its text:

[Alistair Burt]

“States Parties recognize the right of every child alleged as, accused of, or recognized as having infringed the penal law to be treated in a manner consistent with the promotion of the child’s sense of dignity and worth”.

That covers quite a lot. I do not stint in making very clear that Israel needs to live up to what is in conventions that it signs. We are talking here about everybody who is responsible, and everybody who bears the need to respond to obligations, and that is one right there.

We recognise, as a number of Members said, that Israel has made some progress toward fulfilling those obligations. It has reduced the number of detainees aged between 12 and 14, increased the age of maturity from 16 to 18, established separate juvenile courts and enacted a special statute of limitations for minors. However, our assessment is that Israel is still falling short and needs to do more to safeguard vulnerable people in its care.

In 2012, the Foreign and Commonwealth Office sponsored an independent report, “Children in Military Custody”, by leading British lawyers, as has been mentioned. It made 40 specific recommendations for protecting child detainees, including that Israel should make audio-visual recording mandatory in interrogations, that it should stop using painful restraints and that it should inform detainees fully and consistently of their legal rights. To our knowledge, Israel has only implemented one of those recommendations. We have repeatedly and publicly called on Israel to fulfil its international legal obligations, and I do so again today.

In answer to the question of what we can try to do about this, I raised our concerns during my visit to Israel last summer, and our ambassador in Tel Aviv raised the issue with the Israeli Justice Minister as recently as December. We have a regular dialogue with Israeli authorities on legal issues relating to the occupation, as part of which we discuss the treatment of Palestinian children in military custody. Our “Human Rights and Democracy Report 2016” explicitly referred to Israel’s treatment of children in detention and this year’s report does likewise, as colleagues will see when it is published shortly. We also raised the issue at the United Nations universal periodic review last month, as I said, and while welcoming the positive steps that Israel has taken since the last review in 2012, we urged the Israelis to take further action to meet their obligations. We also continue to urge them to implement in full the recommendations I mentioned earlier.

Significantly, the hon. Member for Rotherham spoke about an understanding, particularly given her background, of wanting to help in this situation. It serves no one’s purpose to use the detention of minors as a weapon in this long-running dispute, and it serves nobody’s interest to defend a situation if minors are treated wrongly. It serves us all to work toward a situation where those who are engaged in detaining people for infringement of law do so only in a manner that absolutely conducive to fulfilling their obligations.

It is in that spirit that the United Kingdom continues its efforts. We are committed to helping the Israeli authorities to make the necessary changes. Last year, we invited them to attend expert discussions with the Metropolitan Police to share more than 30 years of UK experience of implementing regulations designed specifically to protect the rights of minors in detention. Do we have

to arrest young people? Yes, we do, but it is all a question of how we do it and in what context. We were disappointed when our invitation was declined. It is not a threatening invitation or a condemnatory invitation, but an opportunity to put something right. It still stands, and we hope it is taken up in due course.

Turning to Ahed Tamimi, as the hon. Member for Sheffield Central (Paul Blomfield) said, I do indeed know the family. I cannot recall whether I met Ahed Tamimi when I was in the village, but I know the Tamimi family. Although I cannot verify absolutely everything the hon. Gentleman says, I recognise the description of the village that he gave. It is absolutely correct. From the village people can see the settlement on the other side, and see the water that is the source of distress and discontent in the area. This case has rightly kept the issue of the mistreatment of child detainees in the spotlight. Footage of Ms Tamimi’s arrest, aged 16, for slapping an Israeli soldier has been shared widely online.

None of us was there to hear everything that was said. I know that remarks from Ms Tamimi, quoted on television in Arabic, have not been translated in a manner that her lawyer recognises, and we are not entirely sure of what was said, but the language is there. It is on television for people to hear. Her case is of concern to all of us here who know of it. I said in the House the other week that it was a sad case, and I repeat that. In answer to the many letters I have had since making my comment in the House, I do not in any way wish to excuse Ms Tamimi’s behaviour, but nor do I condone her treatment. As I said in the House, I believe that she should not have needed to do what she did, because the soldiers should not have been there. Let me explain that still further. These flashpoints are a direct consequence of the failure to reach an agreement, as the hon. Member for Liverpool, Riverside, in her wisdom and long experience of this subject, rightly said. They are more evidence of how the unresolved conflict continues to blight the lives of all those involved.

It is a tragedy that each new generation, which should be growing up together in peace, continues to be divided. It is not that the Israeli soldiers did not have a right at the time to be in land they are occupying; they did. It is not that the young lady should have done what she did; she should not. But the circumstances just should not now be arising, because we should have settled this. That is as important for Israel as it is for the Palestinians. We are following developments on Ms Tamimi’s case closely and, while it is ultimately a matter for the Israeli authorities, we have raised our concerns with the Israeli ambassador here in London, and with the Ministry of Foreign Affairs and the Ministry of Justice in Tel Aviv.

Let me conclude as I have previous debates. I find these debates incredibly sad. We should not be having them, because the situation that gives rise to them needs to end. That can only happen with the resolution of issues by direct negotiations between Israel and the Palestinian people. I do not find it incompatible to believe passionately in the existence and the security of the state of Israel and in justice for the Palestinian people in lands I first visited 40 years ago, based on the efforts of peacemakers over the years. I also believe passionately that it is never too late, although it might soon be so.

The UK will do it all it can. It will make every effort and strain every sinew to work, upon the resumption of the middle east peace process, to support those who

wish finally to bring that conflict to an end. Israel is a close and trusted friend of the United Kingdom. As such, we do not shy away from raising our serious concerns about the detention and treatment of minors in military facilities, but we understand the context in which Israel works, as everyone in this room does. However, the situation we have described today is just one of the many compelling reasons why we will continue to support progress toward a two-state solution. I want to see a situation in which it is no longer the case that a young IDF conscript and a Palestinian youngster have the options that they seem to have at the moment, so that they have a better chance of a better future together.

Question put and agreed to.

Resolved,

That this House has considered military detention of Palestinian children by Israeli Authorities.

Credit Cards: Cost Regulation

[STEVE McCABE *in the Chair*]

4.1 pm

Stella Creasy (Walthamstow) (Lab/Co-op): I beg to move,

That this House has considered regulation of the cost of credit cards.

It is a pleasure to serve under your chairmanship, Mr McCabe. I hope that by the end of the debate we will actually have done more than consider the cost of credit cards. This is a familiar place for me to come to raise concerns with Ministers about personal debt in this country. However, I hope that I get a better hearing today than I did several years ago, when I came here repeatedly to warn the Government about the dangers of payday lending, because I believe that we are again on the cusp of another massive personal debt crisis in this country. There are proactive things that we can do to tackle that, one of which is dealing with credit cards.

We have to be honest: this is a nation in debt up to its eyeballs. Individuals actually owe more than the Government, with total household debt standing at £1.23 trillion. Most of that total is mortgage debt, but £117 billion of it is from credit cards and loans—a 15% increase in the last couple of years alone. The average UK household now has £14,000-worth of debt, and that is expected to rise to £19,000 of unsecured personal debt by the end of this Parliament. It is little wonder that the number of people going bankrupt in this country is soaring. Indeed, the number of people taking out individual voluntary arrangements is also soaring.

Jim Shannon (Strangford) (DUP): I thank the hon. Lady for securing this pertinent and important debate. Does she agree that credit card companies must play their part in ensuring that small retailers are still able to use card machines as a payment option? It must be the credit card companies, not the small businesses, that pay the bill.

Stella Creasy: I appreciate that the hon. Gentleman has a particular concern. I hope I can convince him that the regulation of credit cards that I am interested in is about their cost to the consumer in the first instance.

I do not think the reason we have such a personal debt crisis in this country is rocket science. There is simply too much month at the end of the money for too many people. We now know that economic insecurity is the new normal, with at least 70% of Britain's working population defined as "chronically broke". Some 32% of UK workers have less than £500 in savings, and 41% less than £1,000. Almost 30% are desperately concerned about their debt, because it is not just about everyday living costs; it is about the financial shock that might come because someone loses their job or their relationship breaks down. Too many people live on that edge now.

It is worrying that, unlike in previous years when insolvency rates have increased so much, unemployment rates are still dropping. That tells us that people are in full-time work, but are still unable to pay the basic costs of living, such as utility bills and rent. Combine that

[Stella Creasy]

with inflation increasing at about 3% a year and stagnating wages, and it is not hard to see why personal debt is booming in this country.

