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20 February 2018**

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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 20 February 2018

HER MAJESTY'S GOVERNMENT

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(FORMED BY THE RT HON. THERESA MAY, MP, JUNE 2017)

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OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SEVENTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 13 JUNE 2017]

SIXTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 636

ELEVENTH VOLUME OF SESSION 2017-2019

House of Commons

Tuesday 20 February 2018

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

MIDDLE LEVEL BILL

*Consideration of Bill, as amended, opposed and deferred
until Wednesday 28 February at Four o'clock (Standing
Order No. 20).*

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Turkey (Afrin)

1. **Grahame Morris** (Easington) (Lab): Whether he has made representations to his Turkish counterpart on that country's operation in Afrin. [903889]

The Minister for Europe and the Americas (Sir Alan Duncan): The Foreign Secretary has spoken to Turkish Foreign Minister Çavuşoğlu about the operation in Afrin. We have called for de-escalation for the protection of civilians, while recognising Turkey's legitimate interest in the security of its borders. It remains in our shared interests to focus on achieving a political settlement in Syria.

Grahame Morris: Does the Foreign Secretary recognise that the Kurdish-led Administration in Afrin has built a secular, democratic system that has worked collaboratively with the international community to defeat Daesh, most recently in Raqqa? Does he accept that the international community owes a debt of honour to the Kurds? Will he step up efforts to stop the bloodshed in and around Afrin?

Sir Alan Duncan: I understand what the hon. Gentleman is saying, but we must also recognise the legitimate security interests of Syria. They consider that, having launched Operation Olive Branch in January, it is in response to attacks from the Afrin area, and they believe that they are in compliance with proper UN standards.¹

Dr Julian Lewis (New Forest East) (Con): When we make representations to our Turkish NATO allies, can we also make representations on behalf of the tens of thousands of journalists and others who have been locked up by the Turkish Government?

Sir Alan Duncan: I can assure my right hon. Friend that we do, and we do so in all our meetings at all levels with our Turkish counterparts.

Joan Ryan (Enfield North) (Lab): Do the Government agree that the Democratic Union party—the PYD—and the People's Protection Units—the YPG—should be included in the Geneva process to end Syria's war and discuss the country's future?

Sir Alan Duncan: That is primarily a question on Syria, rather than Turkey. However, I would point out to the right hon. Lady that the PKK is a proscribed organisation in the UK, whereas the organisations to which she principally refers are not and so can be spoken to.

Theresa Villiers (Chipping Barnet) (Con): Will the Minister make representations to the Turkish Foreign Minister to ask the Turkish navy to cease obstructing vessels seeking to extract hydrocarbons in the eastern Mediterranean?

1. [Official Report, 21 February 2018, Vol. 636, c. 4MC.]

Sir Alan Duncan: I understand the issue to which my right hon. Friend refers, which is the drilling for oil and gas on the edge of Cyprus. We are assessing what has been reported over the past day or so about what exactly is happening in that area.

Emily Thornberry (Islington South and Finsbury) (Lab): We on this side of the House unequivocally condemn Turkey for its disgraceful assault on Afrin. We are especially appalled that it has enlisted in its army the very jihadist militias that the Kurdish forces have worked so hard to drive out of northern Syria. If the Foreign Secretary is unable to join me today in condemning Turkey, will the Minister of State at least explain why he believes that “Turkey’s legitimate interest in the security of its borders” gives it the right to brutally attack the innocent Kurdish community in Afrin?

Sir Alan Duncan: I do not think it is exactly as the right hon. Lady says. We need to recognise Turkey’s legitimate interests. Of course we condemn any kind of attacks on civilians and we wish to see a de-escalation of that, but the legitimate rights of Turkey should be recognised.

Emily Thornberry: The truth is that the Turkish assault is part of a broader pattern, where too many foreign parties engaged in the Syrian civil war are now acting just like the Assad regime itself—without any regard for international law. When the Government obtained a military mandate for joining the coalition action in Syria, David Cameron guaranteed in this House that it was “exclusively” to combat the threat from Daesh. Given that that threat is now almost totally gone, will the Minister of State please spell out the coalition’s current military objectives in Syria? When will he seek a mandate for them from this House?

Sir Alan Duncan: I find the right hon. Lady’s analysis extremely bizarre, particularly as the YPG has been reported as wishing to ally itself with the Assad regime in order to fight back against Turkey’s activity.

Mr Philip Hollobone (Kettering) (Con): Further to that point, what is the Minister’s assessment of the veracity of reports that the Assad regime and the Kurds are joining forces militarily to resist the Turkish incursion?

Sir Alan Duncan: That is exactly the issue to which I have just referred. We are assessing it, and I am sure that there will be further reports later, but it is too early to say exactly what may be happening.

Girls’ Education

2. **David T. C. Davies** (Monmouth) (Con): What steps his Department is taking to support the delivery of girls’ education throughout the world. [903890]

9. **Craig Tracey** (North Warwickshire) (Con): What steps his Department is taking to support the delivery of girls’ education throughout the world. [903897]

The Minister for Africa (Harriett Baldwin): Girls’ education is a moral imperative. Women and girls have the right to be educated, equal, empowered and safe.

This is one of the Foreign Secretary’s top priorities, and he has instructed his officials to put girls’ education at the heart of their work.

David T. C. Davies: Given the appalling revelations about some employees in Oxfam and the subsequent attempts to cover that up, could the Minister assure us that any organisation that is asked to deliver education for girls’ programmes anywhere in the world by the British Government is fit for purpose?

Harriett Baldwin: I share my hon. Friend’s assessment that this is an utterly despicable example. I hope he agrees that my right hon. Friend the Secretary of State for International Development has shown real leadership by writing to all the organisations with which we contract to ensure that safeguarding levels are raised. I believe that you have allowed her to make a statement on this subject later this afternoon, Mr Speaker.

Craig Tracey: During the Foreign Secretary’s recent trip, what discussions did he have with Burma, Thailand and Bangladesh on the Government’s policy on the education of women and girls?

Harriett Baldwin: My right hon. Friend the Foreign Secretary champions this issue at every opportunity, including the opportunity that my hon. Friend mentioned. He will be aware that not only has my right hon. Friend shown tremendous leadership on this issue, but he has appointed a special envoy for gender equality and has really put this work at the heart of the diplomatic network.

Rachael Maskell (York Central) (Lab/Co-op): Khwendo Kor provides education at the north-west frontier province of Pakistan, an incredibly dangerous environment for women and girls. UK Friends of Khwendo Kor tries to bring people over to the UK to provide human rights support, but the Home Office often blocks them. What discussion has the Minister had with the Home Office to help this situation?

Harriett Baldwin: The hon. Lady is absolutely right to highlight the important work that a range of different organisations do, often in partnership with us. If she has specific examples on which she would like me to make representations to my right hon. Friend the Home Secretary, I would be delighted to receive her correspondence.

John Cryer (Leyton and Wanstead) (Lab): Further to the previous question, what discussions has the Minister had with the Government of Pakistan on the education of girls in that country? Can she tell the House what proportion of UK aid to Pakistan goes towards the education of women and young girls?

Harriett Baldwin: It is certainly very significant. Last month, I had the pleasure of meeting two very impressive education Ministers from different parts of Pakistan. As the hon. Gentleman will be aware, education is quite devolved across different parts of Pakistan. As for the specific statistics that he wishes me to provide, I will follow that up in a letter to him.

David Evennett (Bexleyheath and Crayford) (Con): I welcome the work that my hon. Friend and the Foreign and Commonwealth Office are doing in this field, but does she agree that in a place such as Africa, a huge amount more needs to be done?

Harriett Baldwin: My right hon. Friend is absolutely right. There is a huge amount to be done. Something like 136 million girls around the world are not in education. As my right hon. Friend the Foreign Secretary has said, this is truly the Swiss army knife of development, because it works in so many different ways. It helps to resolve issues of conflict and is also important to advance global prosperity.

Alison Thewliss (Glasgow Central) (SNP): CNN recently reported the story of 12-year-old Halima from Yemen, who wants to become a doctor, but whose father is being forced to make the choice to marry her off to make ends meet. He will receive £2,000 as a dowry for marrying off his daughter. What will the Minister do to prevent conflict in Yemen so that young women there can fulfil their potential?

Harriett Baldwin: The hon. Lady is absolutely right to highlight a particular example that illustrates the challenges faced by girls around the world. The UK Government have demonstrated significant leadership on this issue as a way of progressing peace and development around the world, and are urging all parties to the conflict in Yemen to make a political solution.

New Channel Link

3. **Patrick Grady** (Glasgow North) (SNP): Whether he has had discussions with his French counterpart on the construction of a new fixed link across the channel.
[903891]

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): At the conclusion of the highly successful Anglo-French summit, it was indeed agreed that a committee of wise people, or “comité des sages”, should be established to look at reviving the great tradition of UK-France collaboration in such matters as security, defence, space, genomics, infrastructure, and indeed, infrastructure projects, such as the idea of a new connection between our two countries—an idea, I can tell the House, that was warmly welcomed both by my counterpart, Mr Jean-Yves Le Drian, and by President Macron himself.

Patrick Grady: I note that the Foreign Secretary did not say whether he would be on this committee of wise people. He will be aware of the warning from Maritime UK and many others that the channel ports face gridlock if a transition arrangement for Brexit is not put in place urgently. What is the point of a 20-mile bridge if there is going to be a 20-mile queue waiting to get on to it?

Boris Johnson: I congratulate the hon. Gentleman on crowbarring Brexit into that question. Most people appreciate that the existing channel tunnel is likely, at the current rate, to be full within the next seven years, which is a very short time in the lifetime of a great infrastructure project. It is a curiosity that two of the most powerful economies in the world, separated by

barely 21 miles of water, are connected by only one railway line. I think that is a matter for legitimate reflection by our two countries on the way forward.

Richard Graham (Gloucester) (Con): With regard to links across the channel with France and many other European partners, yesterday the Exiting the European Union Committee heard evidence from Michel Barnier, Guy Verhofstadt and many others, and it is absolutely clear that the deep partnership we are seeking with the European Union will be a unique and specific agreement that will benefit those on both sides of the channel enormously. Does the Foreign Secretary agree that that should be the outcome of the talks that will be starting again soon?

Mr Speaker: Order. On the subject of crowbarring, or indeed shoehorning, I remind the Foreign Secretary—I am sure that he requires no reminding—that the question is not about Brexit; it is about a fixed link across the channel. That is the pertinent matter upon which he will focus.

Boris Johnson: If I may say so, I think that my hon. Friend has hit upon the notion of a metaphorical fixed link: a great, swollen, throbbing umbilicus of trade—I will not say which way it is going—with each side mutually nourishing the other. I very much approve of the note of optimism that he strikes.

Jo Swinson (East Dunbartonshire) (LD): I am generally in favour of building bridges rather than walls, but may I urge the Foreign Secretary, instead of indulging in fantasy engineering projects, to focus on the important work, which he just mentioned, of building metaphorical bridges with nations that share our values, such as France and other European neighbours, in order to prevent Brexit Britain from becoming isolated and increasingly reliant for trade and influence on regimes that have dubious human rights records?

Boris Johnson: The hon. Lady makes an important point, but she will recognise that we are beefing up our diplomatic representation in the EU and seizing the opportunity to build new links and revive old partnerships around the world. Nobody could have been more eloquent about our unconditional commitment to our friends and partners in the EU than the Prime Minister was in Munich last week.

James Duddridge (Rochford and Southend East) (Con): In 1971, when French and English counterparts starting talking about the channel tunnel, they were mocked. Can we have more vision and less mockery about ideas on how we can take forward our future relationships?

Boris Johnson: I remind those Opposition Members who have been jeering from a sedentary position about great infrastructure projects that it has invariably been Conservative Administrations who have come forward with these schemes. It was the Conservatives who revived the east end of London with the Canary Wharf project, and it was Margaret Thatcher who green-lighted the first channel tunnel.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): It is estimated that the Foreign Secretary's channel bridge could be built at a cost of £120 billion. He wants

to build bridges, but at the same time he is pushing for a hard Brexit, pushing us further away from the European Union. Does he think that that money could instead be better spent over the next six and a half years by giving the national health service £350 million a week? Which would he prefer?

Boris Johnson: The hon. Gentleman is possibly too young to remember, but when the first channel tunnel was commissioned it was the vision of the then Prime Minister, Margaret Thatcher, that it should be entirely privately financed, and there is no reason why we should not have the same ambition this time. As for his point about the Brexit dividend, as the Prime Minister has herself said, there will unquestionably be substantial sums of money available for spending in this country on the priorities of the British people, including the NHS. If Labour Members are opposed to that, let them stand up and say so now.

Stephen Gethins (North East Fife) (SNP): Can the Foreign Secretary tell us about any economic analysis that he has had done on the infrastructure that he is talking about, and tell us where it sits in relation to the Government's new Mad Max dystopian barometer?

Boris Johnson: I hope that the hon. Gentleman will forgive me if I defer the economic analysis to the comité—the committee of wise people. However, the first channel tunnel will be full within the next few years, by the middle of the next decade. I think it incumbent on us to be responsible enough to reflect on the future development of our economies, and I look forward to the committee's findings.

Stephen Gethins: Does the Foreign Secretary agree with me about the importance of evidence from impartial civil servants? Does he agree with me that evidence in terms of our relationship with France and the rest of Europe is important, and, in that context, does he agree with the former First Secretary of State, the right hon. Member for Ashford (Damian Green), about the “problem of politicians who won't accept evidence”?

Boris Johnson: I assure the hon. Gentleman that I have nothing but admiration for the hard work and dedication of the Whitehall civil servants who are preparing the Brexit negotiations. Believe me, they are doing a superb job.

Illegal Wildlife Trade

4. **Mr Alister Jack** (Dumfries and Galloway) (Con): What steps his Department is taking to tackle the illegal wildlife trade. [903892]

13. **Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): What steps his Department is taking to tackle the illegal wildlife trade. [903901]

The Secretary of State for Commonwealth and Foreign Affairs (Boris Johnson): The United Kingdom will host an ambitious, high-level illegal wildlife trade conference in London in October this year. I believe that the ambition to crack down on the illegal wildlife trade is shared by the entire British people.

Mr Jack: At that conference, will my right hon. Friend ensure that the United Kingdom remains at the forefront of efforts to stamp out the illegal trade in ivory?

Boris Johnson: As my hon. Friend will know, we are nearing the conclusion of a consultation about a total ban on ivory, which I think many people in the House and in the country would agree is devoutly to be wished for. We will see where we get to, but I think my hon. Friend can count on us once again to be in the lead, and I believe that the October summit will produce some very substantive conclusions on saving elephants.

Mrs Trevelyan: During his recent trip to south-east Asia, what discussions did my right hon. Friend have with palm oil-producing countries about the illegal wildlife trade and deforestation?

Boris Johnson: I am acutely aware of the problems caused by palm oil cultivation. We are in urgent dialogue with our partners to discourage them from deforestation and the consequent loss of species.

Catherine West (Hornsey and Wood Green) (Lab): China has come a long way in the ivory trade discussions, but what discussions is the team having with Vietnam and some of the other countries in the Association of Southeast Asian Nations?

Boris Johnson: Only the other day, I had discussions with Thailand. We absolutely appreciate the importance of not simply diverting the flow of ivory from China to other countries in south-east Asia.

Mr Gregory Campbell (East Londonderry) (DUP): Will the Foreign Secretary assure the House, and the people of the United Kingdom, that an international approach is being taken to ensure that nations across the developed globe take a similar position, so that we can ostracise and alienate those who are engaged in this sort of trade?

Boris Johnson: The hon. Gentleman is absolutely right. That is why we are hosting a global summit, and the participation rates are already very high indeed.

Iraqi Elections

5. **Jack Lopresti** (Filton and Bradley Stoke) (Con): Whether the Government plan to send observers to the elections in Iraq scheduled for May 2018. [R] [903893]

11. **Robert Halfon** (Harlow) (Con): What steps the Government are taking to encourage dialogue between the Kurdistan Regional Government and the Government of Iraq. [903899]

The Minister for the Middle East (Alistair Burt): I was able to meet with both Prime Minister Abadi and Kurdish Prime Minister Nechirvan Barzani in Munich at the weekend, when on behalf of the UK I encouraged the continuing dialogue recently begun between them individually, which is essential to the long-term stability of Iraq. We have no current plans for observers from the UK to attend May's elections, but we are working with others to ensure efficient and effective monitoring.

Jack Lopresti: Will British diplomats study the Federal Government's progress in implementing the Iraqi constitution, especially in disputed areas like Kirkuk, where there have been reports of murder, looting and expropriation, and where the autonomy promised under the Iraqi constitution is under threat?

Alistair Burt: There is no doubt that both sides see the opportunity under the constitution to ensure that the relationships between them are strong and good. There has been a great deal of conciliation in an area that could be one of much greater conflict, and the UK is encouraging that dialogue to minimise the risk of the issues that my hon. Friend raises.

Robert Halfon: Will my right hon. Friend accept the Foreign Affairs Committee's observation that many Kurds feel imprisoned in a country they see as not implementing the commitment to equality for them? Does he also agree that the five month-long blockade of international flights to and from Kurdistan has been a needless outrage, separating families, obstructing medical treatment and impairing the economy, and will he encourage Baghdad to lift the blockade?

Alistair Burt: The issue of the airport is foremost in the discussions between the respective Prime Ministers, and there is a recognition that if the arrangements for the airport could be changed, that would make a difference. It is essential for the future of a Kurdish region in Iraq that it is stable and secure and that rights are honoured on both sides, and that the constitution is seen to be effective.

Ann Clwyd (Cynon Valley) (Lab): I have just returned from Iraq, and I monitored the first ever elections in Iraq. Elections are important, and the Iraqis in particular would like more technical assistance and advice. They are doing a good job there at the moment, but they need more UK help to bring about reconciliation and progress between the various factions.

Alistair Burt: I thank the right hon. Lady for her steadfast support of Iraq over many years. Indeed, she and colleagues from the Inter-Parliamentary Union were over there to talk to those in the Iraqi Parliament about governance issues, and the contribution she has made over many years is immensely valuable. Of course, technical assistance from the UK to assist in this process is part of the support we provide, and I will certainly be looking into what more we can do in relation to the elections.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I know the Minister to be a fair-minded man, so when any of these negotiations are taking place, will he balance loyalty as allies of the Kurdish people over many long years with the track record of President Erdoğan?

Alistair Burt: My right hon. Friend the Minister for Europe and the Americas referred to the Turkish issue earlier. Certainly there is concern about what is happening on the border and a recognition that the needs of the Kurdish peoples, who are represented by a number of different parties, should be recognised. The UK is always conscious of the relationship we have with those peoples, and with the people of Iraq.

Tom Tugendhat (Tonbridge and Malling) (Con): My right hon. Friend is a noted expert on the region, and it is a pleasure to see him representing Her Majesty's Government in the middle east, but can he bring a little clarity, which the FAC asked for, on the difference between the YPG and the PKK? We received evidence after evidence that there is indeed no real difference, yet Her Majesty's Government are supporting a group that appears, at least slightly, to be linked to a group that, as my right hon. Friend's colleague the Minister for Europe and the Americas said just now, is a proscribed organisation.

Alistair Burt: I thank my hon. Friend not only for his question but for his leadership of the FAC, and we will study its report carefully. It asked for clarity in some situations in which it is genuinely difficult to provide clarity. There will be a full written response from the Foreign Office in due course, but we do designate the PKK as a proscribed organisation; that is the situation at present.

Syria: Chemical Weapons

6. John Woodcock (Barrow and Furness) (Lab/Co-op): What evidence his Department has received on the recent use of chemical weapons in Syria. [903894]

The Minister for the Middle East (Alistair Burt): We are deeply concerned by recent reports of chemical weapons use in Syria. UK officials are in contact with the Organisation for the Prohibition of Chemical Weapons, which is investigating. We condemn all use of chemical weapons and are working with international partners to identify and hold to account those responsible.

John Woodcock: I thank the Minister for that answer. Anyone who seeks to draw a false equivalence in relation to Syria's grotesque gassing of its own citizens risks aiding and abetting that gruesome activity. The Government's concern is not enough, and words are not enough. What is the UK actually going to do to take action to stop this activity? This was supposed to be a red line for the international community, but it has been walked over time and again.

Alistair Burt: The hon. Gentleman is right to express concern and anger not only about the use of chemical weapons but about their increasing use. We think that they have been used on perhaps four occasions since the turn of this year. If the use of chemical weapons once again becomes the norm in war, that will go against a century of a united response against them by the world. I took part in the recent conference in Paris led by the French Foreign Minister and the United States Secretary of State to counter activities in the UN, where the joint investigative mechanism has been vetoed on three occasions, by trying to create some other mechanism. We will continue to work through the UN to ensure that the international convention on chemical weapons once again becomes properly effective.

Alison McGovern (Wirral South) (Lab): I thank the Minister for his responses on this subject, but 2018 has proved to be an absolutely brutal year so far for Syrian civilians. What can we do? We can put in place monitoring in that country. Will the Minister tell us a little more

about what UK Government resources are available for monitoring and collecting evidence of these terrible crimes?

Alistair Burt: Since the beginning of the conflict in Syria, the UK has been working to equip civilians on the ground with the tools they need to collect evidence that can be used to ensure accountability and justice. We have been doing that work for some years, and we will continue to do it. The hon. Lady has called attention to the increased use of chemical weapons in the past few weeks, which is an outrage. The world community is entitled to be outraged by it, and we must ensure that, through the UN, we do something effective to bring the perpetrators to justice.

Middle East

7. **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): What recent discussions he has had with the Secretary of State for International Development on supporting the creation of an international fund for Israeli-Palestinian peace. [903895]

17. **Alex Cunningham** (Stockton North) (Lab): What recent discussions he has had with the Secretary of State for International Development on the political obstacles to the provision of healthcare to Palestinians in the west bank and Gaza. [903905]

The Minister for the Middle East (Alistair Burt): The United Kingdom supports the concept of an international fund for Israeli-Palestinian peace. The Department for International Development's people-to-people programme has similar aims, and brings together individuals from both sides to build support for a durable solution. We also remain concerned about the provision of healthcare in Gaza, and we are urging all the parties to take the necessary steps to improve conditions there.

Luciana Berger: I think the Minister for his response. With the UK's increased commitment to funding coexistence projects in Israel-Palestine, which many on both sides of the House have long supported, we have an opportunity to lead the way on the global stage. Will he therefore pledge the UK's diplomatic support to help to create that international fund, to ensure that our funding is matched by others as part of a sustainable international initiative to build the peace in the middle east that we all long for?

Alistair Burt: Many of us have worried over the years that one of the worst aspects of the conflict has been the separation of peoples. To that extent, we are following the concept of the development of this fund very carefully, and I will continue to take a strong personal interest in it. The sentiment behind it is exactly why we have the £3 million programme, but we will be watching the development of the international fund and giving it support where we can.

Alex Cunningham: A couple of weeks ago, I was humbled to meet a group of young Palestinians and listen to their personal stories about the restrictions on healthcare. A report from the World Health Organisation states that 54 patients died in 2017 while awaiting exit permits to get medical treatment outside Gaza. Will the

Minister press Israel to remove the restrictions on patients, to prevent more Palestinians from dying while waiting for medical treatment?

Alistair Burt: The circumstances in Gaza remain dire in many ways. The free movement of patients and medical personnel is vital to the effectiveness of care. We regularly raise concerns about ambulance and permit delays with the Israeli authorities, and we will continue to do so.

Bob Blackman (Harrow East) (Con): Since September 2015, some 58 Israelis and four foreign nationals have been murdered by Palestinian terrorists in more than 400 separate stabbing, shooting and car ramming incidents. The terrorists have been rewarded with honorary titles, monthly salaries and other opportunities. Will my right hon. Friend make it clear to the Palestinian Authority that, until such time as glorification of terrorism ends, there can be no peace in the middle east?

Alistair Burt: As my hon. Friend is aware, we continue to condemn incitement and violent activities in the region at all times. The attacks that he mentions are absolutely not conducive to peace and should not be celebrated. However, the context of the situation means that we must continue to work for an end to the conflict between Israel and the Palestinians, because only when that happens will the seeds of conflict be taken away. In the meantime, we unreservedly condemn all terrorist and violent attacks.

Liz McInnes (Heywood and Middleton) (Lab): After the US halved its funding for the United Nations Relief and Works Agency last month, President Trump explained the decision by saying that the Palestinians

"disrespected us...by not allowing our great vice president to see them...that money is not going to them unless they sit down and negotiate peace."

May I ask the Minister to state, on behalf of this House, that extorting the Palestinian Authority to bend the knee to Mike Pence by removing essential healthcare and education from impoverished Palestinian families is nothing short of a disgrace?

Alistair Burt: The actions of the United States Government in this case have nothing to do with us. Our view on UNRWA remains absolutely clear. I met the director of UNRWA just this morning at the Department for International Development. We will continue to support it and to fund it. To leave refugees in Lebanon and Jordan without support would be a disaster. UNRWA needs to continue to get support, and it will do so from the United Kingdom.

Institute for Free Trade: Launch Cost

8. **Chris Bryant** (Rhondda) (Lab): What the cost to the public purse was of the launch of the Institute for Free Trade held on his Department's premises. [903896]

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): There was no cost to the public purse.

Chris Bryant: Oh, come off it! Come off it! The right hon. Gentleman must think that we were all born yesterday. The truth is that this was a private party,

which was going on on Government premises, sanctioned by the Foreign Secretary. He has been trying to dress up a tinpot bunch of ideological crackpots as an institute, quite against the law, and he has broken the ministerial code. He has been caught in flagrante delicto, hasn't he?

Boris Johnson: I am under the unhappy duty of contradicting the hon. Gentleman. He is talking the most perfect tripe. The event that took place was completely non-partisan. Members of all parties were present. *[Interruption.]* Including the Labour party. EU and non-EU ambassadors were represented. It was fully in line with Foreign and Commonwealth Office rules on hosting such events, and I have here a letter from the Cabinet Secretary to confirm that, which I am happy to pass to the hon. Gentleman. I am afraid to say that the Cabinet Secretary has been pestered with complaints from the Labour party about this absolutely blameless event, which was there to support and encourage free trade, which is a major objective of Government policy and should be an objective of the hon. Gentleman—or is it not?

Jeremy Lefroy (Stafford) (Con): Was the excellent continental free trade area agreement of the African Union, which would bring great prosperity, discussed? If it was not discussed then, could it be discussed at the next meeting? I would be very happy to pay for it.

Mr Speaker: I don't think it was a meeting, I think it was a booze-up.

Boris Johnson: I hesitate for an age before correcting you, Mr Speaker, but it was a serious discussion of the advancement of free trade. The subject of free trade in the African Union, which my hon. Friend raises, is a very good one. The only advice I would give to the African Union is not to acquire a parliament, a court or a single currency.

Mr Speaker: I readily defer to the Foreign Secretary's knowledge of this important event.

Chris Bryant: He was there for a long time.

Mr Speaker: I do not know how long he was there, and I cannot say that I greatly care. We have had the answers.

Global Ocean Conservation

10. **Mary Robinson** (Cheadle) (Con): What steps his Department is taking to support global ocean conservation. [903898]

The Minister for Europe and the Americas (Sir Alan Duncan): At the previous Foreign Office questions in January, I explained that the UK is leading by example on ocean conservation. The Government are on track to meet their manifesto blue belt pledge, which will deliver marine protection across nearly 4 million sq km of the waters around our overseas territories by 2020. Through the Commonwealth marine economies programme, we are working to enable small island Commonwealth states to conserve and use their maritime space sustainably.

Mary Robinson: In common with my constituents, I welcome the microbeads ban and other measures taken by the Government to protect the marine environment, but we need a global approach. What diplomatic steps is my right hon. Friend taking to engage with the United Nations and other countries to push the blue belt charter up the global agenda?

Sir Alan Duncan: I am grateful to my hon. Friend for recognising the steps that we have taken, such as on microbeads. As for her main point, we are closely involved in negotiations to develop a UN treaty on marine biological diversity in areas beyond national jurisdictions. As chair of the Commonwealth for the next two years, we will work with member states to create a Commonwealth blue charter. In the G7, we are working closely with Canada during its presidency to deliver our shared ambition to tackle the threats facing our oceans.

British Council

12. **Mr John Baron** (Basildon and Billericay) (Con): What recent assessment he has made of the adequacy of the level of funding for the British Council. [903900]

The Minister for Asia and the Pacific (Mark Field): I welcome the significant contribution made by the British Council to projecting British values overseas, which I regularly witness on my visits to Asia and the Pacific. My officials and I are in regular dialogue with the British Council across the globe to discuss the scope of its important work. We will continue to work with it to ensure compliance with our manifesto commitment to "place... the British Council on a secure footing".

Mr Baron: I thank the Minister for that response. Given the importance of the British Council to our soft power, what are the implications of possible cuts to non-overseas development aid funding for the council's work? How might they affect the Government's plans for a global Britain?

Mark Field: The council has agreed to reduce its non-ODA grant from the Foreign Office to zero by the end of the spending review period in exchange for additional official development assistance funding. As part of our vision for a global Britain, we want a properly funded and effective council that projects British values right across the world. The council will continue to deliver activity in non-ODA countries through the income generated from other sources, such as its commercial income.