Paul Girvan (South Antrim) (DUP): On credit card debt, a lot of people are suckered in with introductory interest-free periods and their credit limit being increased, to a degree where they end up putting a noose around their neck. Ultimately they are unable to repay because of their lack of savings, as the hon. Lady has already identified, and as a consequence they end up paying at exorbitant interest rates once the interest-free period runs out.

Stella Creasy: The hon. Gentleman prefigures much of what I will say about who I believe are the new Wongas in our society.

It is not possible to make the argument that the millions of people on zero-hours contracts and in temporary work can manage their repayments and can be confident about the amount of money coming into their households. With millions of people now self-employed, and more people in England likely to be employed in the gig economy than working for the NHS in a few short years, it is clear that insecure, precarious work and precarious finances are the new norm for millions of people in our country.

Tulip Siddiq (Hampstead and Kilburn) (Lab): I thank my hon. Friend for securing this important debate. Many of my constituents rely on organisations such as Citizens Advice to support them when they are in dire credit card debt. At the West Hampstead Women's Centre in my constituency, bespoke Citizens Advice surgeries often lead to referrals to specialist services, such as the face-to-face disability and debt service. However, since 2010, Citizens Advice has seen its funding slashed from £178 million a year to £99 million a year. Does my hon. Friend agree that, in addition to taking on credit card companies, we need to ensure that debt management services are protected as well?

Stella Creasy: I completely agree with my hon. Friend. The idea is that this is just a problem for a few hundred thousand people, but debt, worrying about debt and the causes of debt are mainstream concerns in this country. Debt management, debt advice and the work of Citizens Advice is very important, but I also believe that, when we see these problems growing again, there is a role for us to step in before they get any worse. I made a call to action several years ago about payday lenders. We did not listen then until it was too late. I hope the Government will listen now.

We know that not everybody is struggling, and that Britain is a nation of contrasts, where some people have seen their wealth balloon because of property and pension rights. However, we also know that there are too many for whom debt is just everyday life. It is debt on basic payments—on food, rent and travelling to work costs. We know that 25% of the UK population now struggles with debt. Not everybody is in trouble, but enough are, and the reason is the nature of the products they use to deal with their debt, particularly credit cards.

I hope the Minister will understand why we need to act, because credit cards are the acceptable face of modern debt for people. All of us have one; I am sure if Members were to open up their wallets and purses, they would have, if not one, then maybe two or three with them. There are 30 million cardholders in the United Kingdom. Indeed, the Financial Conduct Authority has been investigating the credit card market.

Jim Shannon: The hon. Lady has been very gracious in giving way. I appreciate that very much. Does she appreciate, as I and many others in the House do, the good work of Christians Against Poverty, church groups, Citizens Advice and those who step into the gap to give advice and help people to manage their affairs when they get into debt?

Stella Creasy: I happily join the hon. Gentleman in supporting Christians Against Poverty, which very kindly came and ran a workshop for activists in my local community not a few weeks ago, to help residents to understand what they should say to somebody who is struggling with debt.

People often do not see credit cards as debt because they are just a fact of life. We know that the Financial Conduct Authority will tell the Minister that the market is working well for most, and that people shop around when getting a credit card, are able to compare rates and understand what they are buying. However, the problem comes when we look deeper and see the connection between those who struggle with debt and the nature of the credit cards they have.

Credit card debt is £263 billion—about 15% of total household debt—but it accounts for half of all interest payments made each year. That is the first signal that we need to look more closely at the interest rates on these cards. A whopping £28 billion is repaid each year, which accounts for 41% of all consumer debt, up from 33% in 2008. The average balance of those making just minimum repayments—the zombie debtors, who are paying off the interest but not the capital—is about £5,000; that is what they owe. However, 15% of zombie debtors owe more than £10,000. Crucially, when the FCA looked into this, it found that 20% of the people who ended up paying interest on their credit card did not expect to do so when they took it out. The reason is that life does not always go the way we expect it to. Jobs disappear. Relationships break up. The cost of living gets higher and higher.

Little wonder that there are 5 million accounts that, with people making just minimum repayments, it is estimated it will take 10 years to pay off the balance. It is no wonder that four in 10 British adults are worried about their credit card debt. They understand that what seemed like the best way to manage their finances has quickly got them into a situation that they cannot get out of. Forty per cent of adults in this country say that they struggle to make it to payday and, of those, 30% say that credit card repayments are causing them the problem. The FCA has identified that; it has identified those people whom it would say are in difficulty because of their credit card debt. It considers more than half those people to be “potentially vulnerable” because they have few resources to fall back on, even if they are managing to make some repayments.

The FCA has also identified that one third of people do not really understand the interest rates that they are paying on their credit cards. Again, it is the point about interest rates and what it will actually cost people to use these cards, even if they are flipping between zero-rate-interest cards. It identified that people who switch are switching because they think that they are getting a better balance offer—crucially, they are not getting out of debt.

The point of today's debate and raising this issue with the Minister is to ask him not to wait until the situation gets worse, because we know the consequences of waiting until it gets worse. Let us learn the lesson from those legal loan sharks, the payday lenders—the people who were lending £100 to people who were ending up paying an average of £260 back. They were using payday loans when they were unregulated to pay for their basic living; 53% of them were using them just as people are using credit cards—to pay for groceries and utility bills. They were paying for things that they could not go without. Three in five borrowers on a payday loan said that they could not go without the item for which they had taken out the loan.

Let me tell the Minister that when we do act—when we recognise the consequences of leaving a situation to fester, as we did with payday loans—it makes a massive difference. Bringing in a cap on the cost of credit saw a 45% reduction in the numbers of people going to the citizens advice bureau in difficulties with payday loans; indeed, there has been an 86% reduction since 2016.

These credit card companies are truly loan sharks pretending to be the good guys. We know that what matters is in the small print. Many of us may have looked at our own credit card interest rates and seen that they vary from between 0.8% and 2% a month, but we also know that those basic interest rates on credit cards have been rising over the past 11 years, from an average of 15% to 23% now. As the hon. Member for South Antrim (Paul Girvan) pointed out, the zero balance transfer deals have been lengthening, but what is happening is that the credit card companies are making up for competing to get people to switch, by increasing the interest rates. And that is before we get on to the credit cards for people who are in bad credit—the new Wongas: the Vanquises, the aquas and the Capital Ones, which offer interest rates of 30% to 60%.

The Minister will point me to the research by the Financial Conduct Authority that shows that about 45% of people borrowing on cards for those with bad credit have found them useful for building up a credit history, but let us think about the other 55%—those who, as the FCA has identified, are in severe or serious arrears as a result of getting these cards. I see Vanquis in my town centre in Walthamstow, preying on people.

Kirstene Hair (Angus) (Con): The hon. Lady mentions the FCA. In December 2017, it published revised proposals that would see lenders reduce or even cancel credit card interest and charges for customers who are in persistent debt, so positive work is going on.

Stella Creasy: I thank the hon. Lady for pointing out the research that I am quoting and the paper that I have read. This is my concern. Having read exactly what the Financial Conduct Authority is doing, I think that it is missing a trick, and I am appealing to Ministers to intervene. Let me explain why.

We can look at companies such as Vanquis, which offers people £1,000 straight off—no credit checks, no questions asked. It is owned by Provident, which is a high-cost-credit legal loan shark. It targets people with the blithe claim that as long as they can afford the minimum repayment every week, they can rebuild their credit. Alternatively, we can look at the aqua credit card, with an interest rate, superficially, of 3.9%. If someone borrows £1,000 from that company and makes the minimum payments, they will have paid £480 within one year, £680 within 18 months, £800 within two years and £1,000 in interest by 28 months. Those figures reflect exactly the sort of lending and patterns of repayment and costs of interest that we recognised were wrong for payday lenders, yet now that is happening in the credit card industry.

There is a simple principle at issue here. We recognised that it was wrong to ask people to pay back more than they had borrowed; up to 100% was a fair amount of interest to be charging. Why have we intervened and said that that was wrong in the payday lending industry, but are letting it happen with credit cards? That is exactly what is happening: people are paying back in interest double what they have borrowed.

Yes, the FCA conducted a market study, and yes, parts of the market are working well for some consumers. Therefore, if we act where the market is not working well for the other consumers, we can stop these problems before they get worse. I do not understand how the FCA can justify not bringing the same lessons that we have learned from payday lending, about not asking people to pay back in interest double what they have borrowed, to the credit card companies, even though we recognise that that is wrong in the payday loan industry—but that is what has happened.

All the FCA's remedies at the moment require people to have the cash to be able to act—to be able to make quicker repayments and to be able to pay back earlier—when actually what we are seeing is a nation that does not have spare cash in its pocket, let alone when facing economic shocks. These companies are entering into voluntary agreements with the Financial Conduct Authority. We are not learning the lessons of asking legal loan sharks, like turkeys, not to speak in favour of Christmas. These companies are making millions of pounds from pushing people into debt in exactly the same way as the Wongas of this world did, yet still the FCA is standing by.

There are things that we can count on in the coming months. We can count on the fact that the economic situation will still be uncertain for people, that there will still be precarious work as the new norm, that people will not be able to plan. We can count on the fact that the cost of living is still going to go up—that if we want to put food on the table, keep a roof over our head and put petrol in our cars to get to work, it is going to get more expensive. We can count on divorce, house moving and redundancy still being facts of life. And yes, we can count on the fact that some parts of these markets work well, but not enough of them do, so I am asking the Minister to learn from history. Do not wait until millions more British people are stuck in spirals of debt with credit cards. Do not think that credit cards are acceptable and high-cost credit and payday lending are things of the past. This market is mutating, but it is still firmly focused on exploiting communities such as mine, exploiting

[Stella Creasy]

people in financial difficulty, exploiting people who have few options. If the FCA feels too timid to be able to act, then just as we did before, let us give it muscle. Let us bring in a cap on the cost of credit cards, just as we did with payday lending, and recognise legal loan sharking in this country for what it is. I look forward to what the Minister has to say.

4.18 pm

The Economic Secretary to the Treasury (John Glen): It is a pleasure to serve under your chairmanship, Mr McCabe. I thank the hon. Member for Walthamstow (Stella Creasy) for raising this significant issue with characteristic passion. I will seek to answer the specific questions she has raised about the role of the FCA and how fluid the situation is.

Consumer credit, including credit cards, plays an important role in our economy, helping consumers to smooth their income, spread costs over time and cope with unexpected financial shocks. However, risk is inherent in any credit product, so it is vital that consumers are treated fairly and protected from unscrupulous or predatory practice. The Government recognise that and are working with the regulator to ensure that such activity is curtailed.

I think it will be helpful if I set out first what the Government have already done on consumer credit. Our vision is of a well functioning and sustainable consumer credit market that responsibly meets the needs of all consumers. That is why we fundamentally reformed regulation of the consumer credit market, transferring regulatory responsibility from the Office of Fair Trading to the Financial Conduct Authority on 1 April 2014. The Government have given the FCA a robust set of powers, designed to protect consumers, in three key areas. The FCA assesses every firm's fitness to lend and it has put in place a binding standard on firms. The FCA requires all firms to assess each customer's ability to repay. The hon. Lady gave the example of Vanquis being able to lend £1,000 without any checks. I repeat: all lenders must make that assessment of their customers' ability to repay. Firms must also treat customers who fall into arrears fairly. Thirdly, the FCA monitors the market. The characterisation of the FCA as passively waiting for a crisis does not do justice to the actions it has taken. I will go on to set those out and describe how they are still under review.

Focusing on the areas that are most likely to cause consumer harm, the FCA has a broad enforcement toolkit to punish breaches of its rules. The FCA's enforcement arm supports its objectives by making it clear that there are real and meaningful consequences for firms and individuals who do not follow the rules. There is no limit to the fines it can levy. Crucially, it can force firms to provide redress to consumers. For example, in October 2017 the FCA announced that BrightHouse, a rent-to-own firm, will pay over £14.8 million in redress to customers in respect of agreements that may not have been affordable and payments that should have been refunded. That is just one example of the effectiveness of the FCA enforcement action. In total, the FCA issued fines of nearly £230 million last year, and as of December 2017 it had secured £734 million in redress for more than 1.47 million customers in the consumer credit market.

I turn now specifically to credit cards. When the Government gave the FCA responsibility for consumer credit regulation in 2014, it sought to build a sound understanding of the credit card market and to assess whether it was working well in the interests of consumers. To that end, as the hon. Lady mentioned, the FCA conducted an extensive study of the credit card market between 2014 and 2016. It found that competition within the industry was working well for the majority of consumers, but identified concerns about the scale and extent of problematic credit card debt. Last year the FCA consulted on remedies to tackle persistent credit card debt and proposed a robust package of remedies to tackle the issues—

Steve McCabe (in the Chair): Order. There is a Division in the main Chamber, so we will have to suspend the sitting and you will all have to come back to conclude. We will suspend for 15 minutes.

4.22 pm

Sitting suspended for a Division in the House.

4.35 pm

On resuming—

John Glen: As I was saying, last year the FCA consulted on remedies to tackle persistent credit card debt. It proposed a robust package of remedies to tackle the issues that it identified in the market.

Stella Creasy: The Minister mentions that the FCA consulted on persistent debt. The FCA defines persistent debt as paying 100% in interest and charges on top of the principal repaid over an 18-month period. Given the evidence that that is exactly what people are doing on these credit cards, and the fact that we intervened and capped the cost of credit through payday loans when we saw that, will the Minister explain why it is acceptable not to do that for credit cards when it is okay to do it for payday loans?

John Glen: I will come on to that. As ever, the hon. Lady is eager to intervene. Let me finish what I want to say, and I will give her the answer that she wishes to hear.

The remedies include requiring firms to take steps to encourage customers to repay debt quicker and to avoid getting into persistent debt in the first place. Where customers are not able to repay their debt in a reasonable period, firms will be required to offer forbearance. Firms will also be required to use the data available to them to identify customers at risk of financial difficulty earlier and to take appropriate steps.

The FCA's rules apply to all credit card companies, including those that lend at the higher interest rates, some of which the hon. Lady mentioned, to customers with poor credit ratings. All lenders have a duty to treat customers fairly and to lend only to those who can afford to repay. We expect the FCA to publish a final policy statement soon, and I will look carefully at what it says to see how we can take this forward. It seems a bit unreasonable not to wait for the final policy statement before we conclude where the FCA has got to with it.

As an additional weapon in its armoury, the FCA has worked with the industry's leading body, UK Finance, to secure a voluntary agreement with its members to

restrict unsolicited credit limit increases, giving customers more control over their accounts. All customers will be made aware that they can choose not to receive offers, and customers in persistent debt will not receive any unsolicited credit limit increases at all. New customers will be given the choice of how credit limits will be applied to their account, and firms will make it easier for existing customers to decline offers of a credit limit increase by reminding them of their options.

The combination of existing FCA powers and the proposed package of remedies is a very robust arsenal.

Stella Creasy: Will the Minister give way?

John Glen: No, I will continue.

The measures are a demonstrable commitment by this Government, the regulators and the industry to tackle structural issues within the credit card market. *[Interruption.]* If the hon. Lady did me the courtesy of listening, as I did to her, it would be quite helpful.

Thinking about the limits that should be put on the cost of credit card borrowing, which I think the hon. Lady referred to, it is important to note that the Government have already given the FCA the power to cap all forms of credit, and the FCA can do that if it thinks it is necessary to protect consumers. However, it is neither this Government's mandate nor our role to intervene in a functioning and competitive market. In addition, a credit card cap would be inherently more complex than the price cap introduced on payday loans in 2015. Payday loans are fixed-term, discrete loans, whereas credit cards provide a revolving credit facility—they are quite different.

What the Government can do, and already have done, is ensure that there are regulatory checks and balances in place to ensure fairness. The FCA has said that it will keep the issue of a mandatory cap on the cost of credit, including credit cards, under review. The FCA will monitor the effectiveness of its credit card remedies, and can take further action if necessary.

Stella Creasy: Will the Minister give way?

John Glen: No, I am not going to give way.

Stella Creasy: The Minister has not answered my question. With the greatest respect to the Minister, I asked him a very specific question about the disparity between it being unacceptable for people with payday loans to pay double in interest what they had taken out,

and those 5 million people who are stuck in 10 years-worth or more of credit card debt continuing to pay those rates. I would like his specific answer on that unacceptability.

John Glen: I did directly explain that there is a distinct difference between the nature of a payday loan and a credit card facility. I explained that very clearly and I am sorry the hon. Lady did not hear it.