Leaving the EU: Diplomatic Co-operation

14. **Matt Rodda** (Reading East) (Lab): What assessment he has made of the strength of the UK's future diplomatic co-operation with its current EU partners after leaving the EU. [903902]

22. **Bambos Charalambous** (Enfield, Southgate) (Lab): What assessment he has made of the strength of the UK's future diplomatic co-operation with its current EU partners after leaving the EU. [903910]

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): We are seeking a deep and special partnership with the EU post Brexit. Our existing relationship provides a strong foundation for vital continued co-operation on global challenges. We are working to strengthen, reinvigorate and reshape our bilateral relationships with our European partners, focusing on shared values and interests.

Matt Rodda: The Foreign Secretary's 5,000-word speech on Brexit last week was described by one of his ministerial colleagues as follows:

"He is completely in denial about the complexity of the exit and the negative economic...consequences."

Will the Foreign Secretary clear something up? Is he in denial or is he just wrong?

Boris Johnson: If I may, I will respectfully resist the alternatives that the hon. Gentleman lays before me. Last week, I was trying to make the point that we now have a massive opportunity to come together—people who voted remain and people who voted leave—to get a positive arrangement and a positive Brexit that will be of massive benefit to people both in this country and in the whole of the European continent. If we are ambitious and positive, I have absolutely no doubt that we can pull it off.

Bambos Charalambous: The Foreign Secretary claimed last week that it would be "intolerable" for the UK not to set its own regulations after Brexit. The next day, a Harvard survey of UK importers and exporters found that the last thing that they want is the dual regulatory burden of having to comply with both UK and EU rules. Will the Foreign Secretary tell us who is right?

Boris Johnson: I think that the Harvard survey is right: nobody wants two sets of regulations to be imposed on the UK economy. That is why the Prime Minister was completely right—wasn't she?—at Lancaster House and, indeed, in Florence and in sundry other places when she said that Brexit means taking back control of our money, our borders and, above all, our laws. That is what we are going to do.

Michael Fabricant (Lichfield) (Con): Will my right hon. Friend take the opportunity to praise the work of Her Majesty's diplomatic service? Is he content that our embassies in the 27 remaining EU countries are sufficiently resourced to represent the United Kingdom effectively after Brexit?

Boris Johnson: I am so glad that my hon. Friend asked that question because we are not only upgrading seven ambassadorial posts in the 27 other EU countries, but increasing our staffing across the network in the EU by 50.

Chris Bryant: No you're not.

Boris Johnson: Yes we are. Again, I am getting some negativity from a sedentary position on the Opposition Benches. In addition to beefing up our relations with our EU friends and partners, we will open 15 embassies in Africa.

Emily Thornberry (Islington South and Finsbury) (Lab): It has been pointed out that the Foreign Secretary's Brexit speech last week was 5,000 words long, but it did not once include the words "Northern" or "Ireland". That is perhaps the biggest problem that the Government need to tackle, yet the Foreign Secretary did not even mention it. Will he belatedly take the opportunity to explain in simple terms how it is possible for the UK to diverge from the EU in regulations, tariffs and other aspects of trade while retaining the current arrangements on the Irish land border? Will he enlighten us? What is the plan?

Boris Johnson: As the right hon. Lady knows very well, there is no reason whatsoever why we should not be able to exit the customs union and the single market while maintaining frictionless trade not only north-south in Northern Ireland, but with the rest of continental Europe. That is exactly what the Government will spell out in the course of the coming negotiations.

International Peacekeeping

15. **Jess Phillips (Birmingham, Yardley) (Lab):** What steps he is taking to support international peacekeeping efforts. [903903]

The Minister for Africa (Harriett Baldwin): The UK champions peacekeeping financially, politically and militarily. Since 2015, we have more than doubled our commitment to UN peacekeeping, with British forces deploying to South Sudan and Somalia. There are now more than 700 UK personnel deployed on eight UN peacekeeping missions in seven countries.

Jess Phillips: In the light of ongoing reports of sexual abuse by UN peacekeepers, does the Minister agree that increasing the number of women peacekeepers is a vital part of addressing the crisis in the long term? Will she also tell us the proportion of peacekeepers from the UK who are women and what plans she has to increase their representation on UN deployments?

Harriett Baldwin: I appreciate the hon. Lady's leadership on the issue and her work on all aspects of it. I think that she will admire the leadership role that the UK has played not only in putting the subject on the UN's agenda last year, but with our Prime Minister's appointment to the Secretary-General's Circle of Leadership. I assure her that we will continue to champion that agenda at every opportunity.

On the topic that the hon. Lady raised about women from our armed forces, she will know about the impressive agenda that includes the Armed Forces (Flexible Working) Act 2018, and that we are aiming to increase the proportion of women from 11% to 15%.

Topical Questions

T3. [903932] **Henry Smith (Crawley) (Con):** If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): My immediate priority is to take forward Britain's response to the humanitarian crisis in Burma and in Bangladesh. I was deeply moved by the plight of Rohingya refugees whom I met in Cox's

Bazar earlier this month. I went to Burma with the express purpose of raising the tragedy with State Counsellor Aung San Suu Kyi. The UK's goal is to help to create the conditions for the safe, voluntary and dignified return of the refugees to their homes.

The House will join me in welcoming the Gambia back to the Commonwealth, providing an excellent prelude to the Commonwealth summit in London in April.

Henry Smith: Will my right hon. Friend say what discussions he has had with the Government in Wellington about UK-New Zealand trade and co-operation on Brexit?

The Minister for Asia and the Pacific (Mark Field): I have just returned from a sun-kissed New Zealand, where I had fruitful discussions—[*Interruption.*—]indoors in the main, with a range of political figures, including my counterparts the Associate Foreign Minister and the Trade Minister, and with the Foreign Affairs, Defence and Trade Committee. New Zealand is a valued Five Eyes security partner and a priority for a deeper security and trade agreement once we leave the EU. We have the broadest and deepest friendship with New Zealand.

Helen Goodman (Bishop Auckland) (Lab): The UK is joint guarantor of rights and freedoms in Hong Kong, yet we have seen booksellers abducted, elected legislators barred and student demonstrators imprisoned, and in Guangdong, in December, 10 people were tried in a sports stadium before being executed. Why did the Prime Minister not raise the issue of human rights in public in Beijing? Was it because she does not care or because she is so desperate to get a trade deal?

Mark Field: I reassure the shadow Minister that the Prime Minister did raise these issues, but we do this not through megaphone diplomacy but in private meetings; we relentlessly raise human rights issues, not least in respect of Hong Kong. As the hon. Lady rightly says, it is vital that Hong Kong's rights and freedoms are respected. Our most recent six-monthly report states that one country, two systems must continue to function well, and we remain concerned by, for example, the rejection of Agnes Chow's most recent nomination for March's Legislative Council election.

T4. [903933] **Fiona Bruce (Congleton) (Con):** What steps has the Department taken to highlight concerns about North Koreans sent to other countries to work, in effect, as slave labourers—and with what result?

Mark Field: We have fully supported the United Nations resolutions that have imposed increasing sanctions upon the use of overseas labour from the Democratic People's Republic of Korea. Many such workers operate in slavery-like conditions while the DPRK regime takes a large slice of their wages. The latest of those was UN Security Council resolution 2397, which was adopted as recently as 22 December last year.

T6. [903935] **Stephen Timms (East Ham) (Lab):** The Foreign Secretary mentioned his visit to Bangladesh and Burma, and his meetings with the Rohingya. We hold the pen at the UN on this issue. Will the British

Government bring forward a resolution referring Myanmar to the International Criminal Court, given what happened?

Boris Johnson: I appreciate the right hon. Gentleman's interest in this subject. As he knows, the difficulty is that in the UN Security Council there will be those who would not support such a resolution at present. The crucial thing is that everybody in the region and around the world makes it clear to the Government in Naypyidaw and to Daw Suu that the only way forward now for Burma is to create the conditions for a safe, dignified and voluntary return—and that must mean an independent UN-led agency to oversee the repatriation; otherwise those people are going to be too frightened to return. That is the priority on which we should focus.

T5. [903934] **Jeremy Lefroy (Stafford) (Con):** The people of the Democratic Republic of the Congo have suffered for far too long. At least 6 million people have died in the past 20 years—it is probably more—and 4 million were internally displaced last year, which is more than the figure for any other country in the world. Will the Minister say what the British Government are doing to ensure that we do all we can to see the suffering brought to an end?

The Minister for Africa (Harriett Baldwin): My hon. Friend is absolutely right to highlight this disastrous situation and the importance of the UK's role. He will be aware that the DRC is an extremely dangerous place even for the UN peacekeepers; some were killed last year. The UK Government are calling on President Kabila to respect the constitution, to fulfil the commitments made in the Saint-Sylvestre accord and to continue with the implementation path to elections this year.

T7. [903937] **Mrs Emma Lewell-Buck (South Shields) (Lab):** Since the Saudi-led coalition began airstrikes, more than 10,000 civilians have been killed in Yemen. Norway and Germany recently suspended their arms sales to Saudi Arabia. What will it take for the UK Government to do the same?

The Minister for the Middle East (Alistair Burt): We have one of the strictest arms control regimes in the world, governed both by this House and by the law, and we will continue to abide by that. In the meantime, we are doing everything we can to encourage a diplomatic solution to end the conflict in Yemen. That is the only thing that will bring the suffering of the people of Yemen to an end.

T9. [903939] **Rachel Maclean (Redditch) (Con):** In the light of the recent Vote 100 celebrations in this House and the launch of our Equalitea party in Redditch, supported by women and girls of all ages, will my right hon. Friend assure me that his international agendas are also supporting women and girls?

Boris Johnson: We are totally aligned with what is taking place in Redditch in the sense that, as my hon. Friend the Minister for Africa said earlier, our ambition for there to be 12 years of quality education for every girl in the world, which I believe is the universal spanner that will help to unlock so many other global problems, is at the heart of our Commonwealth summit—

Helen Goodman: The universal what?

Boris Johnson: The universal spanner—a device that will solve almost any problem. I truly believe that female education is at the heart of solving so many other global problems, which is why we are putting it at the very centre of the Commonwealth summit in April and the upcoming G7 summit. Across our network, female education is at the heart of everything that we do.

Mr Speaker: Order. There is a lot of chortling going on in the Chamber, but we have had an update on the spanner situation, for which we are indebted to the Foreign Secretary.

Jim Shannon (Strangford) (DUP): What steps is the Department taking to provide training on freedom of religion or belief for its officials?

Mark Field: I thank the hon. Gentleman for his question; I am well aware that this issue is close to his heart. He will be aware that Lord Ahmad and I regularly liaise on the issue with our embassies and high commissions. I wrote a joint letter to those on my patch, in Asia and the Pacific, and I have received replies from Bangladesh, Burma, China, India, Indonesia, Malaysia, Nepal, Pakistan and Sri Lanka. I am encouraged that the network takes the issue as seriously as the hon. Gentleman does.

Julia Lopez (Hornchurch and Upminster) (Con): If Britain is to assume a more ambitious global trading role as we leave the EU, we shall surely need to expand the depth and reach of our network of high commissions and embassies in regions such as North America. What assurances can my right hon. Friend offer the House that critical diplomatic missions in countries such as Canada are being expanded, not cut back?

Boris Johnson: I am delighted to tell my hon. Friend that to the best of my knowledge we have, just in the past 18 months, opened three new trade missions in North America. I cannot comment about Canada specifically, but we are certainly beefing up our presence in the United States in advance of doing a great free trade deal.

Rushanara Ali (Bethnal Green and Bow) (Lab): The United Nations High Commissioner for Human Rights described what is happening to the Rohingya people as a military campaign in which

“you cannot rule out the possibility that acts of genocide have been committed”.

Having met the victims in Bangladesh and Myanmar, the Foreign Secretary said earlier to my right hon. Friend the Member for East Ham (Stephen Timms) that a Security Council referral is too difficult. Will he show some leadership and work with our EU partners next week at the Foreign Affairs Council to build support for a referral? The act of a referral will make a difference.

Boris Johnson: As I am sure the hon. Lady knows, Myanmar is not signed up to the International Criminal Court, but there must be no doubt about the gravity of what has taken place. Anybody who flies over northern Rakhine, as I did last week, will see literally hundreds of villages that have been burned or destroyed.

Some 680,000 people have been displaced. This has been ethnic cleansing on an industrial scale and it may also have been genocide. It is vital that the evidence is acquired to determine whether any future prosecution can be mounted.

Sir Hugo Swire (East Devon) (Con): The recent extension of the state of emergency and the arrest of former President Gayoom and two Supreme Court judges has shown President Yameen tightening his grip in the Maldives and the further extinguishing of the democratic institutions there. Given the fact that at any one time there are literally thousands of British holidaymakers on those islands, and that until recently the Maldives was a welcome member of the Commonwealth family, will the Secretary of State agree to head up a mission there, or encourage the UN to establish one? The situation has the potential to bring China and India into an unwelcome regional conflict.

Mark Field: Like my right hon. Friend I am deeply troubled by the declaration of a state of emergency in the Maldives on 5 February and the accompanying suspension of fundamental rights. Last November in London, I met former President Nasheed, whose own time in office was turbulent, and we discussed the deteriorating situation. We will very much take on board my right hon. Friend's suggestions.

Chris Stephens (Glasgow South West) (SNP): Is the Secretary of State concerned about weekend reports by human rights observers that the civilians of Afrin have been subjected to chemical gas attacks by Turkish forces? Should we expect that conduct from a so-called NATO ally?

Alistair Burt: As I mentioned earlier, any suggestion of the use of chemical weapons must be independently verified. The degree to which they have become more used in the Syrian conflict by a number of different sources, not least the regime, is a matter of great concern, but any suggestion must be properly identified and verified.

Anna Soubry (Broxtowe) (Con): The Good Friday agreement has brought about peace for almost 20 years in Northern Ireland. Will the Foreign Secretary give an unequivocal assurance that Her Majesty's Government will not do anything that undermines the agreement, including pursuing any policy that undermines the principles that led to its creation?

Boris Johnson: Yes.

Clive Efford (Eltham) (Lab): Has the Secretary of State had the chance to speak to the Sri Lankan ambassador regarding his defence attaché Brigadier Priyanka Fernando and his behaviour on 4 February, when he made throat-slitting gestures to Tamil protesters? If somebody else incited hatred in that way on our streets, they would be interviewed by the police. Will the Minister make arrangements for Brigadier Priyanka Fernando to be interviewed by the police about that crime?

Mark Field: I reassure the hon. Gentleman that the UK takes this incident very seriously. When I spoke recently to Foreign Minister Marapana, he left me in no doubt that the Sri Lankan Government were treating it with the seriousness that it deserves. They have informed

the UK Government that they have ordered the defence attaché to return to Colombo from London with immediate effect for consultations while the incident is thoroughly investigated. I hope that the UK and Sri Lanka bilateral relationship will remain strong and co-operative.

Zac Goldsmith (Richmond Park) (Con): I know the Foreign Secretary shares my view that our leadership in marine conservation, particularly in respect of the blue belt, is a source of national pride, but may I urge him please to use the Commonwealth Heads of Government meeting in April to press our Commonwealth allies, more than half of which are island states, to make that a high priority in the discussions ahead?

Boris Johnson: I congratulate my hon. Friend on the pioneering role he has played in championing the blue belt initiative, which has consecrated millions of square miles of ocean, protecting habitats and species around the world. As he knows, the UK Government have put a further £20 million into that scheme. As he rightly foreshadows, it is our ambition at the Commonwealth summit to go further.

Peter Grant (Glenrothes) (SNP): The Foreign Secretary will be aware of the plight of my constituents Mr and Mrs Westwood, who were first of all defrauded of their entire possessions in Zimbabwe and then forced to flee for their lives by armed gangs with very close links with the Mugabe regime. Will he explain why the Westwoods recently received a letter that appeared to indicate that the Foreign and Commonwealth Office was no longer willing to give them any assistance? Will he agree to meet me and the Westwoods to give them his personal assurance that the FCO will not abandon them?

Harriett Baldwin: I am happy to give the hon. Gentleman that assurance.

Sir Patrick McLoughlin (Derbyshire Dales) (Con): May I ask my right hon. Friend what his view is of the position with the Ecuadorian embassy in London? The situation has been going on since 19 June 2012. In the first three years, it was estimated to have cost the Metropolitan police an extra £11 million. When are we going to take action?

The Minister for Europe and the Americas (Sir Alan Duncan): Julian Assange breached his bail conditions in 2012. In upholding the arrest warrant of 13 February, Judge Arbuthnot said:

“He appears to consider himself above the normal rules of law and wants justice only if it goes in his favour.”

In our view, Assange is not a victim of arbitrary detention. He is avoiding lawful arrest. He should step outside the door and face justice. That would bring an end to the matter.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Almost two years ago, my constituent Adrian St John was murdered in Trinidad. Since then, his mother Sharon and I have been working with Ministers and officials in both countries to secure justice, but progress has been grindingly slow. The case in Trinidad has been adjourned 27 times. Will the Government ensure that Adrian's murder is on the agenda when the Prime Minister of Trinidad and Tobago visits London in April, and will Ministers allow time during Mr Rowley's official visit to meet Sharon and me to help her to secure justice?

Sir Alan Duncan: I commend the hon. Gentleman for the manner in which he is defending the interests of his constituent. I am acutely aware of this case. Adrian was murdered in Trinidad. We cannot interfere in the judicial process, but we are extending every possible support. I advise the House that we understand that a preliminary trial to determine whether there is sufficient evidence to charge the accused with murder will be held on 8 March. I hope that this will mark some progress towards what the hon. Gentleman is seeking.

Royston Smith (Southampton, Itchen) (Con): Millions of people are celebrating the seventh anniversary of the start of the Libyan uprising and the ousting of Colonel Gaddafi. Fayeze al-Sarraj has been the Prime Minister of Libya for nearly two years and progress has been painfully slow. Will the Secretary of State update the House on what his Department is doing to help the Government of National Accord to bring about a prosperous and—more importantly—peaceful Libya?

Boris Johnson: I am grateful to my hon. Friend for his interest in a country that is still bedevilled by factional feuding between a very small number of men—a maximum of about half a dozen—who have it in their power to come together and build a better future for Libya. We are trying to back the efforts of UN Special Representative Ghassan Salamé to bring the eastern and western parts of Libya together, with a plan for the whole country—a new constitution, to be followed by elections. That is what we are working for.

Andy Slaughter (Hammersmith) (Lab): May I ask the Minister for the Middle East what representations have been made in the case of Nabeel Rajab, the president of the Bahrain Centre for Human Rights, who is facing another long prison sentence tomorrow, simply for taking to social media to criticise torture in Bahrain's prisons and the Saudi-led war in Yemen?

Alistair Burt: There are a small number of those who have been arrested and have had lengthy trials in Bahrain. The United Kingdom has made representations in a number of these cases, including those mentioned by the hon. Gentleman, and we continue to monitor the trials and processes very carefully.

Rebecca Pow (Taunton Deane) (Con): Estimates suggest that 12 million tonnes of plastic go into our oceans every year, causing immense damage to our ecosystems. Does the Secretary of State agree that we need not only to get involved on the global stage to influence the cleaning up of our oceans, but to lead by example in the UK, not least—it might only be a small thing—by giving up plastic for Lent as far as we can, as many hon. Members are doing?

Boris Johnson: My hon. Friend speaks for millions of people in the country who feel ashamed to see the state of our oceans and wish that they could be cleared up. This country is taking a lead. Cracking down on plastic waste will certainly be at the heart of the Commonwealth summit. I have to admit that I do not know how easily I could give up plastic for Lent. I have a plastic biro in my right hand; I propose to take it out and dispose of it in a suitable manner. My hon. Friend is entirely right.

Medical Cannabis

3.37 pm

Crispin Blunt (Reigate) (Con) (*Urgent Question*): To ask the Home Secretary if she will make a statement on the case of Alfie Dingley, whose parents and doctors are seeking access to medical cannabis to treat his epilepsy.

The Minister for Policing and the Fire Service (Mr Nick Hurd): I, personally, and the Government sympathise deeply with the situation faced by Alfie Dingley and his family. I think that everyone on both sides of the House and outside it will understand and respect the desire of the family to try to alleviate his suffering in any way possible. I assure my hon. Friend that we want to help to find a solution within the existing regulations.

As my hon. Friend will know, the current situation is that cannabis, in its raw form, is not recognised in the UK as having any medicinal benefits. It is therefore listed as a schedule 1 drug under the Misuse of Drugs Regulations 2001. This means that it is unlawful to produce, supply or possess raw cannabis unless it is for the purposes of research. Products must be thoroughly tested in the UK to provide the necessary assurances of their efficacy, quality and safety.

We have a clear regime in place that is administered by the Medicines and Healthcare Products Regulatory Agency to enable medicines, including those containing controlled drugs such as cannabis, to be developed, licensed and made available for medicinal use to patients in the UK, as happened in the case of Sativex, as my hon. Friend knows. The Home Office will consider issuing a licence to enable trials of any new medicine under schedule 1 to the Misuse of Drugs Regulations 2001, providing that it complies with appropriate ethical approvals. Cannabis-based products should be treated in the same way as all other drugs, meaning that they should go through the normal testing procedures applied to any other medicines.

The current situation is that outside of research we would not issue licences for the personal consumption of cannabis because it is listed as a schedule 1 drug. However, we are aware of differing approaches in other countries and continue to monitor the World Health Organisation's expert committee on drug dependence, which has committed to reviewing the use of medicinal cannabis. We will wait until the outcome of the review before considering any next steps. [*Interruption.*] I am also aware—before the hon. Member for Newport West (Paul Flynn) starts chuntering—that the private Member's Bill on the legalisation of cannabis for medicinal purposes introduced by the hon. Gentleman will give the House a further opportunity to debate the wider policy.

The whole House will understand that it is a natural desire for parents to do everything they can to make sure that their children do not suffer unnecessarily, but we also need to make sure that cannabis is subjected to the same regulatory framework that applies to all medicines in the UK. We must ensure that only medicines that have been tested for their safety to the correct standard are prescribed for UK children.

Crispin Blunt: I thank my right hon. Friend for saying at the beginning of his response that he is determined to find a solution to this. That will also be welcomed by

my right hon. Friend the Attorney General, Alfie Dingley's MP, who has been working hard, if necessarily privately, on his behalf.

I hope that the Home Office is going to find a way to cease standing behind a 1961 UN scheduling of cannabis as having no medicinal benefit whatsoever. My right hon. Friend mentioned Sativex. However, there are now 12, soon to be 15, states of the European Union and 29 states of the United States of America, and the District of Columbia, that have all found a way to license the medicinal use of cannabis. Is he aware of the position of the Republic of Ireland, which, with a legal framework very similar to ours, gave its Health Minister the explicit power to license use of the medicine in cases such as Alfie's?

My right hon. Friend's position, and that of the Government, currently flies in the face of the popular view in the United Kingdom, where 78% of people think that we should find a way of using cannabis-based medicine. Out there, most people instinctively understand the pain and symptom relief that is available from cannabis-based medicines. Here, we know from the Barnes review of 2016, commissioned by the all-party parliamentary group on drug policy reform, that there is good, peer-reviewed medical evidence of the effectiveness of cannabis-based medicines for conditions associated with multiple sclerosis, the side-effects of chemotherapy, and epilepsy.

Failure by the Government to move from their current position will sentence Alfie to the steroid-based treatment he was receiving before he went to the Netherlands, which is likely to give him early psychosis and a premature death. Their position also means that British citizens are being denied all the potential medical and symptomatic benefits that could come from a properly licensed, regulated and researched access programme to cannabis-based medicines. If we do not give people the licences to do the medical research, we will not get the products. Granting the licences would mean that we would not have to rely on the wisdom of crowds and illegally sourced and unreliable products, and would have peer-reviewed, evidence-based treatments produced to pharmaceutical standards.

I urge my right hon. Friend, who is very far from being cruel and heartless—as indeed are the rest of his colleagues in the Home Office—to help either the manufacturers of the drug that will save Alfie's life, or his doctors or the family to find a way through to get a licence to treat him, and to instruct his officials to assist. It is an indication of just how messed up our management of this issue is that my right hon. Friend from the Home Office is answering this urgent question and not a Health Minister. On health grounds, this is an open-and-shut case.

Mr Hurd: I thank my hon. Friend. I totally respect his position. I should place it on record that the Under-Secretary of State for Health, my hon. Friend the Member for Winchester (Steve Brine), is sitting next to me, very much in listening mode.

I reassure my hon. Friend, and my right hon. Friend the Attorney General, who has made many representations to me on behalf of Alfie Dingley and his family, that there are clearly some special circumstances in this case that need to be respected. I have undertaken to meet the family, and I will do that as quickly as possible. I also

undertake to explore every option within the current regulatory framework. I give that undertaking with sincerity.

I know my hon. Friend well enough to know that he will understand the importance of proceeding on the basis of evidence, particularly when it concerns the safety of drugs and of children. We have our position—he is right that it has been established for a long time—and it is supported by expert opinion. However, we are aware that the position is shifting in other countries, and we monitor that closely.

We are also aware that cannabis is an extremely complex substance, and the WHO quite rightly is looking at it from every angle to get an up-to-date view on its therapeutic use. We are monitoring all that closely. Our current regulatory position is what it is. However, I have undertaken to explore every option within the regulatory framework to see whether we can find a solution to this extremely emotive case.

Carolyn Harris (Swansea East) (Lab): There has been a call to allow a licence for administering medical cannabis to Alfie Dingley, but the Government must thoroughly examine the evidence in this area—both the stated benefits and the supposed risks of medical cannabis. Our policies must always be based on evidence and not frightened of scary headlines or chasing favourable ones. Only in that way can the House come to an informed decision on the wider issues.

Alfie Dingley is a six-year-old boy whose life is blighted by epileptic fits, and it is understandable that his family want him to have whatever medication they feel will help him. They look to us as politicians to facilitate that, but we are constrained by laws. Members supportive of drug policy reform would like the Home Secretary to issue a licence so that Alfie can continue taking the medication, but the Home Office has responded that the drug

“cannot be practically prescribed, administered or supplied to the public”.

Cannabis use is illegal in this country—we do not dispute that. However, we need assurances from the Minister that all the evidence relating to Alfie’s case has been looked at and that all avenues of treatment are being considered. We need confidence that the Minister and his colleagues are doing everything in their power to ensure that Alfie has the best possible quality of life.

This case is the latest in a long line of prominent examples that have led to more calls for legislation to permit the medical use of cannabis. Is it now time for a review of the law, to look at how we can better support those living in chronic pain, those with long-term degenerative conditions and those in the final stages of life?

Mr Hurd: I agree with the hon. Lady that policy should be evidence-led, and I support entirely her point that we need to think very carefully about the implications and consequences of everything we do.

As I said in my statement, outside of research we would not issue licences for the personal consumption of cannabis because it is listed as a schedule 1 drug. However, as in the case of Sativex, the Home Office will consider issuing a licence to enable trials of any new medicine under schedule 1 to the Misuse of Drugs

Regulations 2001, providing it complies with appropriate ethical approvals. I repeat that I personally undertake to explore every option within the existing regulations to see if we can find a solution.

Mr Philip Hollobone (Kettering) (Con): I support the medical use of cannabis and think the Government should be more fleet of foot on this issue. A sensible proposed amendment to the law in a free vote in this House would, I think, be carried.

Mr Hurd: I thank my hon. Friend for his comment. I dispute the allegation that the Government are not fleet of foot on this. As I said in my statement, we are aware that things are changing in other countries and that the WHO is reviewing the evidence, and we will follow that very closely indeed.

Paul Flynn (Newport West) (Lab): We would have to have a heart of stone if any of our children or grandchildren were in this position and we were told by a stubborn bureaucracy that they had to turn blue up to 30 times a day and have seizures because our law says that that is the situation. Twenty-nine American states have legalised cannabis for medicinal purposes, and in every one of them the use of deadly, dangerous opioids has gone down. Every alternative to natural cannabis is worse. It is not just one case; thousands of people have the choice of suffering terrible pain and seizures every day or criminalising themselves by breaking the law. I urge them to break the law, because the law in this case is an ass, and it is cruel and lacks compassion.

Mr Hurd: I do not have a heart of stone, and I say that not just as a parent of six children. Anyone with or without children could not fail to be moved by this case, but, as the hon. Member for Swansea East (Carolyn Harris) said, we have to look at this through the lens of its implications across the system. We have to look at this through the lens of the existing law, which is set on the basis of expert advice, not least from the Advisory Council on the Misuse of Drugs. It is very clear that

“the use of cannabis is a significant public health issue”,

and, in its words, can

“unquestionably cause harm to individuals and society.”

We cannot ignore that advice. However, as I have said, we are monitoring closely the work done by the WHO and other countries, and precedents elsewhere, and, as I have undertaken to do in this particular case, we will explore every option within the existing regulations.

Michael Fabricant (Lichfield) (Con): As the hon. Member for Newport West (Paul Flynn) said, it is not just Alfie; thousands of people have such conditions. I have a constituent, Vicky Clarke—now just 5 stone in weight—in St Giles hospice in my constituency, suffering from the very final stages of multiple sclerosis. Her husband has found that the only drug that alleviated her pain was cannabis, and he has twice been investigated by the police. We are not talking about the general administration of cannabis; we are talking about the medical prescription of cannabis. If a doctor says that cannabis is the only cure or a medical professional says that it is the only way to alleviate pain, surely they should be legally allowed to prescribe that drug.

Mr Hurd: Well, they still have to operate within the law. The law does permit the development, licensing and marketing of medicines, including those containing controlled drugs, such as cannabis. I have used the example of Sativex, which I believe provides relief to patients with MS. My hon. Friend talks about lots of other cases like this one. It is worth noting, however, that in the case of Alfie Dingley, I think only nine other children in the world suffer from the same type of epilepsy as he does. That is why I have undertaken to explore every option on his behalf. I make it quite clear that the Home Office and the Government are keeping this area under review, because this is fast moving. The House will of course have the chance to debate it along with the private Member's Bill.

Joanna Cherry (Edinburgh South West) (SNP): The Scottish National party is in favour of the decriminalisation of cannabis for medicinal use, given the evidence of the benefit it has in alleviating the symptoms of many serious conditions, such as that suffered by young Alfie Dingley. In 2016, our party conference heard evidence from a multiple sclerosis sufferer, Laura Brennan-Whitefield, who called for "compassion and common sense" on this issue. She said:

"I'm not advocating the smoking of cannabis, what I'm advocating is a progressive and reasonable, compassionate society where you can access pain relief".

We urge the UK Government to look again very seriously at decriminalising the use of cannabis for medicinal use. If they are not prepared to do so, we ask them to devolve the power to Scotland, so that the Scottish Government can take appropriate steps. However, we would like to see this for everybody in the United Kingdom.

Mr Hurd: I thank the hon. and learned Lady for her contribution, and this issue will be debated with the private Member's Bill on Friday. Again, I come back to the point that we have the existing regulatory framework, and we will not issue licences for the personal consumption of cannabis because it is listed as a schedule 1 drug. However, it is possible to consider issuing licences to enable trials of any new medicine under schedule 1 to the Misuse of Drugs Regulations 2001, and there is precedent for doing so.

Several hon. Members *rose*—

Mr Speaker: Order. Just before I call the hon. Member for Beckenham (Bob Stewart), can I ask him whether he was present at the start of these exchanges?

Bob Stewart (Beckenham) (Con) *indicated assent*.

Mr Speaker: He was. Very good.

Bob Stewart: Thank you, Mr Speaker. I certainly was here, just silent. I support the medical use of cannabis, particularly in this case. If the Bill sponsored by the hon. Member for Newport West (Paul Flynn) passes with a sufficient majority on Friday, might the Government fast-track it through the House?

Mr Hurd: We look forward to the debate on Friday. We will see what the will of the House is.

Christine Jardine (Edinburgh West) (LD): The Minister has heard support from those of us on these Benches, but does he not support the views of his colleagues in the Scottish Parliament, where the health spokesman Miles Briggs said:

"it is time for a comprehensive, UK wide review...and for Parliament to look to reform access to cannabis for medical and scientific purposes"?

Does he recognise that there is widespread support in all parties?

Mr Hurd: There are good reasons for the Government's current position. As I made clear in my statement, we are looking very closely at the approaches being taken by other countries. We have a keen eye on what the global experts, the WHO's expert committee on drug dependence, conclude in relation to the therapeutic and medicinal benefits of cannabis.

Sir Desmond Swayne (New Forest West) (Con): It is Bill number three on Friday. There is not going to be a debate, is there?

Mr Hurd: That depends on what happens to the first two Bills.

Yasmin Qureshi (Bolton South East) (Lab): I have had a number of constituents in the past eight years who have suffered from different illnesses, such as epilepsy and multiple sclerosis. They told me that conventional drugs have not worked for them. Often, they have had to travel abroad, especially Holland, to obtain and use cannabis, which has helped them significantly. I therefore urge the Minister and the Government to please consider allowing the medicinal use of cannabis.

Mr Hurd: I totally understand the hon. Lady's point, which underlines why the WHO is undertaking its work. I am sure she will agree, however, that cannabis products must be treated in the same way as all other drugs. That means going through the normal testing procedures that apply to any other medicine.

Stephen Pound (Ealing North) (Lab): May I help the Minister and suggest that he speak with his colleague the Secretary of State for Health and ask about the extensive trial, known as delta-9, which took place in the Royal Marsden hospital 40 years ago? Cannabis was found to be an excellent prophylactic against nausea caused by ontological medicine. The data is there. The empirical evidence is there. Why does he not save time and trouble by having a word with the Secretary of State and drawing this information to the attention of the House? Let us resolve this matter once and for all.

Mr Hurd: The hon. Gentleman will understand why I approach any offer of help from him with caution, but in this case I will certainly discuss the evidence he mentions with my colleagues in the Department of Health and Social Care. We need to proceed on the basis of evidence, because of the need for safety.

Alan Brown (Kilmarnock and Loudoun) (SNP): The Government have heard several times that cannabis for medicinal use is available in many countries. It is clear that the evidence is there. It is allowed in other EU countries. One of the benefits of being in the EU, while

we are still there, is collaboration. We are able to review research that is available elsewhere and come to a quick decision. Will the Minister confirm that there are no barriers at the top level of the Government preventing that?

Mr Hurd: I am not aware of any barriers. What I am aware of is the current regulatory framework, underpinned by expert advice, which continues to be that cannabis in its raw form is not recognised in the UK as having any medicinal benefit. The situation is evolving in other countries and the WHO is looking at it. It is right that we keep an open mind and that we continue to look at the evidence and the precedence from other countries.

Paula Sherriff (Dewsbury) (Lab): I declare an interest as the chair of the all-party group on epilepsy and as the daughter of an epilepsy sufferer. In addition to the cost in human misery, can the Minister advise on whether any attempt has been made to estimate the net cost of continuous ineffective treatment for epilepsy sufferers who are denied access to cannabis for medicinal purposes?

Mr Hurd: I think that question is best answered by the Department of Health. What I am keen to register with the House is our determination to try to explore every option within the boundaries of the existing regulations to see whether we can support this case.

Sir Edward Davey (Kingston and Surbiton) (LD): The whole House will welcome the fact that the Minister has agreed to meet the family of Alfie Dingley. Will he also agree to meet the campaign group End Our Pain, which is campaigning to allow doctors to prescribe cannabis when it would help their patients? End Our Pain wants to present to the Minister the evidence that honourable colleagues have talked about and discuss the fact that the Multiple Sclerosis Society has changed its position on the use of medicinal cannabis, based on the evidence.

Mr Hurd: I am certainly happy to meet that group, or a more appropriate Minister could, so the answer is yes.

Dr Rupa Huq (Ealing Central and Acton) (Lab): I wonder whether the Minister knows the book “The Boy in 7 Billion”, by Callie Blackwell, the mum of Deryn Blackwell who, at the age of 10, was diagnosed with a very rare cancer and then, through the use of cannabis oil, made a miraculous recovery. If he likes, I can lend him my copy. I got one over recess at THTC, a company in my constituency that makes hemp t-shirts—sorry, it does not make them; it supplies them. It is not allowed to make them in this country. It also pointed out that in Mexico, where the medicinal use of cannabis has been legalised, violent crime has dramatically dropped. Does the Minister not think that those things are more than a coincidence, and will he not investigate?

Mr Hurd: The hon. Lady is taking us beyond a UK scope. I do not know the book and I am grateful to her for her offer, but I come back to what I said at the start. The Government have a position based on the listing as a schedule 1 drug and the view of experts, but we review, and keep under review, what is happening in other countries and, most importantly, the WHO’s position.

Caroline Lucas (Brighton, Pavilion) (Green): We seem to be in some kind of Alice in Wonderland world where words mean the opposite of what we imagine. The Minister said that he is being fleet of foot, yet we have established that we are dragging our feet behind 15 EU member states and 29 US states. I have lost count of the number of times that he has talked about the importance of evidence, yet will he not accept the overwhelming evidence that there are no downsides to the kind of policy change that we are talking about, no matter how hard he looks for them? Why will he not commit at the very least to trials of the regulation of medical-based cannabis? That could, for example, answer questions about how best to distinguish between different types of use and facilitate research that might otherwise be hindered.

Mr Hurd: We are fleet of foot in the sense that we keep abreast of the evidence as it develops. I made it very clear in my statement that the Home Office will consider issuing licences to enable trials of any new medicine under schedule 1 to the Misuse of Drugs Regulations 2001, providing that it complies with the appropriate ethical approvals.

Clive Efford (Eltham) (Lab): Alfie’s mother said that any one of the 30 seizures that he has a day could be life-threatening, so there is incredible urgency. I have heard the Minister say that he is very sympathetic and I do not doubt that for a minute, but I have not heard him say when he will make a decision to help Alfie because of that urgency.

Mr Hurd: I totally accept the point about urgency, and I totally accept the point made by others that we cannot look at policy entirely through the lens of one case. However, I have undertaken to meet the family as quickly as possible, and we are exploring every option inside the existing regulatory envelope.

Ronnie Cowan (Inverclyde) (SNP): I have heard the Minister say that he is going to monitor the situation and that he is looking for evidence, but we have had that situation for decades. This place created the problem with poor legislation as far back as the Misuse of Drugs Act 1971. We are in a situation where we know that medicinal cannabis is available that will particularly help Alfie. He has been taking it in the Netherlands. It is not beyond the wit of man to facilitate the continuation of that supply, if the will is there.

Mr Hurd: As I said in my statement, the UK has a view, which is that cannabis in its raw form is not recognised in the UK as having any medicinal benefits. As I also said, I recognise that there may be special circumstances in this case, which is why I am absolutely determined to look at every option inside the existing regulatory envelope.

Tonia Antoniazzi (Gower) (Lab): As a Welsh MP, I am very proud of the Welsh Assembly, which recognises the need to legalise cannabis for medicinal use. Sativex is a very unpleasant, alcohol-based medicine that is unsuitable for many patients, and I hope that the Government will recognise that. However, we as a country are light years behind other countries, so the excuses today are just not valid. Why does the word “cannabis” scare the Government so much? We need to stop hiding

[Tonia Antoniazzi]

and stop making excuses. Can the Minister tell the parents of children such as Alfie and all the other people who need access to medicinal cannabis legally across the UK when that is going to happen?

Mr Hurd: What the Government do is listen to the independent, statutory Advisory Council on the Misuse of Drugs, which has been very clear that

“the use of cannabis is a significant public health issue. Cannabis can unquestionably cause harm to individuals and society.”

We cannot just ignore that expert advice. As I said in my statement, there is a precedent for medicines, including controlled drugs such as cannabis and Sativex, to be issued with a licence to enable trials.

Mr Bob Seely (Isle of Wight) (Con) *rose—*

Mr Speaker: Order. I intend no discourtesy to the hon. Member for Isle of Wight (Mr Seely), but he was certainly not in that place some minutes ago. Whether he has just entered the Chamber, or has beetled there from another part of the Chamber—

Mr Seely *indicated assent.*

Mr Speaker: He has beetled around the Chamber. It is slightly confusing for the Chair when people perambulate around the Chamber. Nevertheless, I am sure that the hon. Gentleman has important thoughts to volunteer, so let us hear them.

Mr Seely: Looking around the world, it seems to me that the case for medical cannabis is somewhat overwhelming, although I understand that the Minister is in a difficult position at the moment. Does he think that there will ever be a time when medical cannabis is legal in this country, so that its benefits can be felt by those who need it?

Mr Hurd: Of course, policy must be evidence-led, so Governments of all colours must keep the evidence under review. I think that the next critical milestone will be the output of the WHO review. Cannabis is a highly complex substance, and the review is looking at it from every angle to try to give us the most definitive, up-to-date view on its medicinal and therapeutic benefits.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The Minister says that public health concerns are a key driver of policy making, but, as we have seen with the case just for piloting safe drug consumption rooms, the Government stubbornly refuse to acknowledge the overwhelming body of evidence that shows that public health would benefit. Is this not just another example of the Government putting the inertia of the criminal justice system ahead of an urgent public health issue, with drug-related deaths at epidemic levels? Will the Government not change the emphasis in policy making to matters of public health, rather than the inertia of the criminal justice system, which for 40 years has had an obsolete and arbitrary method of regulating drugs in this country?

Mr Hurd: I do not recognise that description of “inertia”. I have tried to give a flavour of the fact that this is a highly complex area that we keep under constant review.

Northern Ireland

4.7 pm

The Secretary of State for Northern Ireland (Karen Bradley): With permission, Mr Speaker, I should like to make a statement on the current political situation in Northern Ireland.

Over recent weeks there have been talks involving the main political parties in Northern Ireland, particularly the two largest parties, the Democratic Unionist party and Sinn Féin, to see whether there is a basis for re-establishing the Executive. The UK Government have facilitated and supported those intensive negotiations. We have been in close touch with all the parties and have responded to requests for advice and support.

The Irish Government have also been involved, in accordance with the well established three-strand approach. I would like to place on the record my appreciation of the contribution made by the Irish Foreign Minister, Simon Coveney, and his team. In addition, my right hon. Friend the Prime Minister has been consistently and closely involved, speaking to party leaders and visiting Belfast last Monday. I have continued to give her up-to-date reports as the talks have progressed.

The aim of the talks has been very clear: to bring about the re-establishment of inclusive devolved government at Stormont, which Northern Ireland has effectively been without for over 13 months. In so doing, we have been able to build on the progress made by my predecessor, my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), whom I warmly welcome back to the House today.

In the Government’s view, all parties, including the DUP and Sinn Féin, participated in discussions seriously and in good faith, and we believe that progress towards reaching agreement on all the key substantive issues has been made. It became possible, in the light of this progress, to identify a basis for a possible agreement to allow an Executive to be formed, embracing how the parties ensured that the Executive was sustainable, how they reached a balanced and fair accommodation on the difficult issues of language and culture, and how this was reflected in a package of legislation. Many other issues were also addressed, if not always resolved.

Unfortunately, however, by last Wednesday it had become clear that the current phase of talks had reached a conclusion without such an agreement being finalised and endorsed by both parties. As I said then, it is important for everyone to reflect on the circumstances that have led to this, and on their positions both now and in the future. What is important today is for me to give some directions on the next steps.

First, as our manifesto set out at the last election, the Government believe in devolution under the terms of the 1998 Belfast agreement. We want local politicians making decisions on local matters to be accountable to a local Assembly. We need devolved government to help deliver a stronger economy, to build a stronger society, and to ensure that Northern Ireland’s voice is properly heard as we leave the European Union. In addition, we want to see all the other institutions of the agreement operating in the way that was intended.

I cannot reiterate too strongly that devolved government is in the best interests of all the people of Northern Ireland, because it ensures that their interests and concerns

are fairly and equitably represented. It is also in the best interests of maintaining and strengthening the Union, to which the Government remain fully committed, consistent with the principle of consent. We will therefore continue to explore with the parties whether the basis for a political agreement still exists. As my right hon. Friend the Prime Minister has reaffirmed, we stand ready to introduce the legislation that would enable an Executive to be formed at the earliest opportunity. That is the Government's clear hope and desire, and I believe that our view is shared widely on both sides of the House.

Secondly, however, matters in Northern Ireland cannot simply remain in a state of limbo. A number of challenging decisions will have to be made. Ultimately, the Government have a responsibility to ensure good governance and the continued delivery of public services. In particular, as the head of the Northern Ireland civil service has made clear, there needs to be certainty and clarity on a budget for Northern Ireland for next year as soon as possible. I intend to take steps to provide that clarity, and I will update the House as soon as I am in a position to do so. This is clearly not where I want to be, but in the absence of an Executive in Northern Ireland I have no other choice.

In the longer term, the Government will not shirk their responsibility to take whatever steps are necessary to provide certainty and stability for the people of Northern Ireland, while maintaining our commitment to govern with rigorous impartiality in the interests of all of them. However, we will do that only once we are sure that all other viable options designed to restore devolved government have been properly considered, including my current statutory obligation to call an Assembly election.

In the absence of devolution, it is also right for us to consider the issue of salaries for Assembly Members. At the end of last year, my right hon. Friend the Member for Old Bexley and Sidcup received recommendations on that from Mr Trevor Reaney, a former Clerk of the Assembly. The Government will need to decide shortly on the next steps. I acknowledge the public concern about the fact that while a number of Assembly Members continue to carry out constituency and representative functions, current salaries are maintained while the Assembly is not meeting.

As for the issue of addressing the legacy of Northern Ireland's past, the Government have manifesto commitments to consult on the implementation of the bodies set out in the 2014 Stormont House agreement, and to support the reform of inquests. I would much prefer to do that in the context of an agreement that would lead to the restoration of a devolved Executive, but I am conscious of the Government's responsibility to make progress in this respect to provide better outcomes for victims and survivors—the people who suffered most during the troubles. We will therefore continue to proceed towards a full consultation as soon as possible, so that everyone can have their say.

As the House will know, April marks the 20th anniversary of the historic Belfast agreement. That agreement, along with its successors, has been fundamental in helping Northern Ireland to move forward from its violent past to a brighter, more secure future. The Government's support for those agreements remains steadfast, as does our commitment to govern for everyone in Northern Ireland.

There is no doubt that Northern Ireland has taken huge strides forward in the past 20 years. In my short time as Northern Ireland Secretary, I have seen a place full of wonderful talent and huge potential, but any commemorations this year will look decidedly hollow if Northern Ireland still has no functioning Government of its own. Everyone must continue to strive to see devolved government restored and to build a Northern Ireland fit for the future, and that remains the clear focus and determination of this Government.

4.14 pm

Owen Smith (Pontypridd) (Lab): May I thank the Secretary of State for advance sight of her statement? I also thank her and her predecessor, the right hon. Member for Old Bexley and Sidcup (James Brokenshire)—whom I am delighted to see back in his place in this House today—for all the efforts they have both made, alongside the Irish Government, to facilitate agreement between the parties.

All of us in this place know that these are very difficult issues, and I commend all the parties in the talks, especially the DUP and Sinn Féin, on the total engagement they have shown on behalf of their communities. I have to say that I must also commend the Secretary of State on the Herculean optimism she continues to hold to in still hoping for a deal to be done and on the clear statement that she is rejecting the calls to accede to direct rule with immediate effect. Optimism is a vital ingredient in Northern Ireland, even when it is at its most difficult to summon, so I will not criticise the Government for remaining hopeful.

But clarity and contingency planning have also been important features of the process, so people know where they are in that process and what will follow if there is no progress. On those questions, I fear that many in Northern Ireland will be little the wiser after the Secretary of State's statement this afternoon, because she told us, in a crucial passage, that "it became possible" in the recent talks "to identify a basis for a possible agreement" to form an Executive, including "on the difficult issues of language and culture". That is a very optimistic statement, and it is a view that has been echoed by the Irish Government and Sinn Féin, but it is hotly disputed by the DUP, whose leader told us that there was no prospect of these discussions leading to a deal.

Ambiguity has also played a very important part on occasion in the Northern Ireland process, but both accounts cannot be accurate, and I hope the Secretary of State will accept that she has a duty to provide clarity to the people of Northern Ireland, not just because they deserve to know what is going on in their peace process, but because some, including some in this House, are using this period of confusion to advance their own agendas: to undermine the Good Friday agreement, which some see as an obstacle to Brexit, or to damage the concept of power sharing, which some have never supported. That is a reckless and dangerous game to play, because we in this place must never forget that the Belfast agreement ended a conflict that led to 3,500 lives being lost. Nor should we forget—especially those who are so quick to assert that the Brexit referendum is to be respected—that the Belfast agreement itself was copper-fastened with its own referendums, north and south, and they too must be respected and protected.

[Owen Smith]

So I welcome the Secretary of State's confirmation that the Government's support for the agreement remains steadfast, and I ask her to confirm that she sees the Good Friday agreement as the only viable long-term option for the peaceful governance of Northern Ireland, and that the Government believe that its unique form of power sharing is indispensable to the agreement.

Coming back to last week and the events in Belfast, a simple way for the Government to clear up this confusion is to publish precisely where there was agreement and where the gaps remain—not in order to apportion blame, but to provide greater reassurance that progress has been made over the 13 months. So will the Secretary of State commit to providing further detail and to publishing some of those details?

One area where the Secretary of State has offered some further clarity today is on the possibility of a fresh election in Northern Ireland, and she should know that that would be met with glacial enthusiasm. Why does the Secretary of State think there is potentially an advantage in another election, the fifth in three years, in Northern Ireland? What would it achieve? Although she does have a statutory duty to call one at some point, that has been true since 27 March last year, and she and her predecessor have resisted the temptation to date.

The Secretary of State has also said that she is considering how best to give some certainty about the budget in Northern Ireland. We understand and accept that, and urge only that she consults properly with the parties, so that we can ensure maximum acceptance of, and agreements on, those budget allocations as part of the contingency planning. I hope she can commit to that too today.

Finally, may I ask the Secretary of State to consider what she will do to take forward some of the pressing issues facing Northern Ireland if her optimism is misplaced and a deal cannot be struck? It is not just on the issue of MLAs' pay that people in Northern Ireland want to see action. Vital questions on the treatment of victims, both of the troubles and of historical institutional abuse, need to be resolved not just with consultation, but with legislation. These people have been waiting for far too long, so will she commit to looking at that in the absence of a deal?

Will the Secretary of State also commit to taking forward issues of human rights and social justice that are enjoyed naturally in other parts of the UK but denied to our citizens in Northern Ireland? In particular, can she confirm that one area of discussion between the parties was on the issue of equal marriage, and that agreement was reached to take matters forward through a private Member's Bill in Stormont? In the absence of a Stormont Bill, would she consider legislating similarly to extend equal marriage rights to Northern Ireland? We believe that she should, and we will support her if she does so. To be clear, a Labour Government would legislate on that if Stormont could not do so.

Political problems are nothing new in Northern Ireland, but the current impasse has left the Northern Irish people without an accountable Government for almost 400 days. This is a profound crisis, and the Government have a profound duty to try to resolve it, and to preserve the Good Friday agreement and the principle of power sharing. We will continue to support the Government in

trying to resolve the crisis, and we will support them on legislation wherever it is necessary, but we will hold them to account to preserve the Good Friday agreement in its spirit and its letter.

Karen Bradley: I thank the hon. Gentleman for his comments, and for the tone of them. It is important that we in this House show unity and a unified front when it comes to resolving these issues and re-establishing devolved government in Northern Ireland. If both sides of the House work together with that purpose in mind, we will have all the more reason to hope that that can be achieved. He asked about a number of matters, and I will try to address as many of them as I can.

On the topic of legacy, to which I made reference in my statement, we have been working with the parties and the Victims' Commissioner on a consultation programme. As I have said, I would very much prefer to do that in the context of devolved government in Stormont, but we clearly have a responsibility to the victims of the troubles, and it is absolutely right that we should deal with that. We will take whatever steps are necessary to ensure that the matter of legacy is dealt with, but as I say, we would much rather that it was done in the context of having devolved government in Stormont. We are committed to the institutions as set out in the Stormont House agreement, and we will be consulting on that.

We are also committed to the Belfast agreement, as I said in my statement, and to all successor agreements. The position in the Conservative party manifesto at the last election, and the position of this Government, is that the Belfast agreement is the right approach. It has led to great success for Northern Ireland, and more success can come. The hon. Gentleman mentioned Brexit. The joint report that was signed before Christmas makes specific reference to a commitment to the Belfast agreement and to respecting the institutions in the agreement.

The hon. Gentleman asked about the talks, and about what the British Government would publish. I want to make it clear that the talks that we have facilitated—we did not impose them—have been between the parties, particularly the two main parties. Therefore, any documentation or anything that has been written down is a matter for the parties; it is not a matter for the British Government. He also asked about an election. I have a statutory duty as Secretary of State to call an election, but I want to ensure that we have exhausted every avenue and every viable option to re-establish devolved government at Stormont. That is what the Government want to see, and that is what we are working towards. We will do all we can to achieve that, and I thank him for his support in that regard.

James Brokenshire (Old Bexley and Sidcup) (Con): It is good to be back, and I thank colleagues on both sides of the House for their kind, generous and supportive comments over the past few weeks. What is not so welcome, however, is the continuing lack of devolved government in Northern Ireland, which it desperately needs. I commend the Secretary of State for all her work and for her efforts in seeking to bring the parties together. I also commend the Irish Government for their work.

I commend what the Secretary of State said about the Government's commitment the Belfast agreement. That is our cornerstone; it is the bedrock of what we do.

I also commend what she said about the troubles and the legacy of the past, and about making progress on the consultation. I hope that she will agree, however, that we need to remain firmly focused on restoring devolved government. Rather than talking up direct rule, we should continue to focus on talking out the remaining issues that lie between the two parties, and I hope that she will agree that we need to retain that focus in all we do if we are to restore devolved government and give Northern Ireland the bright, positive future that I know its people want to see.

Karen Bradley: I thank my right hon. Friend for his comments and questions, and for his approach. He was an outstanding Secretary of State for Northern Ireland, and he is very much missed in Northern Ireland. I do not think I have been to a single event since being appointed Secretary of State where he has not been mentioned in the warmest and most generous terms. I am fully aware that his are big shoes for me to fill.

I agree with all that my right hon. Friend says about the importance of restoring devolved government for the people of Northern Ireland. The people of Northern Ireland elected the Members of the Legislative Assembly, and those MLAs need to be in Stormont. That fabulous, wonderful Parliament building is empty and bereft, and it needs to be filled with the people who were elected to fill it, taking decisions on behalf of their constituents for all the people in Northern Ireland.

Patrick Grady (Glasgow North) (SNP): I join others in welcoming the former Secretary of State, the right hon. Member for Old Bexley and Sidcup (James Brokenshire), on his return to the Chamber.

I also thank the Secretary of State for advance sight of her statement, but we share the disappointment we are hearing that, although there has been some progress to report, there has not been enough. We welcome the continued public commitment of the UK and Irish Governments to the Good Friday agreement, noting, as she does, that we are approaching its 20th anniversary.

The Good Friday agreement and the institutions it established were endorsed by the people of Northern Ireland, and the preservation and restoration of those institutions should be the focus of all the parties and interlocutors involved in these vital talks. We also note the Irish Government's firm position that the agreement, and its subsequent agreements, must be implemented in full, and in that context the Irish Government have reiterated that they do not want to see the introduction of direct rule in Northern Ireland.

I ask the Secretary of State to clarify her timetable for the next steps she has outlined. In particular, given the absence of talks, under what circumstances would she consider calling fresh elections to the Assembly? What consideration has she given to convening the British-Irish Intergovernmental Conference, which was established under strand 3 of the Good Friday agreement?

Karen Bradley: I thank the hon. Gentleman for his comments and for his statement of commitment to the Belfast agreement. On my priorities now, in the past few weeks I have focused on the talks process. I still continue to work and communicate with all parties to see what we can do to re-establish discussion and to help the parties get to an accommodation that will enable a

devolved Executive to be established. My priority in the immediate term is clearly the budget, as we need to make sure that the dedicated civil servants and public servants in Northern Ireland have the certainty they need to continue delivering public services.

Several hon. Members *rose*—

Mr Speaker: Order. Of course this is an extremely important statement, upon which a further 27 hon. and right hon. Members are seeking to catch my eye, but I remind the House that there are two further ministerial statements to follow that might be considered to be on chunky matters eliciting substantial interest, and several people have applied to speak in the debate subsequent to that. There is therefore a premium on brevity, and I appeal to colleagues not to offer us mini speeches, which is not uncommon in these circumstances, but rather pithy inquiries to which I know the Secretary of State will succinctly reply. We can be led in this exercise by someone of no lesser distinction than the former Secretary of State for Northern Ireland, Theresa Villiers.

Theresa Villiers (Chipping Barnet) (Con): None of us should underestimate the difficulty of reaching accommodation on issues of culture and identity that have divided people for centuries. Will the Secretary of State urge the parties to come together to try to find a balanced package that reflects the cultural sensitivities of all sides of the community in modern Northern Ireland?

Karen Bradley: I thank my right hon. Friend for her question and hers are another pair of shoes that I endeavour to fill. She was an excellent Secretary of State for Northern Ireland. She went through a number of these processes, so she knows only too well how these things operate. I agree wholeheartedly with what she says.

Nigel Dodds (Belfast North) (DUP): I join others in warmly welcoming the right hon. Member for Old Bexley and Sidcup (James Brokenshire) back to the Chamber. I wish him well.

As the Secretary of State knows, we of course stand ready to form an Executive tomorrow, on the basis of no preconditions and on the basis of the programme for Government that was agreed with Sinn Féin back in December, before Sinn Féin walked out and set preconditions—political demands—that they want to see implemented before they get back into the Executive.

The fact that there is no Executive is not the fault of the Democratic Unionist party. Indeed, it is not the fault of the smaller parties, either—I make that very clear. But in the absence of devolved government, now is the time for the Secretary of State to do right by all the people of Northern Ireland.

I have just come from a meeting of a group of charities and others who want somebody to lobby—a Minister to argue with—about mental health funding in Northern Ireland. There have been no Ministers for 13 months. That cannot continue. Secretary of State, it is time to set a budget. Let the efforts for devolution continue—yes, we want to see devolution—but it is a dereliction of duty to continue without a budget and without ministerial decisions. It is time to get on with it.

Karen Bradley: I thank the right hon. Gentleman for his assertion of the DUP's commitment to devolved government, which is warmly welcomed by everyone. He and I have had and will continue to have discussions about the budget. The shadow Secretary of State asked whether I would be consulting the parties about the budget. I have committed to do that and will ensure that I work with the right hon. Gentleman and his party's Members on that. He fervently summed up the reasons why devolved government is so important.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my right hon. Friend on her statement and warmly welcome seeing my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire) back in his place and in fine form.

The head of the Northern Ireland civil service said to the Northern Ireland Affairs Committee on 24 January:

"It will be incredibly difficult for us if we do not have budget certainty by 8 February."

It is now 20 February. What will the Secretary of State now do to set a budget and therefore the political direction that Northern Ireland so needs?

Karen Bradley: I thank the Chair of the Northern Ireland Affairs Committee. As I said in my statement, I am now working to ensure that we get certainty for civil servants in Northern Ireland—those dedicated public servants—and I will return to the House when I have further information.