It will be helpful to set out some of the things that the Government have done with respect to dealing with people in financial difficulty. The Government are delivering on their manifesto commitment to implement a breathing space and debt management plan. The call for evidence on the breathing space scheme recently closed, and the Government have committed to consult on a policy design proposal in the summer.

We set up the Money Advice Service, which spent close to £49 million on providing 440,000 debt advice sessions last year. We are now going further to ensure that consumers can gain easier access to financial guidance and debt advice by creating a new single financial guidance body, which will bring together the Pensions Advisory Service, Pension Wise and the Money Advice Service. The new body will make it easier for consumers to get help with all aspects of their financial lives, as well as having a statutory duty to improve financial capability and to commission free-to-use debt advice. The Bill to create the new body is currently before the House of Commons.

I thank the hon. Lady for raising this issue—I acknowledge that it is very important—and for speaking with such fervour. I share some of the concerns that she has expressed. Millions of people in this country use credit cards regularly, and the Government are committed to ensuring that they are treated fairly and not encouraged to fall into persistent debt. I hope the hon. Lady understands that a cap on the cost of credit card borrowing is not an effective solution. It is a blunt, interventionist approach to a complex issue. The Government have given the FCA strong powers to take action, and the FCA is putting in place measures to tackle persistent debt in the credit card market. This is not a static issue, however, or one that I and the Government are not interested in examining on an ongoing basis. The Government and the FCA are committed to ensuring that it remains under constant review.

Question put and agreed to.

Resolved,

That this House has considered regulation of the cost of credit cards.

A5 Upgrade

4.43 pm

David Tredinnick (Bosworth) (Con): I beg to move,

That this House has considered the upgrade of the A5 between junction 18 of the M1 and junction 10 of the M42.

The A5 is one of our oldest roads. It was commissioned during the reign of the Emperor Claudius, after his successful invasion of Britain in AD 43. It is also one of our most strategically important roads. The stretch that we are discussing goes past the geographical centre of England, which is near Higham on the Hill in my constituency. More than ever, it is an essential road because of the circumstances around it, in terms of the growth of proposed housing and business. There is a very pressing need for an effective relief road when there are problems on the M1, M6, M42 and surrounding motorways in this golden triangle.

Mark Pawsey (Rugby) (Con): I congratulate my hon. Friend on securing this timely debate. Right now, there are 90-minute delays on the M6 between junction 1 at Rugby and junction 3 at Nuneaton, where two out of three lanes are closed for repairs to an expansion joint. Highways England is advising drivers to use other routes. In this context, the other main route is the A5, which is one of the reasons why we need the upgrade to deal with traffic that gets moved when there are hold-ups on the M6, as is often the case.

David Tredinnick: My hon. Friend, who is ever quick out of the stalls in a debate, makes a very good point. I will touch on the problems of congestion.

There is an historical perspective to this 30-mile stretch of the A5. Near this road, the governance of our country has changed not once but twice. At the battle of Bosworth Field in 1485, the man who became Henry VII defeated Richard III. Most of us are familiar with that, not least because of the publicity around Richard III's re-interment a couple of years ago.

Less well known is the battle of Watling Street, which took place 1,400 years earlier. In AD 60, when Nero, the adopted son of Claudius, was on the throne, the 14th legion of the Roman army was moving down the country after defeating the druids in Anglesey. Somewhere near Witherley in my constituency or, more likely, further south at Mancetter, the legion met Boadicea, queen of the Iceni—her statue is not far away—and the united English tribes, and roundly defeated them; this led to Roman dominance in England south of that area for many years to come. According to the historian John Higgs, Tacitus said that 80,000 Britons were killed in that battle. If that is true, it would be the most people killed in a single day in history before the first world war.

Those anecdotes about the two battles and the geographical centre emphasise the point that this is no ordinary A road. It is right at the heart of our country. It has been crucial and has played its part in troop movements—Henry VII moved down Watling Street to London after his success at the battle of Bosworth Field.

The road has lost its pre-eminence—or had lost it, I should say—since the building of the M1 between 1959 and 1968, and the building of the M6 from north of junction 18 of the M1, which was finished in May 1972 and opened by Prime Minister Harold Macmillan. After

that, the A5 lost attention and was no longer the great north-west road that it had been. That has all changed. I will now turn to the arguments for making it an expressway and expending £10 million, a relatively small sum of money, to take that project forward.

Along this 30-mile section of road and beyond, my hon. Friends the Members for North Warwickshire (Craig Tracey) and for Nuneaton (Mr Jones), and other colleagues, have an incredibly fast-growing corridor of movement and of economic growth. There are significant proposals for 60,000 new homes—a staggering amount—to be delivered along that corridor between Northampton and Stafford via Warwickshire and Leicestershire up to 2031. I cannot see how that can take place without investment in the A5.

There is also the impact on the sub-regional economies of Staffordshire, Leicestershire, Coventry, Warwickshire and Northamptonshire. In addition to housing growth, more than 500 hectares—more than 1,000 acres—of new employment land is planned that will contribute £1.5 billion gross value added to the economy and generate thousands of jobs over 20 years. That is a staggering investment.

The golden triangle in the midlands is bounded by the motorway system. I could go through a list of business parks in or near my constituency, including Sketchley Meadows, Magna Park and MIRA Technology Park, that are set to expand in a staggering way. Yesterday I spoke to MIRA, which got the go-ahead to become an enterprise park in 2011. There were originally about 600 jobs there, and there are now 1,200. In five or 10 years' time, according to our conversation, there will be between 2,500 and 3,000 high-value jobs there.

MIRA is working with Warwickshire Council on a proposal for an additional development on the 92 acres of land on the south side of the A5, Watling Street, which I am sure comes as no surprise to the Conservative Members present—my hon. Friends the Members for Nuneaton, for North Warwickshire, for Rugby and for South Leicestershire (Alberto Costa). That development will be massively affected by what happens on the A5. MIRA tells me that it is trying to bring entirely new technology to the region, including projects that relate to the environment, such as the development of electric batteries for cars. It is advertising internationally right now to take that forward.

My hon. Friend the Member for Rugby was quick off the mark in mentioning congestion. The economic prosperity of the midlands relies heavily on the performance of the strategic road network because of its central location and the connectivity with routes, including no less than four motorways—the M1, M5, M6 and M40—and the A14, A46 and A5 trunk roads. The standard of the A5 is shocking. It is mostly a single-lane road, with some dualling, and it regularly gets clogged up, as we all know. It will be impossible for the economic corridor to develop unless we act now. For the sake of resilience, a proper relief road for the motorway system is critical. The M1 and M6 are frequently closed because of traffic problems, bridge changes and all kinds of other problems; I am sure my hon. Friends present could name many more.

The A5—the old great north-west road—is the obvious candidate as a relief road, because it goes straight through the triangle of motorways. Our case is that that 30-mile stretch of the A5 should be upgraded to expressway standard, with priority given to the section between the

M1 and the M42. I understand from Highways England, which is responsible for the A5, that £10 million would be required for completion of detailed studies to secure early delivery of the expressway over the next route investment strategy periods. I hope that the Minister will address that in his reply.

Let me set out what action has been taken so far. A transport partnership was formed in 2009-10 and has representation from 18 local authorities, including local highways authorities and the local economic partnership. It has grown to cover a much longer stretch of the road—the 72-mile section from Gailey in Staffordshire to Stony Stratford near Milton Keynes—and has produced its first report. It seeks delivery growth, support for network resilience, management of freight impact and the delivery of a safe, secure and sustainable A5.

This is what others have said about the matter. Sir John Peace, Chairman of Midlands Connect and Midlands Engine, said:

“The Midlands Connect Strategy demonstrates that to improve the economy of our region, rebalance the UK’s economy”—

we in the midlands often feel that sometimes we are neglected—

“and accommodate growth we must upgrade the transport infrastructures”.

He said that we need to

“see the A5...playing a key role”,

that

“upgrading the route will dramatically improve access within our region”,

and that the A5 is

“a vital component to strong economic growth for the Midlands, and our region’s contribution to the UK economy.”

Andy Street, Mayor of the West Midlands, said that

“we recognise the significance of the Midlands A5 Expressway in the larger Strategic Road Network...indeed, Midlands Connect have highlighted the A5 Expressway as a corridor of strategic and economic significance...which is a statement we also advocate”.

Highways England has undertaken four studies and concluded that there is a strong economic case for an A5 scheme, with a range of credible options for further study. Four options have already been tested and shown to offer high value for money. The housing infrastructure fund bids that have been submitted for key priority work in the north Warwickshire stretch of the A5 will have a huge impact.