Mr Ivan Lewis (Bury South) (Ind): The Secretary of State was absolutely right to say that she was not willing to conduct a running commentary on the talks, but now that they have collapsed once again, should she not publish the basis on which the talks failed yet again? The people of Northern Ireland have a right to know the areas of difference and what still needs to be resolved.

Karen Bradley: As I explained in my response to the shadow Secretary of State, I was not present at the discussions held between the two parties. I facilitated them, but I was not present during them. It would therefore be inappropriate for me to speculate on exactly where the parties reached in discussing their concerns. It is a matter of public record, however, that I have said that the concerns related to the very difficult issues of language and culture and the sustainability of the Executive.

Bob Stewart (Beckenham) (Con): Would there be any role for the Northern Ireland Legislative Assembly if direct rule, which nobody in this House wants, were to be instituted?

Karen Bradley: Some Opposition Members were Ministers during the previous period of direct rule—the right hon. Member for Delyn (David Hanson) will be asking a question shortly—and it was clear then that there was no role for Members of the Assembly at that point.

Sammy Wilson (East Antrim) (DUP): It is clear from the talks and their failure that the structures of the Belfast agreement have given a power of veto and blackmail to Sinn Féin. Given that there will be no giving in to that blackmail, will the Secretary of State

recognise that, in the absence of the ability to set up an Executive, the only way forward for proper governance in Northern Ireland is for her to start taking some of the decisions that are important for the day-to-day running of Northern Ireland?

Karen Bradley: As I said in my statement, I want to see devolved government in Northern Ireland, I want the politicians elected by people in Northern Ireland to be able to take their places and represent them in the Assembly, and I want an Executive in place. That is what I am focused on trying to deliver as best we can, as I think Members on both sides of the House have stated.

Nigel Mills (Amber Valley) (Con): Will the Secretary of State set out what role, if any, the smaller parties played in the talks last week?

Karen Bradley: All five parties were involved in the talks, including some roundtable talks. However, the clear point is that, for an Executive to be formed, the two large parties need to reach an accommodation. That is what we were working towards, and what I would like to happen in the near future.

David Hanson (Delyn) (Lab): In the welcome absence of direct rule, of which I had personal experience as a Minister, will the Secretary of State tell the House how she will bring forward the budget, what form the approval of that budget will take and whether, as the hon. Member for Beckenham (Bob Stewart) asked, Assembly Members will make any contribution to the discussions of the proposals in it?

Karen Bradley: I know that the right hon. Gentleman served as a Minister during the last period of direct rule. I have been led to believe that there was a small incident involving a football match—Wales versus Northern Ireland—when he possibly found it difficult to know which side to support. I have said that I will come back to the House on the budget.

Kevin Foster (Torbay) (Con): I welcome the Secretary of State's statement. I know that for her, as for me, the priority will be to ensure that the peace process keeps on track. Will she therefore outline in some detail what exactly direct rule would mean for the people of Northern Ireland and for this House?

Karen Bradley: My focus is on getting devolved government back up and running because people want to know that their elected politicians—the people they have elected locally—will make the decisions for them. Those of us who believe in devolution, be it locally in our constituencies or in the devolved Administrations, know that, when local people make decisions, they are more representative of what voters want. That is why it is so important to get devolved government back up and running.

Vernon Coaker (Gedling) (Lab): I welcome the Secretary of State's continuing commitment to the Good Friday agreement, but does she agree that being more open and transparent about what happened in the talks—withstanding the fact that she says that she cannot do that because they were conducted by the Democratic

Unionist party and Sinn Féin—and explaining to the public the problems and where the parties failed to agree might mean that they were in a position to support more properly the leaders of their respective communities who are trying to reach a deal?

Karen Bradley: As I have said, it would not be appropriate for me to speculate on what happened behind closed doors at a meeting between the two parties. They are now working to see what they can do to come back to the table, and that is what I am encouraging.

Edward Argar (Charnwood) (Con): I join in the tributes to my right hon. Friend for her determination and work on this issue.

Northern Ireland has enjoyed significant economic success in recent years, largely down to the dynamism of the people of Northern Ireland, but also to the conditions that effective, devolved, power-sharing government created. Does she share my view that certainty about a budget and the restoration of a devolved power-sharing Government are the most effective ways in which to ensure that that economic success continues?

Karen Bradley: I agree with my hon. Friend. I have said that I will come to the House about the budget. Last Friday, I met business representatives in Belfast and they were unanimous that they needed their politicians to form an Executive so that they could encourage investment, create jobs and wealth and build on the fantastic success story that is Northern Ireland.

Mr Gregory Campbell (East Londonderry) (DUP): My party remains committed to total restoration of an Executive on a fair and equitable basis, and I commend the Secretary of State for what she has said. As was mentioned earlier, the head of the civil service said that it would be incredibly difficult for us if we did not have budget certainty by 8 February—we are now two weeks beyond that. Does she therefore agree that the important matters that divide us are not life and death matters that require a budget to resolve them? She has the power to set one—when will she do it?

Karen Bradley: As I said, I need to consult the parties about the budget and I will return to the House at the earliest opportunity with confirmation of my decision on that.

Rebecca Pow (Taunton Deane) (Con): I welcome the Secretary of State's continuing optimism and urge her to press on, not least because, with Brexit on the horizon, Northern Ireland needs one voice, provided by a functioning Executive, to make it the best Brexit deal not just for Northern Ireland but for the whole of the UK. Does she agree that, on this issue, time is of the essence?

Karen Bradley: I do agree with my hon. Friend. We need to make sure Northern Ireland's voice is heard properly through the proper processes in the Brexit process, and that requires a devolved Government.

Conor McGinn (St Helens North) (Lab): The British and Irish Governments are the guardians of the Good Friday agreement, but its owners are the people of Ireland, north and south, who overwhelmingly endorsed it in referendums. Does the Secretary of State agree that

it cannot be usurped by this House, by any party or by any individual in it, and that she will work for its full implementation, alongside the Irish Government?

Karen Bradley: I do agree.

Mr Philip Hollobone (Kettering) (Con): By how much is my right hon. Friend going to cut their pay?

Karen Bradley: A quick answer deserves another quick question, does it not, Mr Speaker? Mr Trevor Reaney has made recommendations on the pay of Members of the Legislative Assembly, and I am considering those at the moment.

Kate Hoey (Vauxhall) (Lab): The people of Northern Ireland will be disappointed in the Secretary of State's statement. Of course they would like the Executive back, but what they want more than anything is a budget, and agreement on reform of the health service and education, which were all agreed before Sinn Féin walked out. Why is she still dilly-dallying, and waiting and waiting? What does she actually think is going to be achieved in the next month?

Karen Bradley: I am exploring every possible window of opportunity to get devolved government back up and running, while looking at those important decisions that need to be taken. I will revert to the House on those matters.

Lady Hermon (North Down) (Ind): I warmly commend the Secretary of State for her calm and positive tone in her statement today and her response to questions. I am very pleased that the British Government have not been bounced into moving to direct rule. The people of Northern Ireland want their Assembly up and running—it is their Assembly—and they were extremely disappointed and angry last week when the talks collapsed. I am not pointing the finger of blame, because that is not going to help anybody, but the people of Northern Ireland will also be extremely angry that MLAs are receiving their full salary. What possible justification can there be for paying them a full salary 13 months after collapsing the Assembly?

Karen Bradley: I thank the hon. Lady for her comments. My predecessor did ask Trevor Reaney to look at this matter. I will be considering the recommendations and will come back to the House shortly.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): Does the Secretary of State share my anxieties at the noises—the drum beat—coming from some of the hard Brexit quarters in the debate about how the Good Friday agreement has “failed” and “outlived its use”? Will she take this opportunity to reassert the Government's view that nothing—no Brexit ideology and no attempt to justify instituting a new border—should jeopardise this carefully brokered peace settlement and that the Government are fully, 100% behind the Good Friday agreement?

Karen Bradley: I can confirm that the Government are 100% behind the Belfast agreement and that it was specifically referenced in the joint report as being of great relevance and importance to everybody in Northern Ireland.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The common structures of the EU provided the basis of a peace in Ireland via the Good Friday agreement. Is not the reality that the British Government have failed to recognise that in their Brexit positioning and that maintaining the agreement has been a secondary consideration?

Karen Bradley: I do not agree with that assessment.

Joanna Cherry (Edinburgh South West) (SNP): As has been said, in the past 48 hours, a couple of Members of this House and a British MEP have attacked the Good Friday agreement as “failed” and “unsustainable”. Will the Secretary of State join the Tanaiste, Ireland’s Deputy Prime Minister, in condemning such language as “irresponsible”?

Karen Bradley: As I say, I can only set out the Government’s position, which is that we fully support the Belfast agreement.

Mike Kane (Wythenshawe and Sale East) (Lab): A young generation in Ireland, north and south, and on the mainland have no recollection of violence because of the Good Friday agreement. Therefore, does the Secretary of State agree that those who are playing fast and loose with that agreement for their own terms over Brexit should not be doing so?

Karen Bradley: I agree that people do not remember what it was like; my children visited Northern Ireland recently and were astonished to see that there are still walls between communities. That was a shock to them because they had no idea about what the troubles were like and what it was like for people living there. The people of Northern Ireland have come so far in 20 years, and it is vital that we restore devolved government and maintain the Belfast agreement.

Paul Girvan (South Antrim) (DUP): I thank the Secretary of State for her statement. In the light of the failure of the talks and what has ultimately happened, the vacuum has been filled by those who wish to bring about more Dublin interference in Northern Ireland. Will the Secretary of State assure us that Dublin will have no say in the running and governance of Northern Ireland?

Karen Bradley: We have been clear that the three-stranded approach has applied in everything we have been doing. Strand 1 issues clearly do not involve the Irish Government. The hon. Gentleman will know that the best way to ensure the protection of the Union and that the people of Northern Ireland have their say is the restoration of devolved government in Stormont.

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): I urge the Secretary of State to get off the fence in

respect of same-sex marriage in Northern Ireland. We simply would not tolerate such discrimination against any other group of UK citizens. It is not acceptable that the Government continue to be complicit in discrimination against LGBT people in Northern Ireland. Will the Secretary of State support efforts in this place to bring forward change?

Karen Bradley: This is a devolved matter. I was proud to vote for same-sex marriage for my constituents in this House when we had that vote, but I did not vote to impose same-sex marriage in Scotland. It is not the job of this Government to introduce legislation; it is for the people of Northern Ireland and their elected politicians to make the decision.

Christine Jardine (Edinburgh West) (LD): Given the Secretary of State’s stated determination to reinstate devolved government in Northern Ireland, does she agree that perhaps the time has come for the appointment of an external mediator to chair the power-sharing talks?

Karen Bradley: I have been clear that I rule nothing out. Everything is under review and I will look at all viable options to ensure that we get devolved government back up and running.

Gavin Robinson (Belfast East) (DUP): In situations such as this, we will always get verbal excess or an aspirational wheeze from some of the participants. Will the Secretary of State indicate clearly that nowhere in the Good Friday agreement, the St Andrews agreement, the legislation that underpins them or the constitution of this country is there provision for joint authority?

Karen Bradley: I fully respect the Belfast agreement and the successor agreements. We adhere to the three-stranded approach very strictly.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for her statement. Will she outline the timeline for the imposition of direct rule as it is legislated for in this place, to ensure that the people of Northern Ireland do not continue to be led by the nose by Sinn Féin, a party that does not have the interests of Northern Ireland at heart but seeks only the destruction of the state of Northern Ireland in an attempt to secure an unwanted and unworkable Ireland that is never, never, never going to happen?

Karen Bradley: My priority, focus and energies are on the restoration of devolved government in line with the Belfast agreement. That is what I will be focusing on and that is what I am determined to achieve, alongside addressing the urgent issues, including the budget, that need to be dealt with in the very near future.

Aid Sector: Safeguarding

4.47 pm

The Secretary of State for International Development (Penny Mordaunt): With permission, Mr Speaker, I will update the House on my Department's response to the sexual abuse and exploitation perpetrated by charity workers in Haiti in 2011, and on the measures we are taking to improve safeguarding across the aid sector.

Let me start by paying tribute to Sean O'Neill of *The Times* and to the two sets of whistleblowers—those in 2011 and later—for bringing this case to light. On 9 February, *The Times* reported that when certain Oxfam staff were in Haiti in 2011, they had abused their positions of trust and paid for sex with local women. The incidents happened in the aftermath of the devastating earthquake in 2010 that killed hundreds of thousands of people and left millions more homeless and reliant on aid for basic needs such as food and shelter. That is shocking, but it is not by itself what has caused such concern about Oxfam's safeguarding—it was what Oxfam then did.

In chaotic and desperate situations, the very best safeguarding procedures and practices must be put in to place to prevent harm, but when organisations fail to report and follow up incidents of wrongdoing that occur, it undermines trust and sends a message that sexual exploitation and abuse are tolerated. We cannot prevent sexual exploitation and abuse if we do not demonstrate zero tolerance. In such circumstances, we must be able to trust organisations not only to do all they can to prevent harm, but to report and follow up incidents of wrongdoing when they occur.

In that duty Oxfam failed, on the watch of Barbara Stocking and Penny Lawrence. They did not provide a full report to the Charity Commission. They did not provide a full report to their donors. They did not provide any report to prosecuting authorities. In my view, they misled, quite possibly deliberately, even as their report concluded that their investigation could not rule out the allegation that some of the women involved were actually children. They did not think it was necessary to report that to the police either in Haiti or in the country of origin of those accountable. I believe that their motivation appears to be the protection of the organisation's reputation. They put that before those they were there to help and protect, which is a complete betrayal of trust, a betrayal of those who sent them there—the British people—and a betrayal of all those Oxfam staff and volunteers who put the people they serve first.

Last week, I met Mark Goldring, chief executive of Oxfam, and Caroline Thomson, Oxfam's chair of trustees. I made three demands of them: that they fully co-operate with the Haitian authorities, handing over all evidence they hold; that they report staff members involved in the incident to their respective national Governments; and that they make clear how they will handle any forthcoming allegations around safeguarding, historical or live. I stressed that, for me, holding to account those who made the decision not to report, and to let those potentially guilty of criminal activity slip away, was a necessity in winning back confidence in Oxfam.

As a result of those discussions, Oxfam has agreed to withdraw from bidding for any new UK Government funding until the Department for International

Development is satisfied that it can meet the high safeguarding standards we expect of our partners. I will take a decision on current programming after 26 February—at that time, I will have further information that will help me to decide whether I need to adjust how that is currently delivered.

Given the concerns about the wider sector this case has raised, I have written to every UK charity working overseas that receives UK aid—192 organisations—insisting that they spell out the steps they are taking to ensure that their safeguarding policies are fully in place, and that they confirm that they have referred all concerns they have about specific cases and individuals to the relevant authorities, including prosecuting authorities. I have set the deadline of 26 February for replies. We are also conducting in parallel an exercise to make clear our standards to all non-UK charity partners—393 organisations in total—and to all our suppliers, including those in the private sector, which number more than 500 organisations, and to remind them of their obligations. We are doing the same with all multilateral partners.

The UK Government reserve the right to take whatever decisions about present or future funding for Oxfam or any other organisation we deem necessary. We have been very clear that we will not work with any organisation that does not live up to the high standards on safeguarding and protection that we require. We will share this approach with other Governments Departments responsible for ODA spend. Although that work is not yet complete, it is clear from the Charity Commission reporting data, and lack of it from some organisations, that cultural change is needed to ensure that all that can be done to stop sexual exploitation in the aid sector is being done.

We need to take some practical steps and set up our own systems now—we should not wait for the United Nations to take action. My Department and the Charity Commission will hold a safeguarding summit on 5 March, where we will meet UK international development charities, regulators and experts to confront safeguarding failures and agree practical measures, such as an aid worker accreditation scheme that we in the UK can use. Later in the year, we will take this programme of work to a wide-ranging global safeguarding conference to drive action across the whole international aid sector. I am pleased to say that the US, Canada, Netherlands and others have already agreed to support our goals of improving safeguarding standards across the sector. The UK is not waiting for others to act and will take the lead.

We have been speaking to colleagues across Government and beyond about what more we can do to stop exploitation and abuse in the UN and the broader multilateral system. The message from us to all parts of the UN is clear: they can either get their house in order, or they can prepare to carry out their good work without our money.

We welcome the UN's announcement on 14 February that it does not and will not claim immunity for sexual abuse cases. That sends a clear signal that the UN is not a soft target, but we must hold it to account for that. Further actions we have taken in the past week include the creation of a new safeguarding unit. We have also promoted our whistleblowing and reporting phone line to encourage anyone with information on safeguarding issues to contact us. We have appointed Sheila Drew Smith, a recent member of the Committee on Standards in Public Life, who has agreed to bring her expertise and her challenge to support my Department's ambition on

[Penny Mordaunt]

safeguarding. She will report to me directly. We have asked to meet leaders of the audit profession to discuss what more they can do to provide independent assurance over safeguarding to the organisations that DFID partners with globally.

I have held my own Department to the same scrutiny that I am demanding of others. I have asked the Department to go through our centrally held human resources systems and our fraud and whistleblowing records as far back as they exist. I am assured that there are no centrally recorded cases that were dealt with incorrectly. Separately we are reviewing any locally reported allegations of sexual misconduct involving DFID staff and delivery partners. To date, our review of staff cases has looked at 75% of our teams across DFID and will complete within a fortnight. Our investigations are still ongoing. If, during this process, we discover any historical or current cases that have not been dealt with appropriately, I will report on our handling of them to Parliament.

DFID, other Government Departments and the National Crime Agency work closely together when serious allegations of potentially criminal activity in partner organisations are brought to our attention. We are strengthening this work, as the new strategy director at the NCA will take on a lead role for the aid sector. I am calling on anyone who has any concerns about abuse or exploitation in the sector to come forward and report them to our counter-fraud and whistleblowing team. Details are on the DFID website and all communications will be treated in complete confidence. Later today, I have further meetings with the Defence Secretary regarding peacekeeping troops, and the Secretary of State at the Department for Digital, Culture, Media and Sport regarding the charity sector.¹

My absolute priority is to keep the world's poorest and most vulnerable people safe from harm. It is utterly despicable that sexual exploitation and abuse continue to exist in the aid sector. The recent reports should be a wake-up call to us all. Now is the time for us to act. But as we do, we should note the good people working across the world in the sector—saving lives, often by endangering their own—and all those, from fundraisers to trustees, who make that work possible. Since news of this scandal broke just a week ago, UK aid and aid workers have helped to vaccinate 850,000 children against polio. We should recognise that that good work can only be done with the support of the British people. I commend this statement to the House.

4.57 pm

Kate Osamor (Edmonton) (Lab/Co-op): I welcome the Secretary of State's statement and thank her for advance sight of it. I join her in utter disgust at the stories that have emerged in recent days of incidents of sexual abuse and exploitation, and of the appalling culture of silence.

Let me say very clearly that, for the Haitian women and girls fighting to survive an earthquake who were exploited and abused, it is just not good enough; for the British public and loyal Oxfam supporters who donate time, money, taxes and support, it is just not good enough; and for those of us in this House who support charities such as Oxfam to save lives in crisis and to tackle the root causes of injustice, it is just not good enough. We need reform.

I welcome the fact that the Secretary of State has written to taxpayer-funded charities to ask for written assurance that they have safeguards in place, but I am not convinced that that will do the job. We need each charity to tell us how many cases they are aware of, how they have been resolved and whether there could be others. We need a full, sector-wide picture to be reported back to Parliament. The inquiry must target not only UK charities funded by DFID, but private suppliers, UN agencies, non-governmental organisations in developing countries and charities funded by the Foreign and Commonwealth Office, UK embassies and other Government Departments. The Secretary of State says that she has asked those agencies for assurance. Will she tell us the timeframe for that?

I welcome the Secretary of State's swift commitment to a safeguarding summit on 5 March. Out of that summit must now come a real commitment to reform: tightening international criminal regulations; establishing a global passport or register for humanitarian workers; and setting up an independent regulator or a centre of excellence. Will the Secretary of State tell us exactly when later on this year that will happen, so that the House will know when to expect to see real reforms? Reform must not just improve tools and procedures. Our aid agencies are supposed to set an example and challenge the abuse of power—always, everywhere. Reform must also involve aid agencies themselves looking at their culture, redistributing power, challenging its abuses, and putting people before their reputation. This is what aid agencies must now do, and a Labour Government will help them to do it.

Over the past 10 days, some have tried to use this scandal and weaponise it to call for the UK to end its commitment to spend 0.7% of gross national income on aid. That is absolutely shameful. Our aid budget does not just save millions of lives: it is also our best chance to stop sexual abuse and exploitation. Taking Syria alone, in the first half of 2017, UK aid supported 4,687 survivors of sexual violence. Last year, in the Democratic Republic of the Congo alone, the UK got to help up to 1,979 survivors of sexual violence within the first 72 hours. We owe it to those women and girls to keep some perspective. When an abuse scandal hits Westminster, the Church or the Army, nobody seriously suggests shutting the whole thing down. So let us root out the bad apples, focus on fixing the system, and have the conviction to stand up proudly for the good that UK aid can still do, which, even at this darkest moment, far exceeds the evil.

The Secretary of State has said that she believes in aid, but I have not heard her call out those shameful opportunists, including her own predecessor and many in her own party, who have jumped on this scandal and attacked aid. Well, if she will not, then I will, because it is wrong. It does an injustice to our country and it will distract us from what really needs to happen—reforms that are badly, badly needed.

Penny Mordaunt: I thank the hon. Lady for the support that she has given to the sector, for her recognition of the good work that does actually go on and for her support—ongoing, I hope—for the practical measures that we are taking forward. There are many things that we can do to influence others, but we need to take some practical action. We need, at the very least, to get the UK aid sector in order, with a catalyst effect on others

1. [Official Report, 21 February 2018, Vol. 636, c. 3MC.]

in also raising their game. In addition to the accreditation system, this may include, for example, co-ordinating our requirements in our funding agreements with third parties. That is what will help to drive change.

I do not recognise the caricature that the hon. Lady paints of my predecessor. In fact, I should pay tribute to my predecessor for what she did to try to raise this with the UN. That is important, but it is also important that we work with the component parts of the UN. Ultimately, as I said in my statement, if we cannot be assured of the practices within these organisations, we should not fund them. That is the sanction that we have. I pay tribute to the other Secretaries of State in the Department who set up the systems that I am now able to interrogate to provide confidence to this House and to the public.

Let me turn to the other points that the hon. Lady raised. The activities that I have outlined and that I am undertaking are only part of what is going on. The Charity Commission is the body that is taking a lead, as it has been since we beefed up its responsibilities in 2016 to take a greater role in these issues, with charities having to report to it the numbers of cases involved. I am not going to duplicate that work. However, I want to see that work improving and to see that, where the commission has concerns, they are properly reported to the National Crime Agency. That needs to work better. The Charity Commission is obviously doing its own investigation, and it is right that it takes the lead on that.

For organisations based in the UK, I have set the deadline of 26 February. For other organisations that are not based in the UK, it will be in a fortnight. We need to move swiftly on this. Although I am asking for written confirmation about organisations' policies and any historical or live cases, that is an important step in allowing people to come forward now if they have any outstanding issues.

The safeguarding summit on 5 March will have a UK focus, with our own charities and organisations, but international partners have also asked if they can attend. We have not finalised a date for the follow-up conference, but we want to do it swiftly. We will be working with other nations to find a suitable time to get the right people in the room. It is important that we do not just talk about this but make some agreements and put some things into action.

I have not heard people attack the aid budget over this. I actually think people have shown maturity in recognising the seriousness of this issue. This is not an event that should cause us not to give money to charity, not to carry out aid work and not to vote some of our budget towards that. That is the approach I have heard, and I hope it will continue as we carry out this important work.

Mr Andrew Mitchell (Sutton Coldfield) (Con): It is clear that my right hon. Friend has handled these shattering circumstances extremely well and correctly. Can she confirm that none of the trustees or senior management at Oxfam at the time of those dreadful events is still in post today? Will she join me in thanking the overwhelming majority of wonderful people of deep integrity who work in the development sector, often at some considerable risk to themselves, for the remarkable work they do in very difficult places, which reflects so well on Britain and our international development efforts?

Penny Mordaunt: I thank my right hon. Friend for what he says. We should be proud of those people and what they do. I have made it clear to Oxfam that we cannot have confidence in an organisation that still has sitting on its board or among its employees people whose judgment was so fundamentally flawed. I note that following that discussion, Penny Lawrence left the organisation. The Charity Commission is conducting its own investigation, and I know it will be particularly concerned about the role of trustees. I am not going to call for resignations. We need to investigate and look at the facts, and we need to hold the individuals responsible for this accountable.

Chris Law (Dundee West) (SNP): I thank the Secretary of State for her statement. The Scottish National party is horrified at these revelations. Any form of sexual misconduct is completely and utterly unacceptable. Today's appearance by Oxfam and others before the International Development Committee has left many questions unanswered. There needs therefore to be a fuller inquiry into the reported sickening events in Haiti and others emerging by the day. Allegations have now been made against Médecins sans Frontières, the Scottish Catholic International Aid Fund, Save the Children and the International Rescue Committee. We hear a lot of apologies, but we need deeds to match those words.

Sadly, a picture has now emerged of a culture of bullying, harassment, sexual abuse and racism among agencies around the world. All the good and essential work of this vital sector has been deeply damaged by not just what has happened but the way it has been dealt with. We heard today that many individuals responsible for these appalling activities were not dealt with and instead were often just passed on to other agencies and charities. There clearly has to be accountability and safeguards put in place to rebuild that trust. Wherever we see this type of behaviour, whether in the aid sector, Hollywood or politics, it must not be tolerated.

It is deeply concerning that some members of this Government have not shied away from their desire to see the aid budget cut. This scandal must not be used by the Secretary of State as a tool for cutting aid funding. I therefore call on her to confirm today in this House unequivocally that organisations will not have funds unduly stripped from them as they go about their vital work in some of the most vulnerable communities on this earth.

The international aid sector does fantastic work, and we cannot let this scandal overshadow the overwhelmingly positive actions done and support given around the world by many. However, we need to get to the root of these events and make sure, with robust safeguards, that they never happen again, or if they do, that action is taken immediately.

Penny Mordaunt: I thank the hon. Gentleman for what he says. We should note that the Charity Commission, as well as doing other work, is liaising with its counterparts in the devolved nations, which will be part of any such work.

It was this Government who brought in the 0.7% target. We think that is right and has helped, and that other nations around the world look to us as a development superpower. If we want to meet the sustainable development goals, we need to ensure that we spend that money

[Penny Mordaunt]

really well. I want to get the money to work harder: there are always improvements we can drive. We are committed to the 0.7% target.

On the hon. Gentleman's final point, I will wait until I have information back, not just about Oxfam, but about all other delivery partners to which I may transfer work. Until I have back that information, I will not make decisions about current programming, because the welfare of beneficiaries and the safety of staff in the field are my prime concerns.

James Duddridge (Rochford and Southend East) (Con): I thank the Secretary of State for the truly amazing work she is doing. That is quite often said in this House, but having sat through three and a half hours in the Select Committee listening to Oxfam, I came away realising how appalling the situation really is. May I, however, urge her not to leap into action too quickly, given, horrifically, that we have no understanding at the moment of the size of the problem? It is quite possible that predatory individuals, including predatory paedophiles, actually go into international situations, as they go into domestic situations, to abuse others. While I do not want to taint the people who go into such professions either in the UK or internationally, we may very well be on the precipice of a much bigger problem than simply Oxfam and a few others.

Penny Mordaunt: I note my hon. Friend's concerns, but I think we do need to act now. This has obviously been triggered by a specific case, but we have known for a long time that this is a problem. It is a difficult problem to crack, but we have to start making moves to crack it. Having spoken to my opposite numbers in other nations, I can tell him that they are of the same mind. By getting to grips with this—putting in measures that will not by themselves solve the problem, but will help—we will also send a message to predatory individuals that the aid sector is not a safe haven for them.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I thank the Secretary of State for her statement, and I commend her for her swift action over the past 10 days. This morning, the Select Committee decided that we will hold a full inquiry into this issue. Does she agree with me that as well as Oxfam having to get its house in order and the action that DFID needs to take, international action will be crucial if we are to prevent another such crisis ever happening again in the future?

Penny Mordaunt: I agree with the hon. Gentleman. I thank him for the hearing this morning and for the inquiry that he is going to undertake, which will help the situation dramatically. He is right: we can get our own house in order and take a lead on this, but, ultimately, the component parts of the UN and other organisations in the international community must also follow suit. We also have to tackle the other enormous issues on the fringe of what we are discussing—in particular, UN peacekeeping troops. These are not easy things to crack, but we have to crack them.

Mrs Maria Miller (Basingstoke) (Con): Many thousands of incredible people work in the aid sector, helping some of the most vulnerable people on the planet, and it is the betrayal of trust in organisations such as Oxfam

that I think has caused the current outcry. Not only has Oxfam tried to cover up sex crimes by its workers, but in doing so it has shown a flagrant disregard for the criminal justice system in Haiti. Should the UK Government ever be working with an organisation that thinks it is above the law in one of the poorest countries in the world, such as Haiti?

Penny Mordaunt: This case is truly shocking and it may be that prosecutions result from what has gone on. We need to take stock of the sector, which is why I commissioned the review of what our partners are doing. It is also absolutely vital that we are very clear with any organisation we work with about what we expect from them. We often say “zero tolerance”, but we have to live that and mean that, and there have to be consequences when people breach the requirements we have of them. I said last week in Stockholm at the End Violence against Children conference that there is no organisation too big, or our work with them too complex, that we will not withhold funding from them if they do not meet those standards.

Richard Burden (Birmingham, Northfield) (Lab): I thank the Secretary of State for her statement. She will know that this morning's Select Committee meeting highlighted not only the really grotesque actions of a number of Oxfam staff in Haiti in 2011, but the fact that the whole sector has been far too slow to address the issue of sexual abuse and exploitation. Does she agree that at this stage three things are important: first, there has to be full accountability; secondly, action needs to be taken internationally, and an international register of humanitarian workers would help with that; and, thirdly, recognising the vital work the vast majority of aid workers do, nothing must be done to jeopardise UK aid to some of the poorest and most vulnerable people in the world?

Penny Mordaunt: Yes, yes and yes.

Anna Soubry (Broxtowe) (Con): I commend the Secretary of State for her statement and gently say to the hon. Member for Edmonton (Kate Osamor) that this is not an issue on which anybody should be seeking to make any form of political capital. This is not the subject of party politics; this is an appalling situation. About a year ago, I went to the Zaatari refugee camp as a guest of Oxfam. I saw the great work that so many of its workers do. Those workers represent the majority of people who work for our great British charities. Can the Secretary of State assure us all that the action she has to take—nobody disputes that—will not affect the beneficiaries of that work and that their interests will be absolutely paramount?

Penny Mordaunt: I can give my right hon. Friend that assurance. That is why, although Oxfam has said it will not bid for any new funding, I have paused what I am going to do with current programming until I have assurances about every other partner operating in the same theatres. I will then take a decision on whether I can have confidence in what Oxfam is currently doing in those locations, or whether I need to adjust how we are doing that aid delivery.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): I completely share the horror and revulsion about the revelations. I praise the Secretary of State for

the very robust and comprehensive way in which she has handled the situation over the past 10 days. As a former Oxfam staff member, I feel let down. I know that many current Oxfam staff members feel completely let down, too, both by the actions of those who carried out these terrible incidents and by the failure to deal with them robustly at the time. The Secretary of State mentioned the situation regarding UN peacekeeping. That area has long been on public record as one where there has been serious sexual abuse and exploitation, with the use of prostitutes and all sorts of terrible things. Will she say a little more about the conversation she is going to have with the Defence Secretary and others about how we can ensure very high standards, in particular when UK funding is being used to support that important work, where there have been serious abuses?

Penny Mordaunt: I thank the hon. Gentleman for his comments. It is good that the message has gone out from this House that we recognise the good work that is done by many people working and volunteering for Oxfam. We can all go into our local Oxfam shop and give them our support at the weekend, and we should do that. We should recognise that our armed forces have already done a lot to raise the standards of peacekeeping troops. We do a huge amount of capacity building. We do a huge amount of work to address gender-based violence and exploitation and to enable people to recover in the aftermath of conflict and war. We have huge expertise and I am very interested in how we can use that expertise. I have spoken to other nations with similar programmes, such as Canada, to see what we can do to help to raise standards. I am open to ideas, but that is the nature of the conversation I will be having with the Defence Secretary.

Paul Scully (Sutton and Cheam) (Con): I congratulate the Secretary of State on taking a firm and robust stance from day one. Some charities may feel that there is a disincentive in the system to being open and transparent because of the need to bid for Government money and to appeal to the generous British public. Does she agree that the reputation of the big charities, as well as their outcomes, depends on being open and transparent, and not having obfuscation and cover-up?

Penny Mordaunt: I agree with my hon. Friend. If any charity thinks that it is a good idea to put their reputation before their beneficiaries, they need to look at what is happening to Oxfam now. It is also important to set a culture in which people are not afraid to report. Ironically, Oxfam is one of the better organisations for reporting numbers to the Charity Commission. I am also looking at where there are gaps, with organisations not reporting incidents and concerns. Reporting and numbers are not necessarily a bad thing, but it is about the practices surrounding that and what organisations do when they know that something has gone wrong.

Jo Swinson (East Dunbartonshire) (LD): I welcome the Secretary of State's statement, her actions on the horrific events and her assurance that the Government's commitment to helping the world's poorest is undimmed. This is not only a charity sector problem, a parliamentary problem, or a Hollywood problem; it is a pervasive, persistent problem across sectors, society and the world. Vulnerable people—mostly women and children—are

sexually objectified, exploited and abused by people with power, who are mostly men. Given the cross-cutting nature of this gendered violence, what discussions is the Secretary of State having across Government to take action to change the culture on sexual harassment and abuse across the board and to ensure that systems are in place to hold perpetrators to account?

Penny Mordaunt: As the hon. Lady will appreciate, in the immediate case I am concerned with a small slice of that, but I have been asking questions about how we hold Government Departments to account for our safeguarding work. I have also strengthened our whistleblowing practices with external oversight and, as I mentioned in my statement, we have written to other Government Departments that administer official development assistance spend.

This is a cultural change, and the Nolan principles of public life can help with the work that the Government do. Since 2013, we have had the UN's code of conduct enshrined in our staff behaviour rules, and now that this incident has come to light, we are strengthening those rules by making explicit what we expect from all our staff. It does not matter whether prostitution is legal in a country or not; if someone is working for us, they cannot take part in those activities.

Mr Nigel Evans (Ribble Valley) (Con): Will the Secretary of State stress that her Department makes no distinction about where a charity gets its money from—whether it is from Government or the charitable giving of British citizens—and that we will judge a charity by its deeds? When bad happens, as in the Oxfam case, the real victims are not Oxfam, which has now lost 7,000 subscribers, but the people on the ground, such as those in Haiti. They are the ones who really suffer.

Penny Mordaunt: My hon. Friend makes a good point. The beneficiaries of aid are the victims in the Oxfam scandal, not anyone else. I absolutely recognise that individuals and members of the public will judge charities on how they respond, how they operate and their practices and responsibilities towards their beneficiaries. My Department has a particular responsibility to investigate those who are in receipt of UK aid, and the Charity Commission will look at the whole sector.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Following the International Development Committee's hearing this morning, a number of areas for immediate action were raised. One was about charities' ability to do a Disclosure and Barring Service check—formerly a Criminal Records Bureau check—for all their workers. Will the Secretary of State take immediate action to ensure that they can do that by including them as a regulated class of profession?

Secondly, we were told today that Interpol is ready to open up a register but lacks the finances to do so. Will the Secretary of State ensure that we put all resources into Interpol to make sure that that register is open, to stop paedophiles working in this sector?

Penny Mordaunt: The summit on 5 March will consider what we think needs to happen in the UK aid sector, so it might look at such checks or accreditation schemes and what form they should take. When I was in Stockholm

[Penny Mordaunt]

I also touched base with the National Crime Agency's liaison officer to Interpol and discussed the issue briefly. Funding an Interpol system might not be the answer, but this is an important issue and we cannot deliver our work unless we can ensure that the vulnerable are protected, so we need to resource that.

Gareth Johnson (Dartford) (Con): I am pleased that the Secretary of State mentioned Oxfam shops because, as she will know, they can operate only because an army of volunteers selflessly and kindly give up their time. Does she agree that the Government should do all they can to ensure that those people are in no way undermined by the wicked actions of a few people?

Penny Mordaunt: I thank my hon. Friend for making that point. We can show our support for those individuals, who are good people and will be dismayed by what the leadership of their organisation has done. I think that they and the public have this issue in balance, because we know that this is not representative of the UK charity sector. We have a unique charity sector in this country—it is a jewel—and this is a stain on it. This is about a minority of individuals, but unless we really tackle these issues, the whole sector will be tarnished. I think that we can all show our support for those individuals who give up their time to do good work.

John Howell (Henley) (Con): By 2019, next year, we will have helped 7.8 million people in Nigeria have better nutrition. What contingency arrangements does the Secretary of State have in place to ensure that those projects will continue if Oxfam has to withdraw?

Penny Mordaunt: As I have said, I am reviewing all the partners we work with. If during the course of the investigation further things come to light that raise concerns about our ability to deliver aid in a particular location, I want to be sure that we have alternatives available, assessed and in place. We will have those answers after 26 February. I again assure the House that, whatever I do, no recipient of aid will suffer as a consequence.

Mrs Emma Lewell-Buck (South Shields) (Lab): I thank the Secretary of State for her statement. How quickly will the perpetrators' crimes be recorded with all the appropriate agencies here in the UK so that they cannot go on to commit these crimes again?

Penny Mordaunt: I am not sure whether the hon. Lady is referring to the Oxfam case. That case is obviously an issue for Haiti, but I have also made it a requirement that Oxfam reports those individuals to their own national Governments, and that has taken place. When these incidents arise, or if organisations receive serious allegations, they should report them to their donors and to their equivalent of the Charity Commission, but it is very clear that they must also report them to their prosecuting authorities.

Mr Philip Hollobone (Kettering) (Con): I commend my right hon. Friend for the personal grip that she has taken on the issue. She is the named individual in Her Majesty's Government who has taken responsibility for

tackling this. If it is not the Secretary-General, who is the named individual in the United Nations who should be gripping this issue in the way that she has done in this country?

Penny Mordaunt: The Secretary-General is the leader. My right hon. Friend the Minister for the Middle East spoke to him last week, and I spoke to his deputy in person. In the wake of this, they have clarified—if I may put it that way—their line on the issue. But we must also be concerned about the practical realities of them delivering that. We can talk to them and get assurances, press statements and letters, but it is the component parts of the UN that actually have to comply with those requirements. I am afraid that the only way we will do that is by dealing with them directly and, if we are not satisfied, withholding funding from those organisations.

Anneliese Dodds (Oxford East) (Lab/Co-op): Does the Secretary of State share my concern about the fact that other Ministers, and the Charity Commission, were made aware of worries over safeguarding back in 2015, but no action was taken at that stage? Does it also concern her that the loophole relating to charity shops, as retail venues, remains? That does not apply to Oxfam, which changed its procedures once the activity was discovered to have occurred, but it may persist in the case of other charities. The Secretary of State does not seem to be concerned about that. Will she let us know why?

Finally, does the Secretary of State appreciate that, notwithstanding her assurances, many of my constituents—a number of whom have been employed by Oxfam as international development workers—are desperately concerned about the weaponising of these revelations by people wishing to argue against international aid, and that their concerns should not be dismissed out of hand?

Penny Mordaunt: First, I can assure the hon. Lady that, in respect of the Oxfam case, the Charity Commission was not informed. In fact—I think that this is important—the commission has described the circumstances of which I have informed the House today as “inappropriate sexual behaviour”, “harassment”, and the bullying of employees. That is not in any way an accurate reflection of the events that took place.

I know that my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch), the Civil Society Minister, is looking into all these issues, including the extension of checks to all retail outlets. I think that there are probably smarter ways of doing this, and if we find that if there is more to be done, we will need to do it.

I am sorry, but I cannot remember the hon. Lady's last point. [HON. MEMBERS: “You have done it.”] Okay—thanks.

Mr Speaker: I know that this involves the constituency of the hon. Member for Oxford East (Anneliese Dodds), but unfortunately—forgive me—if a question is too long, it is quite easy for a Minister to forget some of it. There is a lesson there. The hon. Lady is an extremely dexterous contributor, and we all learn from these situations.

Kevin Foster (Torbay) (Con): Given the heroism of many aid workers in difficult circumstances, it is literally tragic to hear of a handful who decided to exploit such

a situation to fulfil their own sexual proclivities. Will my right hon. Friend reassure me by telling me what work her Department's new safeguarding review unit will do to ensure that people are protected throughout the aid sector?

Penny Mordaunt: We need to do several things, but, in a nutshell, we need to ensure that every organisation is doing all in its power to prevent such actions from taking place. But if and when they do take place—we must recognise that people are working with a huge number of organisations, including local organisations, in what is, quite frankly, chaos—we must ensure that they are reported and dealt with appropriately, that those who have done things wrong are held to account, and that the whole process is transparent.

Liz McInnes (Heywood and Middleton) (Lab): Does the Secretary of State envisage that an international register of aid workers will bring the capability to strike off abusers and ensure that they can no longer find work in the aid sector?

Penny Mordaunt: Yes. Since this story broke, we have received a number of suggestions from a number of organisations. We need to decide what we in the UK think is the best course of action, and that is what we will do on 5 March, with experts and representatives of the UK sector. We will then share that work with our fellow nations and do something together. That is the plan of action.

Bob Stewart (Beckenham) (Con): Are robust vetting systems in place not just for DFID officials working abroad, but for the charities that tend to work abroad in such dreadful situations?

Penny Mordaunt: We have good practices and procedures in place, and I have confidence in what my Department does. However, we work not only with the Oxfams and the Save the Childrens of this world, but with a raft of other organisations further down the supply chain. We must ensure that we can have confidence in the whole of that process. There are individuals whom we can accredit and register, but that will not be possible in the case of

other partners on the ground, so we must also ensure that we have the right oversight wherever in the world we are working.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Extremely serious though they are, we should not allow these ongoing revelations to be used as a pretext to undermine the UK's financial commitment to overseas development aid. A significant number of influential people who are now being vocal on the issue seem to be trying to exploit them for that, and I welcome the Secretary of State's reassurances in that regard. Does the Secretary of State share my concern about the ulterior motives of certain people of influence, who are conveniently jumping on this issue, despite being silent on other forms of abuse and sexual exploitation when they occur in other sectors and other parts of our society?

Penny Mordaunt: I do not think that is how people are responding to this situation; I think the bulk of people in this House and in the country want us to get a grip on this particular issue. As I said, we are committed to 0.7%—we introduced it; it has been in our manifesto; we are committed to it. We are also committed to spending it really well and ensuring that, in spending it, we are working with organisations that we can trust and that put their beneficiaries first.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for her statement, her determination and her strength of character. A whistleblower hotline has been set up; can the Secretary of State assure this House that those who use it will not be disadvantaged in employment as a result, and can she confirm whether there has been any usage of the hotline so far?

Penny Mordaunt: The hotline itself is not new. It has been in place for some years, and it is a discrete unit, so people are dealt with in complete confidence; neither I, the permanent secretary nor any other part of the organisation are aware of calls that come in, and they are investigated separately and discreetly, but once investigations are concluded, we obviously know the result of them. So, yes, it has been used, and it has been very effective. As I said in my statement, through our interrogation of that system on historical cases, we can say that all those cases have been dealt with appropriately.

Post-18 Education

5.37 pm

The Secretary of State for Education (Damian Hinds):

With permission, Mr Speaker, I would like to make a statement on the review of post-18 education and funding. While I am not announcing new policy today, I welcome the opportunity to confirm to the House details of a major review across post-18 education and funding, as announced by the Prime Minister yesterday.

Before I discuss the specifics of the review, I should highlight some of the strengths and successes of our existing post-18 system. We have a world-class higher education system. Sixteen British universities are in the world's top 100 and four are in the top 10. We have record numbers of young people entering university, including from disadvantaged backgrounds. Our student finance system removes up-front financial barriers and provides protections for borrowers so that they only have to contribute when they can afford to do so. A university degree provides significant financial returns to the individual: graduates on average benefit from their university education by over £100,000 over their lifetime.

The Higher Education and Research Act 2017 sets the foundation for further improvements, with the Office for Students a strong voice for students and to ensure minimum standards. The director for fair access and participation will help to drive social mobility. The teaching outcomes and excellence framework measures are in the legislation as well, as is the facilitation of further diversity with new providers and shorter degrees delivered at a lower cost to students.

The Technical and Further Education Act 2017 extends the responsibilities of the Institute for Apprenticeships to include technical education, as well as introducing degree-level apprenticeships. New institutes of technology will be established, which will focus on higher-level technical skills and will be eligible for access to loans and grants for their students. T-levels are in development—a true, equal-standing alternative to A-levels.

We will build on those important reforms in this review. We will also look at parts of the system that are not working as well as they could be. Although we have seen further growth in three-year degrees for 18-year-olds, the post-18 system does not always offer a comprehensive range of high-quality alternative routes for the many young people who pursue a technical or vocational path at that stage. In universities, we have not seen the extent of increase in choice that we would have wanted. The great majority of courses are priced at the same level and three-year courses remain the norm. Meanwhile, although the funding system is a progressive one with built-in protections, those elements are not always well understood.

It is for those reasons that the Government are committed to conducting this major review to look further at how we can ensure that our post-18 education system is joined up and supported by a funding system that works for students and taxpayers. The review will look at four key strands: choice and competition across post-18 education and training; value for money for graduates and taxpayers; accessibility of the system to all; and delivering the skills that our country needs now and in the future. This means identifying ways to help

people to make the most effective choices between the options available at and after 18, so that they can make more informed decisions about their futures. It is also about ensuring that there is a more diverse range of options to choose from beyond the classic three-year or four-year undergraduate degrees.

We will look at how students and graduates contribute to the cost of their studies, to ensure that funding arrangements across post-18 education are transparent and do not prevent people from accessing higher education or training. We will examine how we can best ensure that people from all backgrounds have equal opportunities to progress and succeed in post-18 education, including considering how disadvantaged students receive maintenance support, both from the Government and from universities and colleges. We will look at how we can best support education outcomes that deliver our industrial strategy ambitions by contributing to a strong economy and delivering the skills our country needs.

We are clear that we must maintain and protect key elements of our current post-18 education system that work well already. We will maintain the principle that students should contribute to the cost of their studies, and we will not place a cap on the number of students who can benefit from post-18 education. We will not regress to a system like that in Scotland, where controls on student numbers continue to restrict the aspirations of young people.

The review will be informed by independent advice from an expert panel from across post-18 education, business and academia chaired by Philip Augar, a financial author and former non-executive director of the Department for Education. To inform its advice, the panel will carry out extensive consultation and engagement with the sector, with business and with, among others, people currently or recently participating in post-18 education. The panel will publish its report at an interim stage, before the Government conclude the overall review in early 2019.

The UK is truly a world-leading destination for study and research. Record numbers of young people, including those from disadvantaged backgrounds, are entering university. However, we recognise the concerns and we must look at how we can go further to provide choice, to open up access and to deliver value for money for students and taxpayers. We must ensure that the system as a whole is delivering the best possible outcomes for young people and the economy, joining up the vocational, technical and academic routes and supported by a fair and sustainable funding system. I commend this statement to the House.

5.43 pm

Angela Rayner (Ashton-under-Lyne) (Lab): I thank the Secretary of State for giving me advance sight of his statement.

I welcome the Prime Minister's admission yesterday that the system is not working. She rightly talked about the choices facing a working-class teenage girl today. I faced those choices as a working-class teenage girl myself, but every part of the education system that helped me has been attacked by this Government. I want to ask the Secretary of State first to clarify one simple point. He has claimed that there are now record numbers of students from disadvantaged backgrounds,

but the House of Commons Library has confirmed today that, when we include part-time students, there are now 10,000 fewer students from under-represented areas than there were before the Government raised tuition fees to £9,000 a year. And as usual, the rest of the Secretary of State's announcement leaves us with more questions than answers.

Let us start with the most important question. Will the review be able to recommend extra funding for education overall? The terms of reference state that it cannot make recommendations on tax and that it must follow the Government's fiscal policies. Does that mean that the review cannot recommend anything that would increase spending? If so, can the review consider restoring maintenance grants, reducing interest rates or increasing the teaching grant? Can the Secretary of State also confirm that the terms of reference make it clear that it is not an independent review at all but one directly run by his Ministers? Given that, will he ensure that the review's recommendations are put to this House and implemented in primary legislation that we can properly discuss and amend?

The Prime Minister admitted that the current system "leaves students from the lowest-income households bearing the highest levels of debt".

Does the Secretary of State acknowledge that that will always be the case with a system entirely based on loans? Does he agree with his predecessor, who has admitted that this Government were wrong to scrap maintenance grants?

Speaking to *The Sunday Times*, the Secretary of State said that he wants differential fees, with higher prices for subjects with the greatest earning potential. Is that policy, or was the Government's Education Secretary not speaking for the Government? Does he understand that charging higher fees for the very courses that lead to the highest-paid jobs makes no economic sense and only widens inequality? So much for social mobility.

The Conservative party manifesto promised a review of tertiary education across the board, yet further education colleges form no part of this review, despite the hundreds of thousands of people aged 16 to 18 studying in them. Have this Government abandoned yet another manifesto commitment?

Can the Secretary of State also tell us whether student nurses are covered by the review? If not, will he give this House a debate and a vote on the regulations he is trying to sneak through to abolish their bursaries? He said that he wants funding arrangements to be transparent. The Treasury Committee, chaired by another of his predecessors, found the funding arrangements to be anything but. The Committee highlighted the "fiscal illusion" at the heart of the system, with up to £7 billion of annual debt write-offs simply missing, allowing the Government to artificially reduce the deficit by saddling young people with debt. Perhaps he can tell us whether he will take up the Committee's recommendations. Will he finally tell us the latest estimate of the resource accounting and budgeting charge and about how it will be written off?

The truth is that a year-long review is an unnecessary waste of time and energy when action is needed now. Let me offer the Secretary of State a simple conclusion to his review: a fully costed plan to scrap tuition fees, to bring back maintenance support and to reverse the rest

of the Government's cuts to education. It is called "For the many, not the few" and that is exactly what our education system should be.

Damian Hinds: I thank the hon. Lady very much indeed for her response. She asked a number of questions and I will try to get through as many of them as I can. She is right to identify the issues of part-time participation in higher education. One of the things the review will look at is the ways in which it is possible to carry on earning in the labour force while studying. The decline in part-time study predates the 2012 reforms and indeed the change of Government in 2010, so we need to look at some of the underlying causes.

The hon. Lady asked what the review will cover. The review will cover the complete range, but the Government also believe in a framework of fiscal responsibility, and rightly so. It is only when we have a strong economy that we can have a strong education system and that we can carry on investing in our public services in the way that we are doing.

The hon. Lady asked whether it is an independent review. It is a Government review and the Government are ultimately responsible to this House and democratically. We make the decisions, but those decisions are informed and advised by an independent panel, the composition of which she knows. The legislative requirements that would follow from any changes would follow the normal processes. The same goes for the statutory instrument she asked about.

I do not want to take up too much time, but I want to set one important thing straight. When we talk about having different fees for different courses, it is about ensuring diversity and choice in the marketplace. That exists along many different axes, including shorter courses, more part-time courses and courses delivered in different ways. It is absolutely not the same as saying that there is some distinction of worth to be drawn between arts courses and science courses. With how the world economy is changing, it is also true that we are going to need more STEM graduates and more people with expertise in coding and so on, but that is a different point.

I will finish by observing that there is no such thing as "free" in higher education. Somebody must pay, and there are only two types of people who can fund higher education: those who have benefited from it and will typically earn much more over their lifetimes, and those who have not. There is a public subsidy that goes towards higher education that rightly reflects the societal benefit, but it is also right that the people who benefit contribute to the cost. The Labour alternative is to have the tab picked up entirely by other taxpayers, many of whom will not have benefited from the advantages. That is a regressive policy that would mean less money going to universities and fewer people going to university. It would be a policy for the few, not the many.

Justine Greening (Putney) (Con): Like many Members of this House, I was the first person in my family to go to university, and wonderful universities, such as the University of Roehampton in my constituency, are now giving many young local people the same opportunity. I welcome the fact that the panel will talk to young people, which is vital because they need certainty to be able to start making informed decisions about whether to go to university. I have two points. First, does my

[Justine Greening]

right hon. Friend agree that social mobility must be at the heart of the panel's thinking? Secondly, does he also agree that probably one of the worst things we could introduce would be the regressive tuition fee policy proposed by the Labour party, which would simply benefit the better-off at the expense of the worse-off in our society by introducing a cap on student numbers?

Damian Hinds: My right hon. Friend is of course completely right about the alternative policy proposed by the official Opposition, which would benefit the best-off. In contrast, as she says, we should be focusing on what we can do to promote social mobility and build on the strides that we have made in terms of young people from disadvantaged backgrounds going on to study full-time at age 18. She also mentioned the requirement that young people, or indeed older people, applying to university have certainty now. It is important for us to keep stressing that university is a good deal. If you are someone who can benefit from a university degree, we have a progressive system with plenty of protections in place, and if you can make the most of that, you should.

Carol Monaghan (Glasgow North West) (SNP): I thank the Secretary of State for advance sight of his statement. The Prime Minister's speech yesterday had plenty of platitudes and good intentions, but there has been absolutely nothing of substance. We have had an admission that the current system in England is not working for students. Admitting that it is wrong is one thing, but failing to correct the situation is simply incompetent. In Scotland, the Scottish National party has restored Scotland's tradition of free higher education while maintaining the education maintenance allowance for those at school or in further education and the bursary for young people from disadvantaged backgrounds in higher education—[*Interruption.*] Contrary to the comments from the Government Benches, that support package works. Scottish 18-year-olds from the most disadvantaged areas are now 67% more likely to apply to higher education than 12 years ago, and they graduate with the lowest debt in the UK. Is it not time that we stopped the nonsense and abolished the fees, and matched not just Scotland but the rest of the developed world? Going to university should be based on the ability to learn, not the ability to pay.

If the fees for some less expensive degree courses are lowered, as has been rumoured, has the Secretary of State considered how he will encourage young people to study the more expensive STEM subjects that are so desperately needed in the UK? We have already seen the impact of removing the nursing bursary, with applications to study nursing in England down by 23%. How will the Secretary of State ensure that that does not happen in STEM?

Both the Government and the Labour party are trying to rewrite the history of their responsibility for the tuition fees fiasco, and it is clear that Scotland is leading the policy debate in the UK. With the average debt on graduation in England now at £50,000, how will the Secretary of State ensure that a flow of talent from all backgrounds will continue? How will he ensure that the industrial strategy is supported? Is it not time that fees were abolished?

Damian Hinds: Additional support is already provided in England for some of those key subjects that have a higher cost attached to them, and the review will consider how to incentivise the take-up of such courses. As for the broader point, I said to the hon. Member for Ashton-under-Lyne (Angela Rayner) that, if there were to be a policy along the lines that she suggested, that would mean fewer people being able to go to university, less money going to universities and disadvantaged students being impacted. She only has to look to her left towards the SNP to see exhibit A of how that works.

Several hon. Members *rose*—

Mr Speaker: Order. Understandably, there is intense interest in this subject, but I advise the House that there is a ten-minute rule motion to follow and that I have been informed that it is the intention of one Member to oppose it. Thereafter, there is the Second Reading of a Bill, to which 20 hon. Members want to contribute. I must therefore insist that we do not have speeches or pre-conceived rants. What is required is a pithy question, and I know that the Secretary of State will provide a pithy answer. If people do not want to deliver that, then they should not bother taking part today, because it is not fair on colleagues. We can always be led in such a matter by the right hon. Member for New Forest West (Sir Desmond Swayne).

Sir Desmond Swayne (New Forest West) (Con): How few students actually pay 6%?

Damian Hinds: The interest rate, to which I think my right hon. Friend is referring, is currently 6.1%, but it varies with inflation. Critically, it means that those who earn more in their 20s and 30s will pay more—[*Interruption.*] It applies throughout the study period, as the hon. Member for Wythenshawe and Sale East (Mike Kane) should know. Thereafter, the rate varies depending on earnings. It does serve an important purpose, but it cannot be considered in isolation from all the other aspects of the system.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I welcome the Secretary of State to his post, but will he take this matter seriously? Something is deeply wrong with higher education funding. Much has been achieved, but much needs to be reviewed. Will he concentrate on skills in our country? We are not producing the right skills or giving incentives to further education colleges and private trainers—all those who are struggling at the moment.

Damian Hinds: Much achieved, but things to look at again—I could not agree more with the hon. Gentleman, because that is precisely what we are doing. As for skills, some of the ones that we are looking for are being delivered extremely well, but we need to do more. That is why we have had the big expansion in apprenticeships, the Institute for Apprenticeships, the raising of standards and, of course, the introduction of the T-levels, which he will welcome.

Robert Halfon (Harlow) (Con): I welcome the review and the direction of travel, but my right hon. Friend will know that a fifth to a third of graduates are not getting graduate jobs and that the number of state

school graduates has decreased in the past year. Is it not the case that our higher education system is not providing value for money for many disadvantaged people? That is why the review must focus on skills and on addressing social injustice.

Damian Hinds: My right hon. Friend is absolutely right about the need to focus on skills and to have social justice and equal opportunity at the heart of things. I should also mention that those who do not earn above the threshold do not repay their loan, which is an intrinsic part of the system.

Lucy Powell (Manchester Central) (Lab/Co-op): According to the Institute for Fiscal Studies, three quarters of graduates will not repay their loans, so is it not the case that the system is not working for the taxpayer, let alone students? Therefore, would the Secretary of State have welcomed a more radical review that could have considered some of the deep-rooted problems of the current system?

Damian Hinds: I can understand why the hon. Lady asks that question, but part of the point of the system is that if someone does not earn up to a certain level, or if by the time 30 years have passed, someone has been out of the labour market, they are not expected to pay back the loan. That is deliberate, to ensure that the system is progressive and fair.

Neil O'Brien (Harborough) (Con): Thanks to the expansion that fees have enabled, the most disadvantaged students are now nearly twice as likely to go to university if they are in England than if they are in Scotland. I am in the first generation in my family to go to university and I want my constituents to have the same opportunity. Although I welcome the review, will the Secretary of State reassure me that we will not put that progress at risk?

Damian Hinds: I absolutely reassure my hon. Friend that ensuring equal and fair access will be at the heart of what we do.