I must raise a couple of parochial matters. A long headache in my constituency and that of my hon. Friend the Member for Nuneaton has been the fact that two national highways—the A5 and the A47, which runs through Hinckley and beyond—share a stretch of road. He and I have campaigned for years to improve that tiny stretch at the Long Shoot junction where the two roads become one.

I thank my hon. Friend the Member for North Warwickshire for providing me with information about his meeting with the Secretary of State; no doubt he will raise that today if he catches your eye, Mr McCabe. I also thank Councillor Brian Conway, lead councillor of the A5 parish councils contact group, who has highlighted problems with the rat runs through Witherley and Fenny Drayton; the notorious A5 Woodford Lane junction, which has the worst accident record of any intersection between the M42 and Milton Keynes; the anomaly of

A5 traffic having priority over traffic already on the Mancetter island; and the Department for Transport’s reliance on old data.

To use modern slang, this is a no-brainer. We will not be able to deliver the terrific expansion at MIRA, the huge housing developments that I am sure other hon. Members will raise, or a solution to the pressure from Birmingham if we ignore the A5. We have to do something about it—the A5, the old great north-west road, Watling Street. That would be terrific value for my hon. Friend the Minister, because a proper relief road is essential when there is trouble on the motorways. I rest my case.

4.58 pm

Mr Marcus Jones (Nuneaton) (Con): As ever, Mr McCabe, it is a pleasure to serve under your chairmanship. I thank my hon. Friend the Member for Bosworth (David Tredinnick) and congratulate him on securing this debate, which is a very important one for my constituents. I am delighted to see my hon. Friends the Members for Rugby (Mark Pawsey), for North Warwickshire (Craig Tracey) and for South Leicestershire (Alberto Costa) present.

The part of the A5 under discussion is a vital part of the national strategic road network and the UK distribution and logistics network. All the constituencies represented by the hon. Members present are part of what is known in the logistics industry as the golden triangle, because of its excellent links to the rest of the country. As my hon. Friend the Member for Bosworth has identified, the A5 is a vital resilience route for the operation of the west midlands section of the M6 and the east midlands section of the M1.

My speech will address the particular challenges facing the route along the northern boundary of my constituency. This is often a heavily congested part of Watling Street, where there are challenges associated with heavy volumes of local traffic meeting heavy volumes of traffic travelling long distance along the A5. This section of road also includes a number of busy junctions, which are not just traffic bottlenecks; at times, there have been significant accidents, and there has been a very sad history of fatalities.

On the positive side, the A5 between the Royal Redgate junction and the MIRA Technology Park, which my hon. Friend the Member for Bosworth mentioned, has been upgraded in recent years to dual carriageway. That was done under a £17 million regional growth fund grant in 2014. Since then, as my hon. Friend also said, over 600 jobs have been created at the MIRA Technology Park, and it is thought that another 1,500 to 2,000 could be created on that site.

We are therefore seeing economic development as a result of that comparatively small investment, but my constituents have also seen significant safety improvements. That is because the once lethal Royal Redgate junction, where people have to cross the A5 to go north or south on the A444, has been significantly improved and is much safer than it was.

My constituents also have significant issues in relation to the Woodford Lane junction, which my hon. Friend mentioned. I have a number of constituents in the Hartshill ward who use Woodford Lane. It is a minor but extremely busy junction, where it is possible to turn both left and right on to a very wide part of single

[Mr Marcus Jones]

carriageway. In recent years, there have been a series of minor accidents, some major accidents and, regrettably, several fatalities. Although there have been some very minor upgrade works there, we have not seen anything approaching the type of major upgrade scheme that is needed to make the area much safer. I must also say that a number of my constituents have contacted me recently about the quality of the road surface on the A5 in the area; currently, it is far from ideal.

Probably the most difficult area for the majority of my constituents who use this stretch of the A5 is the Long Shoot junction, where the A47 meets the A5. Despite upgrade works undertaken in 2015, which have been relatively successful, the sheer volume of traffic at this junction at peak times creates huge delays for my constituents on the A47 and the A5. Also, for those living at the top of the Long Shoot junction and on that stretch of Watling Street that runs alongside it, there is a significant problem with pollution from standing vehicles, given the length of time it takes them to get through.

The Minister will know that an upgrade is planned for the short section of the A5 between the Long Shoot junction and the Dodwells island, where Nuneaton meets Hinckley. He will not need me to tell him that, given the challenges in that area, that upgrade is very much a short-term fix. It is important and it is required, but it will not deal with the fundamental issues. I also understand that the work to upgrade that short section of road has been put back slightly, to facilitate the important upgrade of the M6.

Although this debate is not about the M6, there is the issue of resilience to consider, and I am glad that the Government are investing significant money to bring smart motorway to junctions 2 to 4 of the M6. That will hopefully cut down significantly on the accidents there, which have the knock-on effect of causing gridlock for my constituency, as people see fit to get through to the A5 and the M69. As my hon. Friend the Member for Rugby has said, we can absolutely guarantee even today that the people of Nuneaton will suffer absolute gridlock as a result of the closure of the M6, so we need to consider resilience.

As I have outlined to the Minister, there are challenges but they are set against the backdrop of a very positive economic story around the A5. We heard from my hon. Friend the Member for Bosworth of the plans that exist. As I understand it, there are 500 hectares of new employment land being planned along this stretch of the A5, which could deliver £1.4 billion in gross value added to the regional economy of the midlands and create thousands of jobs in the next 15 to 20 years.

There will also be significant housing growth, with 15,000 new houses being built in my constituency and in the neighbouring Bedworth part of the constituency of my hon. Friend the Member for North Warwickshire. Although many of my constituents are concerned with that development—I myself am concerned, because much of it is taking place on the north side of Nuneaton, in one large block—it highlights the necessity to find a better solution to the A5 problem, so that we can facilitate the new development.

I have explained the challenges; I will now turn to the solution. I am enthused by the concept of the midlands expressway. It will transform the A5, fully dualling the

highway from Tamworth right down to Crick. As I understand it, there are several options to achieve that transformation, which would open up the potential for growth and, above and beyond that, transform the lives of many of my constituents, improving their quality of life tremendously.

As my hon. Friend the Member for Bosworth has pointed out, there is a partnership of local authorities, and I pay tribute to the excellent work of the Conservative-controlled Hinckley and Bosworth Borough Council. It is a medium-sized district council, but it has been instrumental in the work of this A5 partnership. On my side of the A5, it is being very well supported by Warwickshire County Council, and on the side of my hon. Friend the Member for Bosworth, it is being very well supported by Leicestershire County Council.

All those authorities are backed by a number of business organisations and businesspeople. Sir John Peace, the chairman of the Midlands Engine and Midlands Connect, is backing this project, as is Andy Street, the West Midlands Mayor, who sees the value of the works being proposed for this area.

Considerable feasibility work has already been done, as the Minister will know. Highways England has looked at this project and, encouragingly, it has concluded that there is a strong economic and strategic case for a scheme of this type on the A5. It has also concluded that there are a number of credible options and that the project would deliver “high” value for money.

The Minister is currently working on roads investment strategy 2. My ask is that the A5 scheme is acknowledged as part of RIS2 and that our request for the resource to develop more detailed work on a specific route for early implementation is looked on favourably. My hon. Friend the Member for Bosworth said that £10 million is needed to take that initial work forward, so I will just impress on the Minister that this is an important matter for my constituents. If we are to achieve this transformation, it needs to be thought about now—even if the work itself is carried out several years from now—because this route needs safeguarding. That is because there is a lot of new development in the area, and the last thing we want is for that new development to take place where the route of the A5 should be.

I am sure that, throughout this roads strategy process, my hon. Friend the Minister will have colleagues from across the country knocking down his door to try to get a response on the road projects that they want. However, I just say to him that, on this stretch of the A5, there is clearly a solid business case, and the project will help to deliver significant numbers of new houses and significant amounts of commercial development and new jobs, allowing the midlands to fulfil its economic potential.

Finally, the time for quick fixes and sticking plasters along this stretch of the A5 is over. We very much need to take a more substantive approach. We need to make this once Roman route fit for the 21st century.