Nic Dakin (Scunthorpe) (Lab): The Conservative party manifesto promised a review of tertiary education, so I welcome the Secretary of State's review. However, when will he fulfil the promise to review the most underfunded part of our education system—16 to 18?

Damian Hinds: The internationally recognised definition of tertiary education is largely post-18. The hon. Gentleman is right about some of the challenges in post-16 education. A moment ago, I mentioned T-levels, for which considerably more funding will come forward. There is also the great expansion in apprenticeships.

David Evennett (Bexleyheath and Crayford) (Con): I welcome my right hon. Friend's statement and strongly support his review. It is essential that we deliver the skills that our country needs, and give opportunities for all. Will he ensure that the concerns and views of business and industry are taken into account in the review?

Damian Hinds: It is vital that the views of industry and business are taken fully into account. I know that the independent panel will listen to them carefully.

Dr Roberta Blackman-Woods (City of Durham) (Lab): The terms of reference that the Secretary of State published say that the review cannot make recommendations on tax policy and that it must make recommendations in keeping with the Government's fiscal policies. Does that mean that there will be no new money for higher education regardless of the review's recommendations?

Damian Hinds: As I said, we have a framework of fiscal responsibility, which we will stick to. The announcements on tax and spending are made at fiscal events, but the review has a wide remit to consider all the different aspects of the system and make recommendations.

Michael Tomlinson (Mid Dorset and North Poole) (Con): The Secretary of State rightly stated the principle that those who benefit must contribute. Does he agree that the alternative is regressive and means a cap and a reduction in student numbers?

Damian Hinds: My hon. Friend is right and he has only to look north of the border to see how that works.

Layla Moran (Oxford West and Abingdon) (LD): The Secretary of State spoke about choices made at and after 18, but he will know that many students make those choices at 13 when they choose their GCSEs. The National Audit Office report on the higher education market identified high-quality careers advice and financial education as part of how we can fix the system. Will the review include that?

Damian Hinds: The hon. Lady is right to talk about the choices that are made early. That is why drawing attention to the so-called facilitating subjects can be useful for keeping people's options open for higher education. The point also highlights why we need to make clear early in school the routes to technical and vocational as well as higher education.

Giles Watling (Clacton) (Con): Does the Secretary of State agree that high-quality apprenticeships are key to addressing the UK's skills shortages?

Damian Hinds: I agree entirely. That is why we have such bold ambition for what we will do on apprenticeships—not just the numbers, but with the Institute for Apprenticeships, and moving from frameworks to standards to ensure that they deliver what business needs.

Margaret Greenwood (Wirral West) (Lab): The creative industries generate more than £90 billion for the UK economy. Assessing the value of a university degree course on graduate salary or outcomes risks undermining that important sector. What will the Secretary of State do to ensure that we support universities in producing world-class arts graduates?

Damian Hinds: The hon. Lady makes an important point and, of course, we do produce world-class arts graduates, and we have some of the finest institutions in the world doing that. On what she calls valuing degrees, I have said that at least three different considerations need to be taken account of: the cost of putting on the course, the value in earnings to the individual, and also the value to our society as well as our economy.

Michelle Donelan (Chippenham) (Con): I am delighted that the review will address value for money for graduates. Does my right hon. Friend agree that the system does not currently have the transparency for students to make informed choices, and that that needs to be addressed?

Damian Hinds: My hon. Friend makes an important point. We have moved forward with what is called the LEO—longitudinal education outcomes—dataset to help students make those analyses directly, and indeed to help those who provide information on courses.

Liam Byrne (Birmingham, Hodge Hill) (Lab): The madness of the current system is that it costs students and taxpayers a fortune. Student debt is spiralling up to £55 billion, nearly half of which will be written off and picked up by general taxpayers. I urge the Secretary of State to look forensically at how we knit together further education and higher education so that we radically expand the number of earn-while-you-learn degree places, which are collapsing in great cities such as Birmingham, where they have halved in the past 12 months alone.

Damian Hinds: That was a question of two halves. In the first half, I think the right hon. Gentleman was describing what is called sharing the cost, which we do. We believe that it is right that the individual who benefits should take on part of the investment, and the taxpayer also picks up part of it. I agree entirely with the points in the second half of the question: we should have proper join-up between HE and FE. Many universities already do important technical education, and many FE colleges also conduct very good HE. We want more of a join-up.

Nigel Huddleston (Mid Worcestershire) (Con): Many of us, from both sides of the Chamber, come from modest backgrounds and were the first in our families to go to university. Any kind of cap on numbers could seriously jeopardise the system. Will the review therefore ensure that the unintended consequences of popular but ultimately disastrous policy options are highlighted?

Damian Hinds: The review will look at a range of issues, but highlighting the downsides of some policies that may appear outwardly and initially attractive is an important part of that.

Paul Blomfield (Sheffield Central) (Lab): Will the Secretary of State guarantee that there will be no reduction in funding for widening participation and fair access programmes as part of the review?

Damian Hinds: As the hon. Gentleman will know, there has been some great progress in widening access in terms of social class and, for example, in terms of people from black and minority ethnic backgrounds going on to university. The access programmes that universities run are part of the reason for that. The director of fair access enables us to strengthen that further, learn from what works best and ensure that we spread best practice.

Eddie Hughes (Walsall North) (Con): We need to build 300,000 houses a year in this country. Does my right hon. Friend therefore agree that a high-quality apprenticeship in construction is an excellent alternative to incurring any debt through a university course?

Damian Hinds: Different people have different talents and orientations and enjoy different things, and it is important that we present a range. My hon. Friend is right to mention the particular requirement for construction skills, and the apprenticeship route is an important part of fulfilling that.

Steve McCabe (Birmingham, Selly Oak) (Lab): The review does not touch on the excessive salaries and pension pots that many vice-chancellors claim. Does the Secretary of State think that that is an insignificant factor in the current culture?

Damian Hinds: The overall remuneration of senior staff in institutions that have public support must also enjoy public confidence. The Office for Students will look at how we can ensure that that confidence is maintained.

Kevin Foster (Torbay) (Con): I welcome the mention of apprenticeships and T-levels. Will the Secretary of State confirm that the review will cover the potential of institutes of technology to deliver them, particularly if one was built in South Devon College in Paignton?

Damian Hinds: I am not at this exact moment in a position to go into detail about Paignton, but I can confirm that institutes of technology are an important part of the piece.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Further to the answer that the Secretary of State gave my hon. Friend the Member for Scunthorpe (Nic Dakin) on the international definition of tertiary education being post-18, I point out that the Conservative party manifesto included 16 to 18 education as tertiary. Although it is the Secretary of State's prerogative to choose his timings for inquiries, will he give an actual date for the FE review, because colleges in Stoke-on-Trent want to know?

Damian Hinds: We are constantly improving things. The level 4 and 5 review that is going on will feed into the review that we are discussing. As I have said to several Members, we want to ensure that the two sides are joined up.

Mr Philip Hollobone (Kettering) (Con): Yesterday, when I looked, there did not seem to be a readily accessible link on the website to the review team. If members of the public want to share the benefit of their views with Mr Augar, will the Secretary of State ensure that there is an accessible, emailable link?

Damian Hinds: I will indeed ensure that it is possible to do that. There will of course be a call for evidence as part of the process.

Deidre Brock (Edinburgh North and Leith) (SNP): The Secretary of State has simply criticised the Scottish Government and not taken the opportunity to learn from them. Will he join me in welcoming the 2017 UCAS figures, which show a 13% increase in students from Scotland's most deprived communities going to a Scottish university, and the overall 2% increase in applicants to universities this year from the 20% most deprived areas compared with last year?

Damian Hinds: The gap in opportunity between the disadvantaged and the advantaged in Scotland is well known to all, including the commentators who look at it, and no plucking from the air of a favourite statistic is going to change that. The fact is that the system we have in England has been effective in helping disadvantaged people to make the most of their talents if they want to go on to higher education.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Student living costs are the most pressing issue at Keele University in my constituency and certainly elsewhere in the country, where it is much more expensive to rent and simply get by. Rather than waiting an age for the conclusions of this review, should the Government not simply address this issue now, as well as the sliding scale of access to maintenance loans and the reintroduction of maintenance grants?

Damian Hinds: Bringing in maintenance loans meant it was possible to get access to more cash, and we know the cash-flow question was an important consideration, especially in enabling disadvantaged students to stay at university. I confirmed in the statement that the review will look at all the different aspects of the system.

Points of Order

6.10 pm

Neil Gray (Airdrie and Shotts) (SNP) *rose*—

Mr Speaker: If the hon. Gentleman wants to raise a point of order, he may do so, but with sensitivity to the prevailing circumstances, with huge interest in the subsequent debate.

Neil Gray: On a point of order, Mr Speaker. I understand the pressures on time, so I will be brief. I seek your advice on the public actions of a Member of this House. During a debate on 5 February on social security, the hon. Member for Stirling (Stephen Kerr), whom I have notified of this point of order, intervened on my speech to ask a question, which I was happy to answer. It later came to my attention that he had taken a video clip of his intervention and removed my reply, before stating publicly:

“I got no answer to my repeated question”.

We are left to speculate about the motive for the removal of my reply, but that is not the basis of my complaint.

By posting that clip and suggesting I had not answered his question, he misrepresented the proceedings of this House, and he directly challenged my character and reputation. After being challenged, he did post a full transcript of the debate, but I understand that the original posting and statement remain, which I find deeply concerning. I have enjoyed frequent debates with him since he entered the House, and although we disagree politically, I get on well with him personally. However, I wonder whether this type of behaviour is acceptable according to you, Mr Speaker, or to the code of conduct. Can you therefore please advise whether it is in order for a Member to appear to publicly misrepresent the proceedings of this House, to deliberately or otherwise misrepresent another Member or to apparently attempt to mislead the public about proceedings in this House? Can you advise what powers you have to challenge this behaviour?

Mr Speaker: I am most grateful to the hon. Gentleman. I have just made a point about the constraints on time and it would be helpful if people would be sensitive to it, because it is about others; it is not just about what they want to do now. I am grateful to him for advance notice that he wished to raise this point. I note his concern and I understand what he has just told the House, which is that he has brought the matter to the attention of the hon. Member for Stirling (Stephen Kerr). I appreciate that Members in all parts of the House are increasingly using social media to draw attention to proceedings in this House, and that, of itself, is perfectly understandable. Moreover, broadly it is to be welcomed. That said, I urge all Members to take care to ensure that usage of selected clips of debates does not create a misleading impression of what has taken place. I might add that it is one thing for a Member to post a clip of what he or she has said, but to add evaluative commentary or to imply the absence of a reply to a point that that Member has made could fall into the category of knowingly misleading.

As for the code of conduct, what I would say to the hon. Member for Airdrie and Shotts (Neil Gray) is that in the circumstance that he thinks there has been a

[Mr Speaker]

breach of it, the appropriate action is to write to the Parliamentary Commissioner for Standards. I strongly suggest that he do so if he is so motivated and convinced, rather than pursuing the matter further on the Floor of the House. That ruling is relevant not just to the hon. Gentleman, to whom I am grateful for airing the issue, but to other Members. I must say to the House that it would not be desirable if we were regularly to have points of order of this kind. Already we have colleagues complaining about Members visiting their constituencies without prior notification and we do not want a whole new category of constant points of order on matters of this kind, so it is up to Members to help each other.

Dr Matthew Offord (Hendon) (Con) *rose*—

Mr Speaker: If Dr Offord feels that his views need to be registered to the nation, so be it.

Dr Matthew Offord (Hendon) (Con): On a point of order, Mr Speaker. In December 2016, the British Government adopted the International Holocaust Remembrance Alliance definition of “anti-Semitism”. This definition explains that claiming that the existence of the state of Israel is a racist and illegitimate endeavour is anti-Semitic. Therefore, by the Government’s own measure, the words “Israeli apartheid week” are manifestly anti-Semitic and violate this country’s own definition of anti-Semitism. Given that the Secretary of State and his team are here and that yesterday marked the beginning of Israeli Apartheid Week, may I ask you, Sir, how we can have a statement from the Government condemning these actions and, if appropriate, bringing forward the necessary legislation to prevent them?

Mr Speaker: I do not know whether a Minister is minded to make a statement on the matter, and I am not entirely sure which Minister the hon. Gentleman had in mind. The Secretary of State for Education is in his place, but it is not obvious to me that the matter is for the Secretary of State. Other Ministers are also present on the Treasury Bench and they will have heard what the hon. Gentleman has had to say. I suspect that what he has had to say will be communicated more widely to members of the Government. I think that for today we will leave it there, but I thank him for saying what he wanted to say.

Postal Voting

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

6.15 pm

Damien Moore (Southport) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about postal voting at elections.

It is great privilege to present this Bill in the mother of all Parliaments, in one of the world’s great democracies. The representation of the people or postal handling Bill escalates two of Sir Eric Pickles’ recommendations made in his review of electoral fraud, which he undertook as part of his remit as the Government’s anti-corruption champion. There is no threat more insidious to a democratic society than electoral fraud, and it is almost beyond belief that so many allegations of fraudulent behaviour have been made during recent council, mayoral and general elections. It is clear that unscrupulous and devious people are intent on subverting the confidence of the electorate and damaging the sanctity of our ancient democracy. The events that occurred during the 2014 Tower Hamlets mayoral election are mercifully rare, but they show us that our democracy cannot be taken for granted. We need to accept that our trust-based electoral system is susceptible to fraudulent practices. International intergovernmental organisations such as the Office for Democratic Institutions and Human Rights have raised their concerns over what they perceive to be vulnerabilities within the United Kingdom’s electoral systems, and it is essential that we act now.

Of course, fighting corruption and electoral fraud has benefits beyond protecting democracy and the suffrage of our citizens. Crime begets crime, and malfeasance and corruption, once they put down roots in an organisation or institution, are very hard to eradicate. An individual who has undermined the democratic process and attained elected office through casuistic means is unlikely to maintain ethical standards in office; they are likely to lapse into recidivist tendencies, to the detriment of those they represent.

The law currently allows a voter to hand in their own and other peoples completed and sealed postal ballots to a polling station on polling day or to a returning officer on any day before polling day that is deemed to be too close to polling day to ensure that the postal service will be able to execute delivery of the postal ballot in time. The Electoral Commission has introduced a code of conduct that, in essence, states that no political activist should handle another person’s postal ballot papers, but the code is not enshrined in law.

At present, political activists and campaigners are still legally permitted to handle and deliver an unlimited number of postal ballots to polling stations. Although the simple act of handing in another person’s completed and sealed postal ballot could be completely innocuous, I am certain that most Members will at least be familiar with the concept of postal ballot harvesting. That practice involves political activists gathering up postal ballots, sometimes in their hundreds, and delivering them to polling stations on behalf of the local electorate. As these completed ballots are often handed in to polling stations on polling day, there is rarely a chance to ensure that they have not been tampered with or fraudulently completed by another party.

As Sir Eric Pickles noted in his report on electoral fraud, “Securing the ballot”, the lack of a statutory ban on the handling of postal ballots by political activists leaves scope for the integrity of the voting system to be undermined. Frankly, it is impossible to disagree. In recent years, and perhaps cultivated by increasingly partisan politics, there has been an escalation in instances of intimidation and threats against politicians, after greater schisms than ever between political factions, expressed in the basest way. Of course, there have also been increasing concerns about corruption within our electoral system.

The Bill seeks to allay the possibility of postal ballot fraud, but I also hope that it will go some way towards putting the dignity back into democracy. I hope that Members from all parties recognise that the Bill would introduce pragmatic, sensible legislation into the electoral legal canon. Parliamentarians should be at the forefront of electoral reform, helping to ensure that opportunities for malpractice and criminal behaviour are eradicated.

The Bill would implement a ban on the handling of complete, incomplete or blank postal ballot papers by persons seeking to benefit a candidate or a political party, including candidates, agents and their staff, along with political party officers, members, activists and representatives of pressure groups associated with political parties. Furthermore, the Bill would apply to people or organisations campaigning for or against a political candidate at an election, or, indeed, to people or organisations campaigning for or against a particular outcome at a referendum.

The Bill would enforce a reasonable limit on the number of postal ballots that any individual can hand in on behalf of other voters at a polling station or to a returning officer on polling day. Any individual registered to vote at an election would be able to hand in no more than the prescribed number of postal ballots that were not their own. We envisage that regulations made under the enabling power in the Bill would set the maximum at two.

Individuals could exercise their own right to vote or could hand in their own sealed postal ballot in addition to the others they are returning. That is an important element of the Bill, for it is not always possible to identify the aforementioned subterfuge whereby a party affiliate or campaigner is handling postal ballots and delivering them to polling stations or returning officers. It is rare that an individual could be identified as being part of a political group or as an activist, so it is necessary to apply a limit to the number of postal ballots delivered to polling stations or returning officers for absolutely everybody, without exception.

What of the penalties for those who seek to undermine the will of the electorate through fraudulent behaviour? It is imperative that we enforce stringent sanctions that provide a deterrent to anyone considering committing an electoral offence by deviating from the new measures on postal ballot handling. The Bill would introduce a new offence. Individuals who are banned from handling postal ballot papers that belong to someone else—specifically party affiliates or campaigners—and who do not meet the criteria for an exemption would face the following penalties: a prison sentence of up to two years; a fine; or a prison sentence and a fine following conviction or indictment. Alternatively, in the instance of a summary conviction, they would face up to six months’ imprisonment or a fine on summary conviction.

There are of course exceptions and extenuating circumstances. The Bill would include an exemption for those individuals who are political or campaign affiliates but who are acting on behalf of a family member or another voter for whom they are a carer. That is critical. Although the law must seek to impede fraud and malpractice in elections and referendums, it is equally important that no one should feel that they are unable to exercise their democratic right to vote.

We must ensure that regulations provide polling station staff with the means to examine the intentions and provenance of anyone purporting to hand in someone else’s postal ballot papers. The best way to do that is to enable polling station staff to provide the individual in question with a prescribed form that, through a series of basic questions, would allow those staff to determine whether that voter is permitted to hand in or handle another person’s postal ballot papers. Hopefully, the form would provide a certain structure to the process and instances of calumny during innocuous visits to the polling station would be rare. Guidance would be established to ensure that polling station staff were well equipped to deal with the new requirements placed on them by the Bill.

It is important to recognise that the measures in the Bill have been carefully considered. It is essential that polling station staff do not look askance at voters who enter polling stations and voting booths on polling day, but the Bill would enable greater scrutiny of possible electoral misdeeds. Abstention from voting has often been too high in the United Kingdom, but voter turnout at last year’s general election was the highest in 25 years. I am certain that we parliamentarians can further encourage political engagement from a sometimes “vote shy” public, while examining the ways and means to make elections and referendums as fair and free as possible. Indeed, I hope that the Bill will be part of a wider movement of electoral transparency, decorum in campaigning and public engagement with our democracy. Perhaps most crucial of all is the right for all people to engage in political campaigning without intimidation and the threat of violence.

The Bill would introduce basic changes that would go some way towards addressing perceptions of wrongdoing, with a view to securing a fairer electoral system. I hope that my parliamentary colleagues will consider it with the candour and thoughtfulness that I have come to expect from them. I commend the Bill to the House.

6.24 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I rise to speak against the Bill and its contents. First, though, before I am misrepresented, let me be absolutely clear that electoral fraud is a serious crime and should be taken seriously. It is important that police forces throughout the country have the resources necessary to bring about prosecutions when such fraud takes place. Along with my Opposition colleagues, I of course condemn any actions that seek to undermine the integrity of our democratic process.

As well intentioned as the Bill may be, regulation aimed at party campaigners through criminal law is not the answer. Moreover, the arguments put forward by the hon. Member for Southport (Damien Moore) overestimate the scale of the problem. The proposals in his Bill are an overreaction. Unfortunately, some

[Gareth Snell]

Conservative Members have talked down our democracy with scaremongering stories of voter fraud. Stories of widespread voter abuse have been parroted by Tory MPs, not least by the hon. Member for North West Norfolk (Sir Henry Bellingham), whom I made aware that I would refer to him. On more than one occasion, he has attested to having evidence of multiple voting by students, but he has been unable to produce the evidence when it was requested of him.

Such stories have been used by the Conservative party to justify the piloting of restrictive identification requirements at the local government elections in May. The requirements will disproportionately affect communities with large numbers of old and disabled people and people from black, Asian and minority ethnic communities. Other regulations are being introduced for future metro mayor elections.

Voters across Bromley, Gosport, Swindon, Woking and Watford will be required to produce ID when they next go to cast their ballot. They will need a piece of photo ID, a piece of non-photo ID and their polling card—all that before being issued with a ballot paper. Those without the necessary ID will not be able to participate in the local elections. They will be denied their democratic entitlement.

One would think we were in the midst of an epidemic of widespread voter fraud, but nothing could be further from the truth. The Conservative party says that electoral fraud through voter impersonation doubled nationally between 2014 and 2016. Although the number of alleged cases of voter impersonation rose from a meagre 21 to a whopping 44, the total number of votes cast in those years rose from 29 million to 64 million in 2016.

The question is whether we need new laws to regulate how we and political parties campaign. I firmly believe that the answer is no. First, such matters are best handled by the Electoral Commission's code of conduct for campaigners. The Electoral Commission is clear that campaigners should not be involved in the process of assisting other people to complete postal or proxy vote applications or handling postal ballot packs. The Labour party makes that very clear to our activists, and we have incorporated it into our existing code of conduct and disciplinary processes.

In a small number of instances, accessibility is improved by individual campaigners assisting people by returning their voting packs directly to the returning officer or to a polling station. That is particularly true for disabled and elderly voters, who are not provided with public assistance to complete absent votes and face low levels

of access to polling stations. Indeed, according to Scope, at the 2010 general election, two thirds of polling stations had

“one or more significant access barriers”

to disabled voters. Leonard Cheshire Disability found that a quarter of the people with disabilities it surveyed found it difficult to vote in person at polling stations at the 2015 general election. My fear is that regulation would criminalise the helpful and prohibit assistance that is otherwise unavailable to those voters who need it.

Regulation of the sort suggested in the Bill would be difficult to enforce and breaches would be almost impossible to detect. It would put off honest campaigners without deterring the dishonest ones. That is not just my view, but a view shared by Alan Mabbutt, a current Conservative party board member, who said that regulations targeted at campaigners

“would do little to help. If a person is prepared to ignore the law on fraud and undue influence they would ignore laws here.”

Timothy Straker QC, a barrister who acts for the Electoral Commission, questioned the need for a criminal offence. He said that regulation would be

“unenforceable and would bring the law and the process into disrepute”.

The Electoral Commission has rightly raised the question of how we define “campaigner”. For instance, if I assist my neighbour in taking their postal vote to a polling station, am I suddenly subjected to the law that the hon. Member for Southport wishes to introduce? There is no accepted definition of “campaigner”. I understand why he wishes to codify that in his Bill, but there will always be exceptions and unanswered questions.

The Bill has many regulatory holes and too many unresolved questions. Although I do not intend to force a Division, I want my opposition and that of many of my colleagues to be formally recorded. The hon. Gentleman talked about new forms for polling staff. Like me, he has been a local authority councillor and will know that the people who man polling stations on polling day are of the highest quality and do not need a form to determine whether they understand when voter fraud is taking place. We are best leaving it to the Electoral Commission and the judgment of those staff who make those decisions on the day.

Question put and agreed to.

Ordered,

That Damien Moore, Mr Simon Clarke, Vicky Ford, Eddie Hughes, Andrew Bowie, Giles Watling, Julia Lopez and Lee Rowley present the Bill.

Damien Moore accordingly presented the Bill.

Bill read the first time; to be read a second time on Friday 15 June, and to be printed (Bill 166).

Sanctions and Anti-Money Laundering Bill [Lords]

Second Reading

6.32 pm

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): I beg to move, That the Bill be now read a Second time.

I should begin by paying tribute to my noble Friend Lord Ahmad for piloting the Bill through the other place with such skill and finesse. The aim of the Bill is to grant Her Majesty's Government full power over British sanctions policy after we leave the EU and, in a memorable phrase, to take back control.

This Government's driving purpose is to strengthen Britain's global role and widen the horizons of our foreign policy in order to advance the interests and promote the values of the British people, but if our diplomacy is to be effective, it cannot be solely declaratory: we must have the means to impose a price on those who would threaten to do us harm. In the last resort, that will sometimes mean the use of force—this Government will not resile from acting when necessary—but more often, we back our diplomacy through sanctions. Today, the UK enforces 36 sanctions regimes, targeted on countries such as North Korea, Syria and Russia and terrorist organisations including al-Qaeda and Daesh. In total, about 2,000 individuals and entities are listed for sanctions, varying from asset freezes and travel bans to trade restrictions and arms embargos. At this moment, assets worth £12.5 billion are frozen in the UK.

Our powers to impose those sanctions and measures against money laundering derive almost entirely from the European Communities Act 1972. I am delighted to say that Parliament will soon repeal that Act by means of the European Union (Withdrawal) Bill, which is now before the other place. When that Act comes into force, it will freeze Britain's adherence to the existing sanctions regimes, but if we do nothing, we will lose the ability to impose new sanctions or remove current ones. That is why the Sanctions and Anti-Money Laundering Bill is necessary. It will give any British Government the power to impose, amend or lift an independent battery of UK sanctions, and update measures against money laundering and terrorist financing, thereby restoring our sovereignty over a vital tool of foreign policy.

The House will readily understand the freedom of action that all British Governments today and in the future will regain. If, for example, there is an international crisis and we judge that sanctions are the best response, we will no longer be compelled to wait for consensus among 28 members of the EU. The Bill will give us the freedom to decide on national sanctions as we see fit, bearing in mind that Britain possesses the fifth biggest economy in the world and the largest financial centre in Europe.

Hon. Members will know that sanctions are most effective when jointly enforced by many nations. Nothing in the Bill will stop us concerting our sanctions with any measures imposed by the EU, but if there is no agreement in the EU, as there often is not, Britain can act independently or alongside other allies. If the EU shares our position, we can act together. The outcome will be that Britain enjoys both freedom of manoeuvre and the option of

working alongside our European friends. In the main, I hope that the latter will continue and that we can act in tandem, because the truth is that Britain and our European neighbours will always confront the same threats and defend the same values.

As my right hon. Friend the Prime Minister has said, Britain's unconditional and immovable commitment to the security and defence of Europe will not change one iota when we leave the EU, and this country has always played a leading role in devising EU sanctions—it is thanks to our national expertise in this field that the UK proposed more than half of all the individuals and entities currently listed for EU sanctions. The EU will have every reason to concert its sanctions policy with us in future, just as we will be happy in principle to work hand in glove with the EU. The Bill will place this British Government and our successors in the strongest possible position. We will be equipped with the power to impose sanctions independently, but without prejudice to our ability to co-ordinate with our European allies.

The Bill is also necessary for the UK to continue to play its full part in the struggle against money laundering and terrorist financing. Without the Bill, we should soon find ourselves in breach of international standards. I am proud to say that Britain was the first G20 country to introduce a public register of beneficial owners of companies, thanks to the Conservative-led Government. We are now going further by creating a public register of the beneficial owners of any non-UK entities that possess or buy property in this country, or that participate in UK Government procurement. No other state is compiling such a register, which will be the first of its kind in the world.

Mr Jonathan Djanogly (Huntingdon) (Con): May I ask my right hon. Friend to confirm this: when he says property, is that all property or just real property?

Boris Johnson: I am grateful to my hon. Friend for that intervention—I was referring to real estate. As I am sure he knows, the proposal has the same intention as the tax on enveloped dwellings that was introduced by the former Chancellor of the Exchequer, which has proved, to the best of my knowledge, to be extremely lucrative for the Exchequer.

Dame Margaret Hodge (Barking) (Lab): Given the Secretary of State's commitment to the EU's action on money laundering, is he saying that the Government will implement the fifth EU anti-money laundering directive, which requires that we all have public registers of beneficial ownership by the end of 2019?

Boris Johnson: As the right hon. Lady will be aware, the UK is already out in front of the rest of the world in insisting on public registry of beneficial ownership, irrespective of the implementation of the fifth EU anti-money laundering directive. As I will explain to the House, we already ask the overseas territories to do far more than other jurisdictions that offer financial services advantages.

Dame Margaret Hodge: I would be most grateful if the Secretary of State would give way again.

Boris Johnson: Oh, go on.

Dame Margaret Hodge: I am extremely grateful to the Secretary of State. The reason I asked the question is that the EU's anti-money laundering directive would have an impact on the UK and Gibraltar. I am interested in whether the Foreign Secretary will implement the directive, given that implementation is required by 2019.

Boris Johnson: I do not know the exact stage of the directive at the moment. To the best of my knowledge, we are in the process of implementing it. It should creep in under the wire and will, I hope, have the beneficial effect that the right hon. Lady desires.

Sammy Wilson (East Antrim) (DUP): Will the Secretary of State give way?

Boris Johnson: I will not, if the right hon. Gentleman will forgive me.

As sanctions have serious consequences for the individuals and entities that are singled out, they should be employed only in accordance with the rule of law, so it may be helpful to the House if I describe the scrupulous procedure laid out in the Bill.

Whenever the Government intend to impose a new sanctions regime, a statutory instrument will be laid before Parliament. When selecting targets, we will apply the legal threshold of "reasonable grounds to suspect", which is the standard that we currently use for UN and EU sanctions. Both the British Supreme Court and the EU's general court—the former court of first instance—have endorsed the use of that threshold in recent cases, and it is vital that the UK and our international partners continue to employ the equivalent threshold so that our sanctions policies and theirs can be co-ordinated.

The Bill contains safeguards allowing those listed for sanctions to challenge their designation and receive swift redress if it is warranted. Sanctions are not ends in themselves; they must not be maintained simply out of inertia or force of habit once the necessity for them dies away. The Bill will entitle any designated person to request an administrative reassessment by the Secretary of State, who will have a duty to consider any such request as soon as reasonably practicable. The Secretary of State can amend or revoke the designation in response to new information or a change in the situation. As a last resort, the designated person can apply to challenge the Government's decision in the courts under the principles of judicial review, and the Bill provides for classified evidence to be shared with the court as appropriate.

Britain is obliged by international law to enforce any sanctions agreed by the UN Security Council. If a court in this country believes that such a designation is unlawful, the Secretary of State can use his or her best endeavours to remove a name from a UN sanctions list, bolstered by the fact that Britain has permanent membership of the Security Council. If a Secretary of State declines to seek a delisting at the UN, the relevant individual could challenge that decision before the courts. In addition, the Bill obliges the Government to conduct an annual review of every sanctions regime and place a report before Parliament. The Government are also required to review each individual designation under all regimes every three years.

The Bill allows the Government to grant licences to allow certain activities that would otherwise be prohibited—for instance, to permit any individuals subject

to asset freezes to pay for essential needs such as food or medicine. The Bill will also give the Government the power and flexibility to issue general licences that could, for example, allow aid agencies to provide humanitarian supplies in a country subjected to sanctions.

Nigel Mills (Amber Valley) (Con): Where assets have been frozen—for example, in the case of Libya and its support for the IRA—does the Secretary of State see any scope for a licence to allow that money to be used to help the victims of such outrageous crimes?

Boris Johnson: I completely concur with the objectives espoused by my hon. Friend. Many people would like to see some compensation flowing from a more prosperous Libya to the victims of IRA terrorism and, indeed, to other victims of terrorism. Given what we have done so far with Libya, it would be very difficult to unfreeze the assets; they are not our assets and it would be difficult for us to procure them. On the other hand, there is scope—working with the Libyan Government as Libya gets back on its feet, which is what we are currently working for—to set up a fund for the victims not just of IRA terrorism in this country, but of terror in Libya as well. That is the way forward: the UK and Libya working together to address that historical injustice. I am grateful to my hon. Friend for raising that subject, on which there are strong feelings both in this House and in the other place.

We must never lose the ability to keep pace with the criminals and terrorists who strain every nerve and sinew to confound and evade our efforts. The Bill provides the Government with the power to make, amend or repeal secondary legislation to combat money laundering and terrorist financing. Behind all this lies our primary goal: to restore the independent power of a global Britain to defend our interests and to exert our rightful influence on the world stage, acting in concert with our European friends whenever possible, sure in the knowledge that we are a force for good. I commend this Bill to the House.

6.47 pm

Helen Goodman (Bishop Auckland) (Lab): This is one of many Bills that we need because of our impending departure from the European Union. We agree that sanctions are a crucial lever in our foreign policy armoury. Indeed, their use and usefulness is demonstrated by the fact that we have 36 sanctions regimes on countries ranging from Afghanistan to Zimbabwe, and covering terrorist organisations such as Daesh and al-Qaeda. We accept that the repeal of the European Communities Act 1972 in the EU (Withdrawal) Bill means that the Government must replace it with domestic powers. However, we have a number of questions, criticisms and challenges for the Government about the way in which they are doing that in the Bill.

Money laundering through the City of London is now estimated at £100 billion a year, and the two clauses in the Bill devoted to the matter are wholly inadequate to tackle this massive problem, which is illegal in itself and also hides and enables other crimes, perverts justice, distorts the economy and is seriously undermining our reputation. International standards to prevent it are set out by the Financial Action Task Force and translated—currently via the EU—to national level. We agree that legislation is needed so that we can continue to honour our international obligations.

Lloyd Russell-Moyle (Brighton, Kempdown) (Lab/Co-op): Does my hon. Friend agree that if we tackled tax evasion and avoidance, we would not see such modest levels of overseas development? Countries around the world—in Africa and Asia—would be able to finance their own basic services. Those places do have the money, but companies are stealing it via evasion and avoidance.

Helen Goodman: My hon. Friend is absolutely right. Quite a lot of the money that is hidden is hidden by corrupt regimes, particularly in Africa.

A major criticism of the Bill as first drafted was of its Henry VIII clauses. Throughout, the Bill was giving Ministers the power to make regulations—in other words, to make law that cannot be amended by Parliament and is sometimes made without even any debate. In our consideration of the EU (Withdrawal) Bill, Members across the House complained that the level of the Henry VIII powers was so excessive that the Government agreed to a sifting Committee in order to limit the concentration of the power of the Executive. Arguably, with no sunset clause, this Bill is even worse in this respect. Speaking in the other place, the well-named and noble Lord Judge described it as a “bonanza of regulations” and the “Regulation Bulk Buy” Bill. Their lordships defeated the Government twice in votes on this. I hope that the Government will not now seek to undo those changes to the Bill. If so, we will oppose them.

It is surely obvious to everyone that sanctions regimes are effective only when they are co-ordinated internationally, as the Foreign Secretary acknowledged, and we need maximum support across the world and agreed implementation mechanisms to enforce them. However, he did not really answer some of the questions as to how that is going to be done post Brexit. Half our sanctions emanate from the EU. I am not saying that this is necessarily a matter for legislation, but surely the Government should have a plan for how we are going to be involved in EU decision making on sanctions regimes and the implementation of those regimes. Ukraine is a good example of where that is needed. What specific plans has the Foreign Secretary developed for a framework to provide for continued co-operation with the EU on foreign policy issues after we leave? What discussions have been held on that particular issue in the Brexit talks? What are the Government seeking to achieve in their negotiations with the EU on that matter? We were warned last week by the three spy chiefs that, without co-operation with our EU partners in intelligence sharing, policing and judicial matters, it would be difficult to enforce compliance on sanctions, which are vital for dealing with terrorism and proliferation.

Labour's view is that the core principles of sanctions policy should be that sanctions are targeted to hit regimes rather than ordinary people; minimise the humanitarian impact on innocent civilians; and have clear objectives, including well-defined and realistic demands against which compliance can be judged, with a clear exit strategy. There should be effective arrangements for implementation and enforcement, especially in neighbouring countries, and sanctions should avoid unnecessary adverse impacts on UK economic and commercial interests. We will seek to amend the Bill to ensure that those principles are adhered to throughout.

One very big and obvious hole in the Bill is its failure to incorporate Magnitsky clauses, which the House has repeatedly supported and voted for. Sergei Magnitsky

was a Russian lawyer who uncovered large-scale tax fraud in Russia. For his pains, he was imprisoned and tortured throughout a whole year, finally dying having been brutally beaten up while chained to a bed. We will be tabling a Magnitsky clause that would enable sanctions to be made in order to prevent or respond to gross human rights violations. Such provisions have been adopted in the United States and Canada, and they were also reflected in the Criminal Finances Act 2017. I cannot understand how or why the Foreign Secretary has missed this opportunity; perhaps he has been too busy designing bridges. Such a step is not just about Russia. We are now in the strange position that the United States has tougher sanctions than we do on Myanmar.

Boris Johnson: I hesitate to accuse the hon. Lady of failure to read the Bill, but clause 1(2) makes it absolutely clear that sanctions can be imposed to promote human rights. A fortiori, that obviously involves a Magnitsky clause to prevent the gross abuse of human rights. The measure that she seeks is in the Bill.

Helen Goodman: I am afraid that I do not think the Bill makes that clear. First, it does not include the phrase, “gross human rights abuses”, which the Foreign Secretary just used, and furthermore, it does not refer to public officials. This is a matter that we can debate upstairs in Committee, and I will be happy to do so with the Minister.

Another key area that the Government have failed to address properly is the position of refugees and victims of human trafficking. Last month, the House unanimously resolved:

“That...conflict resolution...and the protection of human rights should be at the heart of UK foreign policy and that effective action should be taken to alleviate the refugee crisis”.

There are now 66 million refugees—more than there have ever been and more than the population of the United Kingdom. The flow of desperate people across the Mediterranean and through Turkey is continuing. Yet the Bill gives no impression that Ministers have given any thought whatsoever to the plight of these people, who are seeking refuge from desperate and protracted conflicts around the world.

The Minister for Europe and the Americas (Sir Alan Duncan): May I draw the hon. Lady's attention again to clause 1(2)? Paragraph (e) mentions exactly what she is talking about—promoting

“the resolution of armed conflicts or the protection of civilians in conflict zones”.

Paragraphs (f), (g) and (h) refer exactly to the human rights abuses that my right hon. Friend the Foreign Secretary mentioned in response to her earlier comments.

Helen Goodman: That is absolutely true, but if the Minister reads a little further into the Bill and looks at clauses 6 and 7 on aircraft and shipping, he will see that there are some problems at that point. Again, we can come back to this in Committee.

The Bill states that prohibitions can be applied to UK nationals and companies based in the United Kingdom, but not against companies based or incorporated in the British overseas territories. Recent reports from UN monitors implicate territories such as the British Virgin Islands in the setting up of front companies that helped

[Helen Goodman]

North Korea to evade the sanctions imposed on it. The problem of sanctions avoidance is very serious. Last week, I was told in answer to a written parliamentary question that the total cost of financial sanctions reported as having been breached last year was £170 million. This afternoon, I received a letter from the Treasury, which has looked at the numbers again and says that the number is £1.4 billion. We need to look at this in more detail in Committee.

I now turn to the anti-money laundering provisions—what one might call the McMafia section of the Bill. To set this in context, the Home Affairs Committee report of June 2016 found:

“Money laundering is undoubtedly a problem in the UK...It is disgraceful that at least a hundred billion pounds is being laundered through the UK every year. If the UK is to remain the centre of global finance, this must be addressed.”

It pointed out that

“money laundering takes many...forms...from complex financial vehicles and tax havens around the world through to property investments in London...and high value jewellery. It is astonishing that just 335 out of some 1.2 million property transactions...were deemed to be suspicious. This suggests to us that supervision of the property market is totally inadequate”.

At the moment, it is far too easy—

Layla Moran (Oxford West and Abingdon) (LD): Is the hon. Lady aware of the geographical targeting orders piloted by the USA that we were told about in the Public Accounts Committee during our trip to Washington last week? Does she know that 30% of the properties investigated were found, in the end, to be owned by nefarious people?

Helen Goodman: That is very shocking. I did not know about it. I hope that the hon. Lady will dilate on the matter further during the debate.

It is obviously possible for people to buy a property, take in rent in perpetuity and have a clean income. In evidence to the Home Affairs Committee, the surveyor Henry Pryor said:

“we do have the equivalent of a welcome mat out for anybody to come if you want to launder your money.”

Money laundering enables the corrupt to live in comfort and security. It is also used to finance other serious and organised crime such as drug dealing, human trafficking, terrorism and even the illegal arms trade and WMD sanctions busting. The click of a computer mouse in London or the overseas territories can mean untold misery across the globe. The Government’s own impact assessment for the Bill says:

“As a global financial centre, the UK is particularly exposed to the threat of being exploited as a destination or transit point for illicit funds”.

Ministers know that this is a problem. Between 2013 and 2016, David Cameron’s Government issued increasingly strong statements and promises, culminating in the May 2016 global summit. There were three specific proposals: a transparent register of beneficial owners of all companies registered in the UK, similar registers in the British overseas territories and Crown dependencies, and a public register of foreign owners of UK property. However, the implementation has been halting, under-resourced, partial and confused. Currently we have at least 25 different

regulatory bodies. It is true that we can now see on the Companies House register who the person is with significant control, but last year 400,000 companies failed to submit the information. Companies House has no due diligence procedure and employs only 20 people to supervise 4 million entries.

Lloyd Russell-Moyle: Does my hon. Friend share my concern that, when one of my constituents reported a fraudulent entry in the Companies House register, the response from Companies House was that it does not do the enforcement, but is just the registry? This fraud is a mockery of the whole registry system.

Helen Goodman: My hon. Friend has brought precisely the point to the House in highlighting that unfortunate episode.

Registers have been introduced in some of the British overseas territories, but they can be accessed by the authorities in London only when the authorities have a reason to be suspicious. The inadequacy of that approach was demonstrated by the publication of the Panama papers and the Paradise papers. According to the *Guardian* investigators, the law firm Mossack Fonseca, operating out of Panama, acted for 113,000 companies incorporated in the British Virgin Islands, which hosts 950,000 offshore companies. That is a country with a population of 30,000. This is public interest journalism at its best—fearless, determined and forensic. Had it not been for the excellent investigatory journalism, we would not have known that Britain’s high street banks processed \$740 million from a vast money-laundering operation run by Russian criminals through anonymously owned firms, nor that Mukhtar Ablyazov, who fled Kazakhstan in 2009 after \$10 billion went missing from the bank he chaired, had a Cayman Islands trust set up by law firm Appleby.

Significantly, HMRC has been able to use the information revealed in Panama and Paradise to open civil and criminal investigations into 66 people and pursue arrests for a £125 million fraud, tackle insider trading and place dozens of high net worth individuals under review. Imagine how much more effective it could be if transparency were the rule and not the exception.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): My hon. Friend makes a good series of points about the nature of the British overseas territories and Crown dependencies. Given that the Bill considers the whole nature of our governance structures after Brexit, does she agree that we should look in a broader sense at the curious structure of British overseas territories and Crown dependencies? We should perhaps follow the example of France, which has incorporated its overseas territories into its metropolitan country and given them a democratic place in its legislature. We could consider the same thing.

Helen Goodman: My hon. Friend is right that the situation is complex—we have one legal regime for the overseas territories and another for the Crown dependencies—but I think that that would be beyond the scope of the Bill.

The all-party parliamentary group on responsible tax, led by my right hon. Friend the Member for Barking (Dame Margaret Hodge), has been pursuing this agenda energetically for several years now, and across the House, Members want effective action.

Another scandal is the use of London property by oligarchs, corrupt officials and gangsters from across the globe. I am talking about people like Karime Macías, the Mexican wife of the former Veracruz Governor Duarte. He has been imprisoned and charged with corruption, money laundering and involvement in organised crime. His years in office saw a spike in disappearances and murders, while she claims to be a fugitive in London.

When I was young, if you drove through Chelsea at night, it was full of light because people actually lived there. Now, swathes of London are pitch black, as properties are bought simply as money safes. Meanwhile, in the outer boroughs, which the Foreign Secretary never visits—

Boris Johnson: As the hon. Lady may recollect, I was never out of the outer boroughs when I was Mayor of London, and the former Mayor of London visited Havana more often than he visited Havering.

Helen Goodman: I wish the Foreign Secretary was as energetic in his pursuit of the corrupt in this Bill as he is concerned to defend his own record on travelling around the London underground.

In the outer-London boroughs, new buildings are bought off plan and some never even have the cellophane unwrapped. Global Witness has found that 86,000 properties in this country are owned by companies in secrecy jurisdictions. The Cayman Islands representatives told me, when they came to see me in preparation for the Bill, that they were responsible for 11% of the property investment in Britain, pushing up prices so that they are unaffordable, and young people's home ownership in this country is now at an all-time low.

The new register promised by the Government in 2015 has been put back by six years. There must be a suspicion that this secrecy continues because some senior Tories use it. Just one example will suffice. Lord Sassoon was revealed by the Paradise papers to have been a beneficiary of a Bahamas trust fund that has sheltered a family fortune worth hundreds of millions of dollars, yet he was a Treasury Minister and the man charged with presiding over the Financial Action Task Force—the very body tasked with setting the standards to combat money laundering.

We are going to pursue all these issues over the coming weeks. I cannot do better than quote the global summit communiqué, which said:

“Corruption is at the heart of so many of the world's problems. It erodes public trust in government, undermines the rule of law, and may give rise to political and economic grievances that...fuel violent extremism. Tackling corruption is vital for sustaining economic stability and growth, maintaining security of societies, protecting human rights, reducing poverty, protecting the environment for future generations and addressing serious and organised crime...We need to face this challenge openly and frankly”.

7.8 pm

Mr Andrew Mitchell (Sutton Coldfield) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests.

I want to start by making it clear that I think this is a very good Bill. It is clearly the right approach to take in these circumstances and a good administrative measure. It delivers sensible and orderly governance and addresses quite rightly the post-Brexit situation and the new

framework for implementing sanctions. My purpose in this debate is to suggest two ways in which the Bill can be improved further.

First, I draw the Foreign Secretary's attention to an area of the Bill that the Minister for Europe and the Americas understands extremely well. Sanctions regimes inevitably affect the peace-building work that humanitarian agencies do in some fragile and difficult places, and in particular key NGOs operating in sanctioned countries. I pay tribute to the remarkable work that is being done by British NGOs in some very difficult parts of the world; I am thinking, for instance, of Syria and Yemen.

Clare Short, the distinguished former International Development Secretary—she set up DFID—and I gave evidence to the Select Committee on the difficulties that can arise for the agencies on occasion. They can fall foul of terrorism measures, which adversely affect their life-saving work. There are difficulties in working in lawless areas, which inevitably involves negotiating with some extremely bad people. Under the regime that the Foreign Secretary is ushering in, the Bill will bring much greater clarity for donors who deliver via NGOs and for banks worried that they may fall foul of the regulations. It will help to reduce bank de-risking—I have heard of NGOs not being able to maintain access to their bank accounts or to transfer funds because of the regulations—when banks fear that they may breach sanctions by providing banking services. I hope the Bill will reduce banks' concerns, assist transport and logistics companies in their work, help NGOs to access formal banking channels, and reduce or eliminate possibilities for remittancing, which, as Members on both sides of the House will know, involves a far bigger transfer of funds to the poor world than international aid.

The Geneva convention states that humanitarian aid be provided to those most in need, without discrimination. The Bill has the capacity to empower leading UK and experienced international charities to carry out our international obligations under such conventions yet more effectively. Building on that, we want to see a general licensing system for financial transactions for the provision of goods and services, which are essential to the delivery of critical aid, for individuals and entities that may be located in areas covered by sanctions.

My first point is that, while accepting that the Government have international obligations in respect of sanctions regimes that inevitably have an impact on the Government's ability to deliver those commitments in full and on all occasions, the Bill nevertheless has the power to improve this area greatly. I hope the Minister for Europe and the Americas—as I have said, he has a very strong understanding of these matters from his time as an International Development Minister—will say a word or two about that tonight.

My second point is also about an area in which the Bill can be improved. This was mentioned by the hon. Member for Bishop Auckland (Helen Goodman), who led for the Opposition. It builds on the important comments made recently by David Cameron, the former Prime Minister, about the Magnitsky rules and the Magnitsky amendment, and I hope that the Bill is susceptible to improvement in that respect.

In spite of our self-image as a country that lives by the rule of law, the reality is that officials from autocracies around the world who are guilty of appalling crimes come to London to live safely and comfortably without

[Mr Andrew Mitchell]

much interference from us. There is now a mechanism to prevent this, which is used by the United States and other countries, called the Magnitsky Act. It is named after the Russian whistleblower Sergei Magnitsky, the appalling treatment of whom was described by the hon. Lady. The Magnitsky Act freezes the assets and bans the visas of human rights violators from around the world. The State Department recently published its Magnitsky list, which includes the son of Russia's general prosecutor, a general from Myanmar implicated in ethnic cleansing, the ex-dictator of Gambia, a shady international fraudster from Israel and a retired Pakistani colonel suspected of organ trafficking. Alarming, every single person on that list is able to travel to the United Kingdom.

Last year, Parliament took an important step to combat this impunity by passing the Magnitsky amendment to the Criminal Finances Bill, under which human rights violators can now have their assets frozen by the Government. Unfortunately, the law is narrowly defined and does not match the standard of other Magnitsky laws around the world. For example, it does not address the issue of visas, and it places a huge burden on the Government in going to court to obtain an order to freeze assets, rather than giving my right hon. Friend the Home Secretary the power to do so by decree.

The Magnitsky amendment to this Bill—I very much hope it will be considered in Committee or, if not, on Report—would bring our legislation into conformity with Magnitsky Acts around the world. Any amendment would define precisely the types of human rights violators to be sanctioned, and most importantly, it would follow an example set by the United States and other countries by placing a requirement on the Government to report annually to Parliament on how effectively the sanctions regime is being used. In my judgment, we should not allow the Government to declare victory over human rights violators with the passage of a law that never gets implemented. I believe that such an amendment may well attract support from all right hon. and hon. Members on both sides of the House. I submit that, if passed, it would bring this aspect of UK law up to international standards.

John Penrose (Weston-super-Mare) (Con): As the Prime Minister's anti-corruption champion, I am listening very carefully to what my right hon. Friend is suggesting. He mentioned existing legal powers. Does he have any sense of how often they are being used at the moment, even though he believes they are relatively narrowly defined?

Mr Mitchell: It is early days, but I think the existing powers are being used rather less than my hon. Friend and I would wish, and I have read out a list of people who are sanctioned by other countries, but not sanctioned by the UK. That was my second point.

My final point relates to the much discussed issue of open registers and the overseas territories. The House will recall the actions of the coalition Government and Britain's leadership at the G8 in tackling tax evasion and tax havens. I thought the hon. Member for Bishop Auckland was a touch too curmudgeonly in acknowledging the extent to which the coalition Government made real progress on those matters. The UK has introduced publicly accessible registers of people with significant control, abolished bearer or anonymous shares and

introduced unexplained wealth orders, while the anti-bribery law was finally introduced by the coalition Government. Britain has a proud record of world leadership on this under a Conservative-led Government.

This is the fourth occasion on which I, along with my right hon. and hon. Friends—under the able, cross-party leadership of the right hon. Member for Barking (Dame Margaret Hodge)—have tried to coax the Government into visiting on the overseas territories the same level of openness and transparency as we have in this country. Let us be clear on the constitutional position, which the Government set out in 2012:

“As a matter of constitutional law the UK Parliament has unlimited power to legislate for the Territories.”

The overseas territories themselves recognise that they gain hugely from their relationship with the United Kingdom.

The overseas territories have been resistant to this argument for three reasons. The first—let us call it the Dutch Antilles argument—is that if they have open registers, all the hot money will head off to other less law-abiding jurisdictions. Leaving aside the issue of whether any decent person should wish to handle hot money obtained through corruption or worse, the fact is that the international consensus is to bear down on such havens, and their footprint is narrowing. Indeed, havens that embrace such transparency will secure a business advantage precisely because their legitimate business will no longer be tainted by fears of the reverse. There is an understanding of this point in at least some of the overseas territories, which, if I may put it this way, camp on the prayer of St Augustine: “O Lord, make me chaste, but not yet.”

The second argument, which we must address head-on, is that the overseas territories' private registers are already available to lawmakers and regulators such as the Inland Revenue. The territories proudly say that they can turn around inquiries from HMRC within hours. This is commendable, but it completely misses the point. That fact is underlined by the recent release of information by journalists, which the hon. Member for Bishop Auckland mentioned. Registers must be open—to civil society, the media, journalists, non-governmental organisations—if all the relevant dots are to be joined up, as the release of the Paradise papers so clearly shows. With the best will in the world, the regulatory authorities are not in that business, and narrow questions from regulatory authorities simply do not suffice.

Finally, I come to the point made movingly by the Foreign Secretary that many, although not all, overseas territories suffered an existential calamity from the recent hurricanes. The whole House will share his concern. I am sure the whole House can assist by agreeing, in any amendment, a longer but definitive period of time in which this reform in the overseas territories should take place.

Around the world, the UK is looked to and respected for its leadership on international development. Helping the poorest in often far-flung places is written deep into this country's DNA. It is who we are as a Parliament. The appalling but temporary crisis afflicting Oxfam will not change that. We have an obligation, not least to our own taxpayers, to champion transparency and openness, and to have zero tolerance towards corruption. The highly respected Africa Progress Panel has shown that in the Democratic Republic of the Congo more than £1.5 billion of stolen funds and taxes have disappeared. These are funds stolen from some of the poorest people on the

planet, who by contrast live in one of the richest mineral and resource-endowed countries in the world. As the World Bank has made clear, the money stolen from the people of Africa through unpaid taxes or concealment dwarfs all the foreign direct investment and international development money that flows into Africa each year. Much of that money ends up salted away in the tax havens I have described. We owe it to the poor of Africa, as well as to our own taxpayers, to take the action we can to bring about an end to this scandal.

I urge the Government, on this fourth occasion, to look very seriously at the amendment that will undoubtedly be tabled by the right hon. Member for Barking (Dame Margaret Hodge) on Report, if not before. Four times we have been around this track. There is significant support on both sides of the House for that amendment. I urge those on the Treasury Bench to look very seriously at whether they can accommodate the House of Commons on this point.

7.21 pm

Alison Thewliss (Glasgow Central) (SNP): This is another Bill that has been caused by Brexit. EU co-operation has been crucial to sanctions and anti-money laundering, and we have moved quite far along the road together as friends, neighbours and colleagues. A lot of concerns about the Bill have been voiced in relation to the justification of proportionality, and whether it takes us in the right direction to give us the opportunity to correct the flaws in our own systems.

Sanctions, as other hon. Members has said, are effective when we have co-operation, particularly as an EU block. That reflects the limitations of sanctions from the UN Security Council, because there is not always agreement among its permanent members. We need to find our place. Our place is not in the EU, as it was, but it is not entirely as other states are in the world. We need to find out where we are. Tom Keatinge from the Royal United Services Institute has said that we may have greater flexibility, but we will certainly have less influence. Ministers need to be reminded of that. I see that the Foreign Secretary has scuttled off without hearing me, which is kind of him. Without the active co-operation and engagement of Ministers with the EU, we will not be able to be the most effective at imposing sanctions. We should not pour our own collective efforts over the years down the stank just because we are leaving the EU. Unilateral sanctions bring with them a recognised risk that while we might want to do the right thing there may be repercussions. Being a part of EU collective action cushions us to an extent from that risk. We do not want to be marginalised in the world. We must take care to make sure that does not happen.

Jim Shannon (Strangford) (DUP): The hon. Lady makes a valid point, although I have a different opinion on Brexit. Does she not agree that our ability to implement sanctions and address money laundering are essential components of our exit from Europe and that it is vital we have the same protections in place in the international market? We must look at the possibility of even enhancing them and making them even stronger.

Alison Thewliss: I agree that we perhaps can and should enhance what we do, but we must take care not to lose what we have so far. We must not lose that co-operation and sense of common purpose against evils in the world, which we have had as a part of the EU.

I support the points on human rights made by the hon. Member for Bishop Auckland (Helen Goodman). Ministers did not quite recognise the point that paragraphs (e), (f), (g) and (h) in clause 1(2) are in the Bill because they were put there by a Labour Lord. She may have made that point, but I did not want to let it pass without having recognised it. The Government should not be taking credit for things they did not do and did not put in the Bill. Those paragraphs should be in the Bill. Anything that can enhance the importance of human rights in the Bill should be there.

The NGO sanctions and counter-terrorism working group, chaired by Bond and the Charity Finance Group, has asked for protection in law for humanitarian and peace-building work, as that is, to a degree, currently inhibited by the EU regulatory framework on sanctions. As the right hon. Member for Sutton Coldfield (Mr Mitchell) set out, aid operations in parts of the world that are extremely dangerous and under sanctions from the UN and the EU still have to have aid workers. They have to build up relationships on the ground. They may not be comfortable with them and they may be difficult, but aid would not happen without them.

Currently, there is not sufficient protection in the Bill. There is reference to general licences with a bit more focus on guidance. Clause 37(1) states that the Minister who makes the regulations must issue guidance, but clause 37(2) states only that guidance “may” include guidance about compliance enforcement and disregards. That is not concrete enough. The guidance should be more certain, so that people know the regime they are working under, know the risks involved in what they are about to do and know if there will be any comeback from the actions they take. I do not think that that is clear enough, and I would like to see improvements in this area of the Bill. More concrete assurances are required.

That concern is shared by the banks. The UK Finance briefing on the Bill says that there is a fear of misuse, but there has to be a way to get around that. It provides the example of banks avoiding any transactions whatever with Iran, due to the risk of being sanctioned by the US—its sanctions regime is far-reaching. That risk alone has a chilling effect on its transactions in that area, regardless of any actual certainty. Sanctions will have an impact on such countries for many years to come, even after sanctions have ended. Banks need to have the confidence that they can deal with a country consistently over a number of years without falling foul of sanctions that suddenly reappear. The people working in such countries need to interact with donors, banks and transport and logistics companies. They need comfort on that. They need to buy fuel. They need to buy mobile phones. They need to make payments to move about the country and to let aid flow. For example, it is not possible to move around Yemen because there are different forces imposing different visa regimes. Moving around the country may involve making payments that fall foul of sanctions.

Stephen Kerr (Stirling) (Con): Is the hon. Lady in effect agreeing with the Law Society of Scotland’s interpretation of the need in clause 1 for a list of all sanctions, including descriptions of any designated person and types of sanction imposed, and exemptions from such sanctions? Is that the thrust of the point she is making, because I agree with that?

Alison Thewliss: I thank the hon. Gentleman for agreeing with me. It is very rare and very nice, and I thank him for it. Yes, there has to be a good deal more clarity. I welcome the Law Society's view, because that is not clear in the Bill. If people are working in that environment, they need certainty. For aid to flow and for banking transactions to flow, there has to be clarity.

UK Finance seeks further detail in clause 18 on extra-territorial application. It wants to know exactly what a UK element constitutes and what its reporting obligations might be under that regime, because it is not entirely clear.