5.9 pm

Alberto Costa (South Leicestershire) (Con): It is an honour to serve under your chairmanship, Mr McCabe. I, too, congratulate my hon. Friend the Member for Bosworth (David Tredinnick) on securing this hugely important debate and on his thoughtful speech, which was excellent in covering the sensible and reasonable A5 improvements that are much-needed. Watling Street

and Fosse Way cross in my constituency. I often wonder what my ethnic ancestors would think if they were to look at that stretch of the road today, with its high level of traffic. When the Romans first built that junction, it was busy, but it was never heavily congested. Perhaps we have something to learn from my ethnic-Roman ancestry.

Many Members will no doubt be aware of the huge strategic importance of the midlands to Britain's thriving industry. Whether it is logistics parks, rail freight terminals or international airports, the midlands is a beacon for British industry and innovation. I am proud that much of that industry can be found in my constituency of South Leicestershire. As my hon. Friend said, the area is known colloquially as the golden triangle. That refers to the intersection of major motorway networks in the local area, which provide crucial links for commercial and residential traffic.

The A5 shares that commercial and residential importance. As my hon. Friends will be aware, the A5 is a major road in my constituency and theirs. Like my hon. Friend the Member for Nuneaton (Mr Jones), I have experienced the long queues of traffic on the A5 at various times of the day. As my hon. Friend the Member for Bosworth correctly stated, unless the Minister takes into account the strategic needs of the road, the problems will only be exacerbated by the further planned industrial and housing developments.

Further consideration should be given to the villages in the vicinity of the A5, particularly those in and around my constituency. I am thinking of the Claybrookes, Ullesthorpe, Wigston Parva, Sharnford, Cotesbach and Shawell, to name but a few. Having listened to the chairman of the Leicestershire Fosse villages neighbourhood plan group—a voluntary organisation that speaks for constituents in the south Leicestershire villages of Sharnford, Stoney Stanton and Sapcote—I think we need to take account of the ever increasing traffic demands in and around those areas. These rural, idyllic villages already suffer from a swathe of large HGVs and other commercial traffic. While I have been working closely with constituents in Sharnford, for example, to help to remedy the problems, I fear that the issues will only get worse if we see the increase in development outlined by my hon. Friends without any significant increase in the associated infrastructure, in particular the improvements on the A5 that we seek.

Mark Pawsey: My hon. Friend is making an important point about ensuring we get infrastructure before development takes place. The A5 acts as a boundary between his constituency and mine. In the same way that his villages are affected, people from Pailton, Monks Kirby, Churchover, Clifton and Newton are in many cases reluctant to go on to the A5 because of the large number of HGVs using it as a consequence of the industrial development that has taken place. That will only get worse if development continues.

Alberto Costa: I agree entirely with my hon. Friend. My family use a dentist in Pailton, so we are familiar with travelling along the A5 to get to that wonderful village.

The Magna Park logistics park is one of the largest in Europe and is located in my constituency. Given its proximity to the market town of Lutterworth, my constituents are often subject to unreasonable amounts

of commercial traffic clogging up the area. However, as we heard from my hon. Friends, the A5 does not have an impact only in my constituency. I am glad to say that it is also important and significant for my hon. Friends here today. My hon. Friends the Members for Bosworth, for Nuneaton, for Rugby (Mark Pawsey) and for North Warwickshire (Craig Tracey) have been instrumental in pushing the matter to the very top of the Department for Transport's agenda, and I pay tribute to their excellent efforts. Like me, they recognise the plight of their constituents and are cognisant of the A5's huge importance. For that matter, I thank Conservative-led Blaby District Council and Conservative-led Harborough District Council, which have also been pushing efforts to help to improve infrastructure on the A5 and surrounding areas.

In closing, it is important to note that the concerns I have expressed about the A5 are not simply local concerns; they are regional and national. The A5's strategic importance should not be underestimated, but to keep up with economic growth and our nation's industry, vital infrastructure improvements such as those proposed to the A5 must be prioritised. The road stretches through four counties and multiple constituencies and encompasses hundreds of thousands of our constituents, so the A5's inclusion in the road investment strategy 2 is not only a must for my constituents and those of my hon. Friends; it is a must for the people of the midlands. It is very much a big picture project, and the road needs big improvements right away.

5.16 pm

Craig Tracey (North Warwickshire) (Con): It is a pleasure to serve under your chairmanship, Mr McCabe. I congratulate my hon. Friend the Member for Bosworth (David Tredinnick) on securing this important debate and on the versatility he showed in starting with a history lesson and ending with modern slang. In between, he put together a powerful case. I echo the comments of colleagues, which I completely agreed with. A strong business case has been put forward today as to why the development is needed as soon as possible.

The A5 is a key route in the heart of the country. We have an ambition as a Government to push forward the midland engine, so the route is going to become even more important. From my perspective, it is important to North Warwickshire. We have a central location right off junction 10 of the M42. We attract many types of business because of our location. Ocado, Aldi, TNT, 3M, UPS and Euro Car Parts all have significant bases along the A5 in my constituency. The borough has a proud record of creating jobs. We have an incredible record: my constituency provides 1.22 jobs for every working age person. Some 18,386 people from across the west midlands come into North Warwickshire every single day to work.

As my hon. Friend the Member for South Leicestershire (Alberto Costa) just mentioned, this debate is not just about North Warwickshire, but about the wider west midlands infrastructure. The current situation is that this stretch of road is not fit for purpose. Were Members to go on the road at this time of day—my hon. Friend the Member for Rugby (Mark Pawsey) made this point, but it has been echoed by all colleagues—or in the morning, we would see complete congestion in such areas as Dordon, Grendon and Atherstone. That frustrates local residents and puts off future investment by companies.

[Craig Tracey]

If there is an accident on one of the roads that the A5 connects to, such as the M42, the M1 or the M69, we have complete gridlock. As I have said, there is a strong business case and need for this. If we are to unlock the potential of the area, it is important that we take urgent action.

I would like to raise three specific points with the Minister. My hon. Friend the Member for Bosworth mentioned that I have already put them to the Secretary of State. I brought members of North Warwickshire Borough Council along to the meeting, and the Secretary of State was very understanding. He knows the area well, particularly in relation to the first point that I will raise, but obviously I would like to hear the Minister's view.

The first point is about the impact of HS2 on the area. I will not dwell on this too much, but anyone who knows me will not be surprised to hear me say that I am not a huge fan of the project and it is not something that I particularly support. It is worth reiterating that we are the most affected area outside London. We will get 31 miles of track, with disruption to the area potentially lasting for about 17 years. Critically, HS2 will run straight through junction 10, where the M42 meets the A5, so we will see further upheaval on an already busy junction.

HS2 provides a threat and an opportunity. The threat is quite clear: huge disruption to a key area of road, which is the gateway to not only the north Warwickshire borough, but large parts of the country. If there is no access through that area, traffic will be displaced on to other routes. The opportunity is to make substantial improvements that would not only mitigate some of the disruption that people will face over that long period as a result of HS2, but create a more freely moving road network, which will bring benefits and, as has been said, investment to the local area. From the discussions I have had, I think that the solution is to create a partnership with HS2, Highways England and Warwickshire County Council, which is the local highways authority. There is precedent for that being done along phase 1 of the route, where those partnerships have worked well. I do not support the development of HS2, but if it is to go ahead, it is important that the traffic offering to local residents is enhanced. This would seem the perfect opportunity to do that.

My second point, which has also been made by colleagues, is about local development in the area. North Warwickshire Borough Council is having to revise its housing figures from 3,150 to 9,070, and 42% of that is to accommodate the Greater Birmingham housing area. The challenge is that more than two thirds of the borough is green belt, so we can develop only in limited areas, the majority of which are along the A5 corridor, which, as I have said, is already at tipping point. There are significant areas of single carriageway, and there has been a lack of thought among previous councils when approving commercial developments, in that they did not upgrade the local infrastructure to accommodate for them.

Without significant improvements, it will clearly not be feasible to deliver the housing. However, the other side of the coin is that if we get it right, there is the potential not only to alleviate the current issues and provide new housing opportunities, but to unlock ambitious

employment opportunities across North Warwickshire. Warwickshire County Council's transport assessment backs that up, highlighting the importance of the A5 growth corridor. I have supported its bid to the housing infrastructure fund, but I cannot stress enough that, without the right infrastructure, housing simply will not be delivered in North Warwickshire.

The third point might seem small, but I urge the Minister to visit and judge for himself the rather interesting Mancetter island. It is right in the heart of the A5 and has really odd rights of way. Residents in a number of properties that front on to it have to reverse either on or off their drives to gain access to moving lanes of traffic that do not have to give way as they come down the A5. It is difficult to explain, but I urge the Minister to look at it.

There is danger to both residents and people using that route on a daily basis. There have been some really significant accidents, in particular involving HGVs, because of its logistic nature, and the fact that there is an adverse camber on the road. A number of constituents have had their garden walls demolished as a result. Residents fear that it is only a matter of time before we have a fatality and somebody walking down gets hit. The issue has been raised with Highways England, which has agreed to look at it. Residents have every right to be worried about the issue, which is regularly raised with me. Without amendment to that part of the road, it is unlikely that we will be able to make the most of this important road network.

To sum up, my view, and I think that of colleagues, is that the A5 is currently underperforming, but offers huge opportunities for the area, the west midlands, and potentially the country as a whole. If the ambitions of our local MPs, councils, the action groups that we talked about earlier, and the resident groups are matched by those of the Government, the possibility of a substantial solution, which would greatly benefit the lives of my constituents and people living in communities along the A5, can become a reality. This is about not only the future of the A5, but how we improve the present. I echo the comments of my hon. Friend the Member for Nuneaton (Mr Jones), particularly in what he asked of the Minister. Clearly action is needed as an urgent priority. I look forward to the Minister's response.

5.26 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to see you in the Chair, Mr McCabe. I congratulate the hon. Member for Bosworth (David Tredinnick) on not only giving us an incredibly good history lesson today, but extolling the virtues of all that is planned for his constituency and the surrounding area.

When we are talking about the scale of 60,000 new homes, we have to have a serious discussion about whether we are just talking about development of a new express way, or if we need to look at other modes of transport that are available for local communities as well. If we are talking about that scale of economic opportunity, particularly with the developments that we have heard about this afternoon and the potential of 3,000 new jobs, we need to think about how people are travelling to and from work. While the road provides one option, I think that where we are building significant new developments we also need to start exploring other modes, particularly the future of rail.

As the hon. Member for North Warwickshire (Craig Tracey) just highlighted, HS2 should be about creating new opportunity, as opposed to limiting choices for people in the area. If HS2 does not open up new opportunities and does not connect, we have to ask serious questions about what the point of it is in the first place. Although we can see that new stations in places such as Toton will provide new economic development, we need to make sure that everybody along the route benefits from greater connectivity. That will be absolutely essential as we scrutinise the route's development, the plans moving forward, and the connectivity.

I believe that a very strong case has been put forward this afternoon by hon. Members. I wonder if the costing of £10 million will be the final sum proposed. It sounds like a rather small amount of money, so I was a bit confused by that sum. We know that improvements to roads are incredibly important. The hon. Member for South Leicestershire (Alberto Costa) spoke about removing the rat runs from the villages, as they create such a nuisance. We heard about the distress of constituents over delays, which the hon. Member for Rugby (Mark Pawsey) highlighted. Delays do not just eat into a person's evenings, night after night; they also affect whether someone gets the chance to get home to see their kids in the evening. For some, it will mean whether they can choose to go for a particular form of employment. It is therefore really important that all factors are considered when looking at new developments.

The other important point made by a number of hon. Members was on safety. Although capacity is vital and should be looked at in the future, travel safety has to be the prime consideration. Road improvements, whether changing the camber on the road or providing safe access on and off the highway, are vital. I am sure the Minister will hear that.

I also want to draw out the process of decision making. I have several concerns about phase 1 of the road investment strategy. Although hon. Members may well have put forward a strong case today, we know that a number of projects have been delayed in phase 1. Nineteen schemes have been pushed back into RIS 2, which means that resource that could have been dedicated to the project highlighted today—the expressway—could be delayed in further planning and payment processes. We need to look at that. Six schemes have been cancelled altogether—or, I should say, “paused for further review”. Sixteen projects have been delayed within the RIS 1 period, and there is a bunching up of 54 projects at the end of the phase. That clearly has an impact on the ability to deliver the programme at the end of the phase, in 2019-20 in particular.

In recruitment and skills, we are also seeing feast and famine across the construction sector that we really need to look at. We also need to make sure that we are able to recruit and train locally. The feast-and-famine approach means that people have to go further afield, and as a result, the costs of projects go up.

I would like the Minister to commit to moving on from that feast-and-famine approach—not least because it builds expectations from constituents. When the de-electrification of the trans-Pennine route was announced, I know from my own constituents how hope in the project plummeted. It is really important to do due diligence now, to make sure that every mode of transport has been explored to bring the best economic value into

the midlands area. If there is a commitment, it is important they are adhered to in a timely way. We cannot have overprogramming and overpromising, then a deletion of expectation. I trust the Minister will speak to that in his contribution.

5.33 pm

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): It is a delight, possibly an honour, to serve under your chairmanship, Mr McCabe. I start by thanking my hon. Friend the Member for Bosworth (David Tredinnick) for this useful, important and timely debate, which ties into a wider pattern of effective and successful lobbying from Members and colleagues from the same area.

My hon. Friend will know that this is an important area not merely for its road transport connections but for its history. He referenced the battle of Watling Street in AD 60-61, tragically not referring to my hon. Friend the Member for Clacton (Giles Watling), at the opposite end of whose constituency one would hope the road would ultimately end, but referring to the great Roman victory. Of course, the day after celebrating the suffragettes and the suffragists, I note the tragedy of our greatest suffragette, Boudicca, suffering her untimely defeat at such a moment. I thank him for the historical reference.

In order to respond to the comments from the hon. Member for York Central (Rachael Maskell) about RIS 1, I will start by laying out the Government's overall approach. The debate has been interesting in the way that it has blended national and regional concerns relating to the road investment strategy's second phase and the question whether this project should be a candidate for an expressway, with specifically local concerns, such as Mancetter island and so on, which Highways England might be invited to consider as part of its local responsibilities. It is important to keep those two balanced.

As hon. Members will know, in recent years, the Government have taken a much more long-term, phased and planned approach to investment in the strategic road network, including our motorways and main A roads. That has been a very important development over the last five to seven years. We do so for a specific reason, which is that when there is more longevity in the system and greater visibility of funding in the overall envelopes, there can be better planning, costs can be driven down in relative terms and productivity can be improved; overall, there should be greater certainty of delivery.

Alberto Costa: I thank the Minister for outlining the reasonable position of the Government in taking a long-term view when it comes to financing, but my South Leicestershire constituency has one of the largest logistics parks in Europe, Magna Park, and there is a proposal to double its size. That is not a long-term proposal—it is an immediate one. Given the problems we have expressed about congestion, noise, air pollution and so on, would the Minister look sympathetically at how the Government's policy can be linked with the infrastructure proposals outlined by my hon. Friends and others from my constituency?

Jesse Norman: I am rather regretting giving way to my hon. Friend, because his intervention was of such a length and repeats information he already put on the record through his speech. I have very little time to

[*Jesse Norman*]

make a quite a lot of points that I know he and other colleagues will want to respond to. Needless to say, of course the Government are sensitive to great and fast-breaking developments. We have schemes, including the large local major transport scheme, that are designed precisely to assist local government to petition where there are important local developments that can require new infrastructure on shorter term notice.

Highways England is making good progress according to the investment strategy launched in 2015, which brought with it a very large increase in funding for the strategic road network—more than £15 billion in the five years between 2015 and 2020. Highways England has already delivered something like 18 schemes that are open for traffic. Work on the £1.5 billion A14 Cambridge to Huntingdon scheme is advancing well.

My hon. Friend the Member for Nuneaton (Mr Jones) mentioned the interaction between the M6 junction work and the work at Dodworth. He is of course right about that. What it shows—I use this to respond to the hon. Member for York Central—is that work has got to be phased, and sometimes the acceptance of bids is not consistent with the intelligent structuring of investment. As a result, Highways England routinely and quite properly slightly overprogrammes the amount of investment it is making, knowing that some of those schemes will not hit the correct benefit-cost ratios, some local authorities in some cases will not have their bids and other work ready on time, and there will be local opposition in some cases that may delay a scheme. Therefore, it is important to understand that some balancing out will be required, and that is what has happened in RIS 1. There has been some delay for all of those reasons. That does not, unfortunately, mean that the money that has not been spent can be redeployed, because it is overprogramming within an overall envelope that has been used for purposes of investment.

This represents significant progress, but we recognise that there is more to do, and it is in that context that it is important to think about the second phase of the road investment strategy, which has been highlighted by colleagues today, and the Government's investment in the strategic road network between 2020 and 2025. It will be funded by the new national roads fund, an important development that is designed to assist planning, remove the potential for disruption and ensure that all money spent by taxpayers on vehicle excise duty in England will be reinvested back into the roads network. There will be a much closer link between the money people pay and the investment that is made, which will allow us and Highways England to take a co-ordinated, long-term approach to investment in the network.

It is vital that the strategy's potential is realised, and that we use RIS 2 to unlock wide-ranging benefits for the whole nation. The RIS 2 system deploys and relies on proper input from local authorities, and we are very pleased with the work that has been done by those who have submitted bids and expressed interest in RIS 2 schemes across the country. That crucial feedback will help us to make and Highways England to implement the right investment decisions for our strategic roads.

I thank my hon. Friends the Members for South Leicestershire (Alberto Costa), for North Warwickshire (Craig Tracey), for Nuneaton, for Rugby (Mark Pawsey), and for Bosworth for their co-ordinated approach to considering this road, which is entirely appropriate for a regional bid. I also thank them for the letter they jointly signed supporting the proposed upgrade between the M42 and the M1 near Rugby. I note that the scheme is backed by 18 local authorities and has been endorsed by the Midlands Connect strategy.

It is important to understand that Highways England is taking careful note of the bid—I want to put that on the record clearly. We are grateful for that. Highways England has proposed the conversion of the country's busiest A roads to what it calls an expressway standard. It has provided evidence to suggest that that could provide users of those roads with improved performance and safety benefits, and a motorway-standard experience. As hon. Members know, the Department is consulting on the proposals, and the consultation closes, as luck would have it, today, having been open for two months—again, serendipity for my hon. Friend's debate.

I assure colleagues that the case Highways England made for investment in the A5 has been recorded as a formal response to the consultation, and I have noted it in this debate. The Department will publish its response to the consultation in the spring. Officials—those present and those in the Department—will have been noting all the advice given today, which will be taken into account as part of the consultation.

The hon. Member for York Central was right to raise a quizzical eyebrow about the £10 million that my hon. Friend the Member for Bosworth said would be the total cost of the scheme. If I understand it right, that £10 million will be required for the next phase of work into a study of the options. We are not quite in the world of Linda Evangelista, but £10 million does not go far when we are building roads. The research phase concludes after the Department's response to the public consultation, after which decisions will be made about the content of RIS 2.

My hon. Friend the Member for Nuneaton rightly identified the importance of avoiding accidents and pollution wherever possible, and of getting the full benefit from investments. I share that view. The reason for treating this as a route is so that a holistic view can be taken across all those issues—

Steve McCabe (in the Chair): Order.

Jesse Norman: You said we would finish at 5.46 pm, Mr McCabe.

Steve McCabe (in the Chair): I said 5.43 pm.

Jesse Norman: In that case, I apologise.

Steve McCabe (in the Chair): I am very sorry, but the clock has beaten you on this occasion.

5.43 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Wednesday 7 February 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Modern Working Practices

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths): On 11 July 2017 the Government published the review of modern working practices, which was led by Matthew Taylor (Chief Executive of the Royal Society of Arts) at the request of my right hon. Friend, the Prime Minister.

The Government set out in the industrial strategy, published in November, a long-term plan to boost the productivity and earning power of people throughout the UK by focusing on the five foundations of productivity: ideas, people, infrastructure, business environment and places.

Good work and developing better jobs for everyone in the British economy is at the centre of our industrial strategy vision.

Building on the industrial strategy, today the Government are publishing a full response to the Taylor review, setting out how we intend to develop further the strength of the UK labour market and ensure it meets the challenges and opportunities presented by new ways of working and innovative business models. Alongside the full response, we are publishing four public consultations, which seek views on how to implement a series of proposals to enhance workers' rights and ensure that the labour market is working for everybody.

The four consultations cover proposed changes on agency workers, employment status, enforcement and increasing transparency.

We are taking forward work on the vast majority of the review recommendations, and the plans we are outlining build on our pledge to not only protect, but enhance, workers' rights. Copies of the Government response and consultations will be placed in the Libraries of the House.

[HCWS455]

TREASURY

ECOFIN: 23 January 2018

The Chancellor of the Exchequer (Mr Philip Hammond): A meeting of the Economic and Financial Affairs Council (ECOFIN) was held in Brussels on 23 January 2018. EU Finance Ministers discussed the following:

Early morning session

The Eurogroup President provided briefing to Ministers on the outcomes of the 22 January meeting of the Eurogroup, and the Commission provided an update on the current economic situation in the EU.

Deepening of the economic and monetary union (EMU)

The Council held a policy debate on the deepening of the EMU.

Current financial services legislative proposals

The presidency presented information on the current legislative proposals in the field of financial services.

VAT: simplification of rates and simplification for SME's

The Commission presented proposals to reform the rules on VAT rates and structures, and to simplify VAT obligations for SMEs.

Presidency work programme

The Bulgarian presidency presented its work programme for January to June 2018.

European semester 2018

The Council adopted the Council conclusions on the annual growth survey 2018 and the Council conclusions on the alert mechanism report 2018. The Council also approved a Council recommendation on the economic policy of the euro area.

Action plan to tackle non-performing loans in Europe

The Council exchanged views on a factual report by the Commission regarding the implementation of the action plan to tackle non-performing loans in Europe.

AOB: EU list of non-co-operative jurisdictions for tax purposes

The Council approved a report by the EU Code of Conduct Group (Business Taxation) to de-list eight jurisdictions from the EU list of non-co-operative jurisdictions for tax purposes that was agreed at December 2017 ECOFIN.

[HCWS458]

DEFENCE

Votes A Annual Estimate 2018-19

The Secretary of State for Defence (Gavin Williamson): The Ministry of Defence Votes A estimate 2018-19, has been laid before the House today as HC730. This outlines the maximum numbers of personnel to be maintained for each service in the armed forces during financial year 2018-19.

[HCWS457]

EDUCATION

Schools and Early Years Update

The Parliamentary Under-Secretary of State for Education (Nadhim Zahawi): Following the two public consultations my Department ran recently, I am pleased to announce my intention to lay regulations in the House later today that will introduce net earned income thresholds under universal credit for free school meals, the early years pupil premium, and the early education entitlement for disadvantaged two-year-olds.

This approach is consistent with how other Government Departments have set criteria for other “passport” benefits.

The changes will come into force on 1 April 2018 for the start of the school summer term. Under our proposals, we estimate that by 2022 around 50,000 more children will benefit from a free school meal compared to the previous benefits system. In addition, we will apply transitional protection to anyone currently receiving free school meals.

These changes do not affect the criteria for universal infant free school meals, which will continue to be available to all pupils in reception, year 1 and year 2 regardless of parental income.

For free school meals and the early years pupil premium we are introducing a net earnings threshold of £7,400 per annum. A typical family earning around £7,400 per annum would, depending on their exact circumstances, have a total household income of between £18,000 and £24,000 once benefits are taken into account.

For the early education entitlement for disadvantaged two-year-olds, we are introducing a net earnings threshold of £15,400 per annum. Under this new threshold, we estimate that by 2023 around 7,000 more children will benefit from the two-year-old entitlement compared to the previous benefits system.

The Government’s responses to these consultations have been published on the Department for Education’s website, and copies of the regulations will be laid shortly.

[HCWS459]

WORK AND PENSIONS

Finance Guidance and Claims Bill (Contingencies Fund Advance)

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): The Financial Guidance and Claims Bill currently before Parliament provides for an arm’s-length non-departmental public body, known as the single finance guidance body, to take on their functions currently delivered by the Money Advice Service, The Pensions Advisory Service and Pension Wise.

Our intention, subject to parliamentary approval, is to launch the new body in autumn 2018. In order to avoid delay in the launch, expenditure is required in advance of the Bill receiving Royal Assent to cover the costs associated with the commencement of the recruitment of the Chair and Chief Executive of the body, including the staffing costs of the DWP public appointments, any media advertising, and miscellaneous administration costs. Advertising for the posts will be clear that the roles are dependent on the successful passage of the Bill through Parliament.

Parliamentary approval for resources of £30,000 for this new service will be sought in a supplementary estimate for the Department of Work and Pensions. Pending that approval, urgent expenditure estimated at £30,000 will be met by repayable cash advance from the Contingencies Fund.

[HCWS456]

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**not later than
Wednesday 14 February 2018**

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