Scrutiny and transparency are somewhat lacking. There is a lot of scope in the Bill for Ministers to create significant new criminal offences through secondary legislation, some of which would carry a sentence of 10 years in prison under clause 17(6). It is constitutionally unacceptable for that type of thing to be created by Ministers, and it is not just me saying that. The House of Lords Constitution Committee wants beefed-up parliamentary scrutiny, and the House of Lords Delegated Powers and Regulatory Reform Committee states that the provisions

"confer exceptionally wide powers which are capable of being applied to a very wide range of persons, with a very wide discretion being given to Ministers to determine the persons against whom sanctions measures may be applied."

We should be concerned about that and seek corrections later in the process.

The Secretary of State, who has left his place, may not make decisions in haste, but we have to be concerned about the future. This is not a Bill for just now, but for many years to come, so the powers that we put in it are very important. The European Scrutiny Committee currently looks at EU sanctions that go through. We need to know what scrutiny process in this place will replace that, because it is important to ensure that things are being done properly and are above board.

At clause 21(4)(a) and (b) and clause 25(3)(a) and (b), a review process of three years from the laying of a sanction is mentioned. I would like clarity from the Government about why that is three years, because I understand that in the EU process it is only one. The Secretary of State said that a person who has been subject to a sanction has the ability to request from him that it is reviewed. Given that circumstances change and given the way of the world today, perhaps three years is a little too restrictive. We might want to push that down a bit further, or at least give scope for it to be varied, given the circumstances.

Clause 41—a Henry VIII clause, which has the power to authorise additional sanctions—is very like the other clause that I just mentioned, and again, the Lords Constitution Committee had concerns when it looked at it. The clause allows the amending of the definition of sanctions and puts a lot of powers into the hands of Ministers. What is the mechanism, the clause or the parliamentary check on that? Where is the means for Parliament and Committees of the House to have their say on the scrutiny of that? It is fundamentally important to have checks and balances in the system.

I am a member of the all-party parliamentary group on responsible tax, as is the right hon. Member for Barking (Dame Margaret Hodge), and I am pleased to see her amendment on beneficial ownership. I look forward to hearing her later on in the debate hopefully

talking about that a wee bit more. There are a lot of issues about working with overseas territories and Crown dependencies. Much as I do not wish the House to legislate on Scottish matters, I do not want us to legislate for overseas territories or Crown dependencies without consent. That is very important. If we want to get buy-in and compliance, imposing things upon people may not necessarily be the best way to do it.

Sammy Wilson: The hon. Lady has hit on a very important point. If changes are to be made in the Crown dependencies and overseas territories, it must be by persuasion, rather than imposition. Does she agree that so far, by using persuasion, significant changes have been made in transparency in those countries? That should perhaps be the thrust of future Government policy to ensure that these areas do not become places where money can be hidden and laundered.

Alison Thewliss: We have to be very careful. To an extent, we push people and give them a carrot, and in a sense, we have a stick. We have to weigh up in all of this where exactly they are on that continuum and with compliance. Will Ministers tell us what conversations they have had with the likes of Guernsey and Jersey? Do they have confirmation of a permissive extent clause? I am very keen to see open registers. The right hon. Member for Sutton Coldfield laid out some points on that excellently. If the registers are there, they should be publicly available. We want to see transparency everywhere, but we also need to bear in mind that we have a long way to go on ensuring that everything that we do is absolutely correct and proper.

There are clearly issues and disputes among people about their interpretation of the proposals. Having read a submission from Jersey and Guernsey, I know that their account of affairs is quite different from other people's. Perhaps we will have time in Committee to discuss this a wee bit more, take evidence and see in more detail exactly what needs to be done, how far people can be pushed, cajoled or brought along, or whether or not we need take this action and the extent to which it has a different force.

Dame Margaret Hodge: I am intrigued by the hon. Lady's contribution. We all want to move forward on the basis of consent, but I slightly disagree with her about how fast the overseas territories are moving. It has been five years since David Cameron first encouraged them to develop public registers of interest. Will she give us some indication of when she thinks that the broader interest of having those public registers and the role that they could play in tackling financial crime would override her absolutely instinctive desire to seek consent in moving forward?

Alison Thewliss: I agree. That is the point I was trying to make, fairly badly I suppose: how long do we leave it? Has it been five years with no sign of anything, or five years with some sign of something? We need more conversations to see exactly where things are, but I am keen to support the right hon. Lady's amendment.

There is slightly more concern about overseas territories such as the British Virgin Islands and Bermuda. When we look at the extent of the Panama papers and the Paradise papers, we cannot fail to be deeply concerned

by the extent of nefarious transactions, out-and-out theft and money laundering, particularly when it involves, as other Members have said, the siphoning—the guzzling—of funds from countries whose populations can least afford it. We should be deeply concerned about that, and there seems to be little indication that they will comply at all. Perhaps there is a different approach from the Crown dependencies and the overseas territories on how willing they are to comply with what has to be done to make things transparent and open.

Moving on to part 2 and clauses 43 and 44, on the progress towards beneficial owners of overseas entities. This is very encouraging, but again the thing with the Bill is that action is required. Action is required to check up on all these companies and registrations. Action is required on enforcement and prosecution, and enforcement action requires agencies, intelligence, people and boots on the ground to make sure that it is done. It is fine to have law, but if we do not have anybody to enforce it, there is absolutely no point at all.

Scottish limited partnerships are a particular example of where things are not being enforced. This was bequeathed to me by Roger Mullin, and I am very grateful. It is estimated by Richard Smith and David Leask, who have been working hard on this issue—hon. Members will have seen some of David's reports in *The Herald*—that an estimated 20,000 to 28,000 SLPs are of concern. *The Herald* recently reported that a former president of Peru has been accused of taking £4 million of bribes that have been funnelled through a shell firm based in Scotland. These things should be checked up on and enforcement action should have been taken, but SLPs have become a cover for all manner of murky and dubious behaviour.

As Transparency International and others have said, the missing link in all this is Companies House, because it does not have the duty to refuse a company's registration; it has to register the company. It does not check up on whether it is legitimate, or whether the people who are registering it actually exist, and it is less compliant than the agents who use it, so there is no benefit to someone going through an agent if they can go through Companies House and avoid all the scrutiny. We have an opportunity in the Bill to close that loophole, because for me, Companies House is ignoring its money laundering duty.

There are wider concerns about shell companies. I invite the Minister to look at New Zealand, which was in a similar situation. However, its regulations have seen a near eradication of its 5,000 shell companies, which were registered to only about a dozen addresses in New Zealand. Part of the solution was a requirement for a New Zealand-based director, which made a huge difference almost overnight.

Mr Sweeney: Another interesting example from the recent Labour Government in New Zealand is the idea that they could ban the overseas ownership of property. Given the huge inflationary pressure in the UK housing market, usually from the opaque overseas ownership of UK property, perhaps we ought to consider that measure in this country as well.

Alison Thewliss: Yes, that would be a very useful addition. The Secretary of State did not answer the questions on the fifth money laundering directive: how it will be transposed; how it will be scrutinised; if there

is a transitional phase; what that transition will look like; how we will prevent any loopholes; and how we will make sure that criminals do not exploit that transition.

Sir Alan Duncan: Perhaps at this stage I can give the hon. Members for Glasgow Central (Alison Thewliss) and for Bishop Auckland (Helen Goodman) the answer they are seeking on the fifth money laundering directive. It will be published in the summer of 2018 and member states will have 18 months to implement it. That will be after we leave the EU, so whether we or Gibraltar are legally required to transpose will depend on the terms of the implementation period, which of course are under negotiation.

Alison Thewliss: That sounds like a vague, “I don't know” kind of answer.

Helen Goodman: Perhaps the hon. Lady would like to ask the Minister whether the powers he is taking in chapter 3—temporary powers in relation to EU sanctions lists—will not give him the power to enforce the fifth money laundering directive.

Alison Thewliss: That is a very good question. I do not know whether the Minister wants to take this opportunity to answer it—perhaps not. He has heard the question, so I need not repeat it.

Finally, I want to refer to the Scottish Government, because aspects of the Bill reflect some of the powers that lie within Scotland. The Court of Session is referred to in clause 33(2) and clause 34(2). What consultation has there been with the legal profession in Scotland and with the Scottish Government on that? On clause 47—“Regulations: general”—the power to change devolved legislation under the negative procedure is really not cool. It is not just I who object to this; the Library briefing states that this will

“enable ministers to make supplemental, incidental, consequential, transitional or saving provisions repealing or otherwise amending existing legislation, including devolved legislation.”

Lord Judge referred to this clause as “monstrous”. Has the Scottish Government been consulted on this provision? What has the Minister got to say about this? This power grab, hidden on page 35 of the Bill, is something that I will seek to amend in Committee.

I support any moves to improve the scope of the Bill, and I look forward to hearing the rest of the debate.

7.42 pm

Mr Jonathan Djanogly (Huntingdon) (Con): The Bill constitutes one piece of a patchwork of laws that are currently going through Parliament to create a post-Brexit framework of legislation, but it is potentially much more than just an enabler for the UK to implement sanctions post Brexit. Thinking about the Bill, it became clear to me how many scenarios it will actually cover, from sanctions used as an alternative to military or technological warfare to sanctions used to express the protection of national sovereignty or to counter financial corruption or human rights abuses, and in each case at state or individual level.

In short, I think that this is a good piece of legislation that will address the mechanical issues that we need to implement. As the Foreign Secretary has said, it recognises that the majority of sanctions implemented by the UK are derived from UN Security Council resolutions or

[Mr Jonathan Djanogly]

EU multilateral agreements. In practice, our EU and domestically derived powers to implement multilateral sanctions and any domestically generated ones will be limited by redundant or inadequate UK legislation. Therefore, mechanically, the Bill does the job.

I have seen the Lords amendments to the Bill. As is so often the case, the other place has done a thorough job of tightening up these inherently intrusive provisions to provide more focus and to take on board human rights considerations and reporting requirements. There was also a significant narrowing of the Henry VIII powers to create new sanctions, which is generally to be welcomed.

However, there is of course much more to consider than just whether we can practically implement sanctions. There are also the policy questions of what types of sanctions we want to issue; to what extent we wish to continue following the sanctions regimes of various national groupings, or whether we increasingly want to assert our own new policy post Brexit; and how our view ties in with our wider policy objectives on the trade and security fronts going into our Brexit negotiations.

In that context, I recognise and strongly support how the Prime Minister spoke out recently in Munich, and before that in her Mansion House speech and on her visit to Estonia, against Russia meddling in elections and planting false stories in the media to “weaponise information”, and also against its aggression towards eastern Europe, which is threatening the international order. However, I suggest that this admirable and strong rhetoric needs to be backed up with more specific proposals showing how and with whom we intend to use sanctions in the post-Brexit world. I was somewhat surprised that more space was not given to that policy issue in the Foreign Secretary’s speech this evening. Yes, of course trade policy will be vital post Brexit, but so will our ability to protect our trade interests and our wider democratic values.

More to the point, if we do not stand up, engage on this issue and lead in the way that many countries expect us to, our authority and influence could quickly disappear. The UK was a party to the Budapest memorandum, by which Ukraine renounced its nuclear weapons in return for what it thought would be peace with Russia. But when it came to Europe taking ownership following the betrayal by Russia and its occupation of Crimea and east Ukraine, it was France and Germany, rather than the UK, that led on sanctions.

Is that a portent of post-Brexit Europe, with reducing UK influence? If we do not lead, will we simply fade away to relative international insignificance, in the same way that a couple of months ago the UK lost its seat on the International Court of Justice for the first time since its foundation in 1946? I repeat that we need leadership on this issue as to where we want to place ourselves as an international player, if we are no longer the global superpower we once were.

The key emerging issue on our future trade with the EU is that of regulatory alignment—whether we have it at all and, if so, whether it should be implemented by our choice or by tying ourselves to future changes through membership of the European economic area, for instance. The debate over alignment also holds for sanctions, but with a key difference, I believe: barring the extreme positions on the far left and the UKIP-style non-interventionist right, most of us would agree that

close co-operation with the EU and the US will remain vital, and perhaps even more so now that we are possibly to lose our seat at the EU table and lose the leading role that the Foreign Secretary referred to in his speech today. That seems to have been confirmed by the Prime Minister in Munich last Friday, when she said that the UK will be leaving the EU’s common foreign and security policy.

Finding a new policy is therefore vital. It is no coincidence that Russia is delighted with the idea of Brexit, not least because of the potential weakening effect on the western alliance. It must be a key objective that we minimise that effect. We can see the importance of blocs in how Russia and China have been attempting to undermine UN sanctions on North Korea. Without a concerted US and EU insistence, what chance would we, the UK, have had of stopping recent Russian and Chinese abuse by acting alone? The answer, I fear, is very little, despite having the fifth biggest economy in the world.

In that regard, the more experts in this area that one listens to, the more one comes away with the understanding that the most effective sanctions regimes are those put in place by multiple countries. UK unilateral sanctions placed on Russia following its murder of Alexander Litvinenko in 2006 may have been right in principle, but they were seen to have little impact in practice. On the other hand, the EU, as the largest trading bloc in the world, can pack a heavy punch when it implements sanctions, as the figures show it is increasingly being prepared to do.

Alignment is therefore in our interests, but we need to ask what form it should take. Should we align like the neutral Swiss or Norway, and not have a seat at the table or determine policy but just join in with the others? Personally, I would see that as a failure of our long-held responsibility to engage and help lead the free international community.

My view is that, for sanctions, we should negotiate a position with the EU whereby we keep a decision-making and voting seat at the table. Whether that is done via some form of membership of the EU’s Political and Security Committee or through a new body is what we should now be considering. In Munich last week Mr Barnier called for an “ambitious partnership” that is “broad... beneficial and balanced”. I think that we should take him up on that invitation.

From a UK business perspective, there could be severe dangers associated with unilateral action. It could result in British companies being much more easily impacted by counter-sanctions imposed by the targeted regime, and it could have the additional regulatory headache involved in multiple export licence systems.

Finally on sanctions, like my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) and the hon. Member for Bishop Auckland (Helen Goodman), I turn to the financial crooks, drug and people-smuggling barons and human rights abusers who are laundering more than £100 billion through the UK every year. We do not want that money here, and hopefully the asset freezing provisions of the new Criminal Finances Act 2017, including its Magnitsky human rights abuse amendment, will help, although some action from the Government would now be welcome.

However, it is not just about the money. We do not want these people or their families here, enjoying the rule of law and standards that they so blatantly disregard

in their own countries. I should like to see a new visa-based regime and a list system. As every Russian opponent of the Putin regime will tell us, it is exposure and publicity that such people fear the most. At a time when the United States has just issued a further list of people whom it is only considering adding to its public Magnitsky list, I would appreciate an explanation of why Ministers continue to keep the banned list private here in the United Kingdom.

On the subject of anti-money laundering, let me say that it would be very helpful if the Government produced their long-awaited anti-corruption strategy. Many anti-corruption themes need to be pulled together and acted on. Let me issue a plea for moderation, common sense and risk assessment to be given more consideration in that context. That plea comes from the thousands of people who are ever more frustrated to hear that £100 billion of black money is being laundered in the UK while they have been banned from or delayed in opening simple bank accounts for some petty, spurious or jobsworth reason.

7.51 pm

Dame Margaret Hodge (Barking) (Lab): The Bill commands general support on both sides of the House, and, like the hon. Member for Huntingdon (Mr Djanogly), who made an excellent speech, I welcome it. As currently drafted, however, it fails to include one vital measure that would at a stroke transform Britain's contribution to the fight against money laundering, tax avoidance and evasion, corruption and financial crime. That measure has been debated many times in both Houses, and is strongly supported by parliamentarians in all parties and by the all-party parliamentary group on responsible tax.

We simply want to ensure that British overseas territories, many of which constitute the leading tax havens in the world, have registers of beneficial ownership that are public and open for anyone to interrogate: businesses, individuals, the press or civil society. I for one have had enough of the endless rhetoric proclaiming that Britain is leading the global fight against corruption and money laundering. The reality has to start to match that rhetoric, because at present it does not. By failing to insist that our overseas territories have public registers of beneficial ownership, we are complicit in facilitating the very corruption that we claim to want to eradicate.

Our overseas territories play a central role in the scourge that is corruption, tax evasion and money laundering. Of the 200,000 companies exposed in the Panama papers, more than half were registered in the British Virgin Islands, a UK overseas territory. More than half the offices of the law firm Appleby that were exposed in the Paradise papers are located in UK-controlled tax havens, and 90% of the world's top 200 global companies have a presence in a UK tax haven. A World Bank review of corruption cases over a 30-year period found that our tiny overseas territories came second only to the vast United States of America among jurisdictions that provide anonymous shell entities for those involved in international corruption.

We all know that the effect of this financial crime is immense, and that the impact on the poorest in the world is particularly pernicious. We in the UK lose money that we desperately need for our schools and hospitals, but developing countries are even more adversely affected. The United Nations Conference on Trade and Development has estimated that developing countries lose at least \$100 billion a year as a result of tax havens,

and the OECD has estimated that they are costing those countries up to three times as much as the total global aid budget. What happens in our tax havens really matters. Persistent collusion by the UK in enabling them to endure, because of the Government's failure to clamp down on the secrecy that pervades our British tax havens, is inexcusable.

Jo Stevens (Cardiff Central) (Lab): My right hon. Friend is making an extremely powerful speech. Does she agree that whatever is in the Bill, it will lack any credibility if we point the finger at secrecy in other countries but do nothing about the secrecy in the overseas territories and Crown dependencies?

Dame Margaret Hodge: I strongly concur. Interestingly enough, David Cameron recognised that in 2013 when he told the overseas territories to rip aside the "cloak of secrecy" by establishing public registers of beneficial ownership. He wrote to them in 2014 saying that public registers were

"vital to meeting the urgent challenges of illicit finance and tax evasion."

In September 2015, he accused them of

"frankly...not moving anywhere near fast enough."

He said that

"if we want to break the business model of stealing money and hiding it in places where it can't be seen: transparency is the answer."

When he launched the UK's public register, he argued that

"it's better for us all to have an open system which everyone has access to, because the more eyes that look at this information the more accurate it will be."

I agree with all those sentiments and arguments. All that we are asking of the present Government is that they stand by the promises made by their colleagues, their right hon. and hon. Friends, in a Conservative-led Government nearly five years ago. I also agree with the current Prime Minister, who said:

"If you're a tax-dodger, we're coming after you. If you're an accountant, a financial adviser or a middleman who helps people to avoid what they owe to society, we're coming after you".

However, our tax havens are "middlemen". It is time that the Prime Minister and her Government turned their rhetoric into practical action, and put an end to the nefarious activities that take place in so many of our jurisdictions.

Lloyd Russell-Moyle: Many of our tax havens, and some of our Crown dependencies, were put on the EU watch list. They had to demonstrate that they were making improvements. I understand that one of the ways in which they could get on to the watch list was for the UK Government to underwrite that progress by indicating that they would support it, which would enable them to avoid being put on the blacklist. Is it not imperative for us to enforce the commitment that we made to the European Union in preventing them from being put on the blacklist by ensuring that they implement what they promised?

Dame Margaret Hodge: I entirely agree. Indeed, if we leave the EU without having implemented reforms that would have an impact on the overseas territories, the EU will blacklist them.

[*Dame Margaret Hodge*]

I know that there are many principled Conservative Members—including the right hon. Member for Sutton Coldfield (Mr Mitchell)—who care passionately about transparency, and have championed the cause from both the Back Benches and the Front Bench for many years. I urge them all to make clear to their Front-Bench colleagues that they will support a cross-party amendment setting a clear and reasonable timeframe within which the overseas territories would be required to prepare and launch public registers of beneficial ownership. I hope that the Government will listen to the advice of leading Back Benchers on their own side. Those of us who are involved in campaigning for transparency are not seeking short-term political advantage. What we want is an important, sustainable change that will have a lasting impact on the process of stamping out financial skulduggery, and a considerable impact not just on the United Kingdom's public finances but on those of the poorest nations in the world.

We can never build a global Britain on dirty money. We will not create a strong economy on the back of being the jurisdiction of choice for every kleptocrat and crook in the world. Our British overseas territories will not prosper over time on the basis of being safe havens for illicit wealth. Transparency is an essential tool in the battle against all financial crimes. Exchanging information behind closed doors, which the Government claim is sufficient, particularly disadvantages the very same countries that suffer the most from financial crime and money laundering, because they have the weakest regulatory agencies in operation.

Relying on regulatory bodies is also very much second best. Even our under-resourced bodies such as Companies House are at best reactive in their work on uncovering financial crimes; there is very little evidence that they are undertaking proactive investigations. Indeed, the constant flow of scandals is strong evidence that the system based on the private automatic exchange of information is not working.

Let us consider the case highlighted recently by Global Witness of the \$75 million paid by Glencore to Dan Gertler, a controversial businessman accused of bribing senior officials in the Democratic Republic of the Congo to advance mining interests. The money was originally due to be paid to Congo's state mining company, but following a secret agreement was paid into one of Dan Gertler's companies registered in the Cayman Islands. Or let us consider the case revealed in the Paradise papers of Jean-Claude Bastos, who managed Angola's sovereign wealth fund and was paid more than \$41 million from the fund via a secretive British Virgin Islands company. The BVI company was itself owned by a series of secretive offshore companies, but the ultimate beneficial owner was Mr Bastos.

Today's *Guardian* contains disturbing revelations that North Korea broke international sanctions aimed at inhibiting the development of weapons by using a network of companies based in our tax havens to acquire millions of dollars-worth of fertiliser, coal and other commodities—our tax havens, undermining our national security and that of other western nations. Secrecy enables wrongdoing.

Ironically, the British Government have accepted that argument, because we are ourselves publishing our national register of beneficial ownership. The standard that we accept for ourselves should be the standard we expect

for our overseas territories. To pretend, as the Government do, that the overseas territories are making good progress is nonsense. It was 2013 when David Cameron first demanded public registers; nearly five years later, we are still waiting for a number of the jurisdictions, including Anguilla and the Turks and Caicos Islands, to set up a central register.

Let me take this opportunity to debunk some of the myths that were prayed in aid when this matter was debated in the House of Lords. Raising the spectre of identity theft and personal security risks is wide of the mark. Public registers can have tightly defined case-by-case exemption policies to protect individuals who are genuinely at risk. Ministers claim that no other countries are adopting public registers. Again, that is not true: the EU is currently implementing the fifth anti-money laundering directive requiring all EU members to implement public registers by 2019, including Gibraltar, and we should be implementing that.

Arguing, as Ministers do, that we should not act until others have acted is a wretched excuse. We have been bold in leading the movement to stamp out corruption; we should pursue that course and be proud of it. As the number of tax havens decreases and the noose tightens around the remaining tax havens, our action will make action elsewhere in the world inevitable.

I welcome today's statement from the Secretary of State for Exiting the European Union that the UK wants to lead a global race to the top in rights and standards. There is no better way of leading that race to the top than by insisting that our overseas territories adopt public registers of beneficial ownership.

Public registers will not undermine legitimate businesses or individuals who want to continue to take advantage of low-tax regimes. They will expose those who seek to hide their money because they have received it corruptly, or who unlawfully evade tax, all too often at the expense of poor people and poor countries.

Anneliese Dodds (Oxford East) (Lab/Co-op): On public registers, is it not also the case that firms that are more transparent are often more successful than those that are not? We see that in the examples of Santander, SSE and many others.

Dame Margaret Hodge: My hon. Friend on the Front Bench is completely right.

Finally, while we were all horrified by the destruction wrought by the hurricanes last year, those disasters should never, ever be used as an excuse for allowing kleptocrats, villains and tax evaders to prosper. In a White Paper on the overseas territories published in 2012, the Government stated:

"As a matter of constitutional law the UK Parliament has unlimited power to legislate for the Territories."

I am urging tonight that the Government use their powers to insist that our tax havens—our overseas territories—put in place public registers in a defined timescale. That is a reasonable demand. Stopping it would create a grim stain on Britain's reputation as we move to establish credibility in a post-Brexit world.

8.5 pm

Nick Herbert (Arundel and South Downs) (Con): I agree with what the right hon. Member for Barking (Dame Margaret Hodge) and my right hon. Friend the

Member for Sutton Coldfield (Mr Mitchell) said in welcoming the measures in this Bill. I would go further and welcome the steps that the Government are taking to tackle corruption. However, I also agree with the right hon. Lady and my right hon. Friend that we need to go further now on the issue of transparency in our overseas territories—an issue I spoke about almost exactly a year ago in this House. Specifically, it is necessary in the fight against corruption that a public register of beneficial ownership of companies is established.

Much has been made of the effect of criminal activity, the ability of those engaged in such activities to launder money and the impact of the lack of transparency in supporting crime and corruption. The right hon. Lady pointed out that the United Nations Conference on Trade and Development estimates the cost of tax havens to developing countries to be some \$100 billion a year. These are costs that are falling on the poorest developing countries. It should also be pointed out that tax avoidance costs us, too. It costs taxpayers in developed countries. A 2014 United States Senate report pointed out that the US loses some \$150 billion in tax revenues a year because of offshore tax schemes.

The Panama papers, and subsequently the Paradise papers, revealed the extent of the problem. However, as President Obama said after publication of the Panama papers, the problem is that most
“of this stuff is legal, not illegal.”

That goes to the heart of the issue. Companies are able to operate perfectly legally in environments where there is not sufficient transparency. The losses are legitimate in the sense that they are not unlawful but they are avoiding taxation; the activities may be legally possible, but they are illegitimate morally. They may also, however, involve criminal activity. All of those are reasons why transparency is so important.

That is why it was such a major step forward when David Cameron announced in 2013 that action would be taken and when, in April 2014, he wrote to the leaders of the overseas territories, following the action taken in global summits, and said that Britain wanted the overseas territories, in partnership with us, to publish public registers. As he argued, these were the gold standard in transparency and would support law enforcement. That was the Government's position at the time, but does it remain their position? They have never said that they will insist that the overseas territories produce public registers, even though the then Prime Minister urged them to do so in the strongest possible terms. I will explain why that is a necessity.

It is not clear to me whether it remains the Government's position to urge the overseas territories to introduce public registers as soon as possible. That does not seem to be their position any longer. I think they are now saying that the overseas territories should move towards the creation of public registers once that becomes the gold standard globally. If hon. Members and non-governmental organisations have noticed this change of emphasis, surely the overseas territories will have noticed it, too. What progress can we reasonably expect them to make if they have sensed that the pressure from the UK Government to introduce those registers has eased?

Luke Graham (Ochil and South Perthshire) (Con): I agree with many of my right hon. Friend's points about transparency. I also agree with some of the fine points

made by the right hon. Member for Barking (Dame Margaret Hodge). My right hon. Friend mentioned a change of emphasis. I am a member of the Public Accounts Committee. I understand from speaking to some of the United States authorities that there has clearly been a change of emphasis. We are getting quite a clear picture from the United States that it is not intending to go all the way with public registers of beneficial ownership, and certainly not as far as we would like to go. Therefore, we need to be clear about where we want to show leadership, but, at the same time, we have a duty to our overseas territories to ensure that, if we limit their economies in some way, we think about other measures that can support them in the short run.

Nick Herbert: I agree with my hon. Friend that it is necessary for us to show leadership, and I will say more about the support that we will need to give to the overseas territories in that respect.

A number of arguments have been advanced as to why it is not a good idea to require the overseas territories to introduce public registers. The first is that others will take advantage, and that criminal activity will simply relocate if we say that it can no longer take place in the overseas territories without visibility.

That argument is completely without moral credibility. It is also an admission that such activity is taking place in those areas. To say that we should not act because there might be an economic effect as a result of a reduction in criminal activity would be to argue that the Government should never take action against crime. We have to look at what steps might be necessary to compensate for and mitigate those effects, and to support the overseas territories, to whom we have an obligation in many ways. Simply to say that we will not insist on these changes because their economies would be damaged by the ensuing reduction in criminal activity would be akin to arguing that there would be no point in the police arresting a major drugs dealer in the UK because another drugs dealer might sell drugs in his place.

That argument cannot be sustained. If we believe that a wrong is being done to developed and developing countries—as it is—by the absence of transparency enabling tax evasion and worse, it is our responsibility to tackle that wrong by any means we can. If we simply stand back and wait for change to happen, we cannot expect it to do so.

The second argument that is put forward is that the measures are unnecessary because allowing law enforcement agencies specific access to information on the beneficial ownership of companies is better. It might be the case that law enforcement agencies require a particular level of information, and they can get it through the introduction of central registers, which is a welcome initiative, but if people are seriously arguing that transparency is unnecessary for law enforcement, why did we introduce transparency in the UK? It is self-evident and intuitively obvious that transparency is an aid to law enforcement, because law enforcement agencies cannot be expected always to go after criminals. Criminal activity has to be exposed, and publication is a way of exposing and preventing it. It is telling that a lot of this activity has surfaced only because of leaks. We cannot rely on the law enforcement agencies alone, even with the assistance of central registers and the exchange of information, to deal with all these issues. Also, they cannot deal with tax evasion issues

[Nick Herbert]

that might be lawful but morally illegitimate. If it was right for the UK to do this, it is right for others to do it, especially our overseas territories.

That leads me to the third argument, which is an important and difficult one. To what extent should the UK insist that the overseas territories do anything? Would we be behaving in a neo-colonialist manner if we did so? This argument has surfaced more recently in relation to the decision by the legislature in Bermuda to reverse a decision of the Supreme Court relating to same-sex marriage. The UK Government made the difficult decision that it was not proper for them to intervene and that this was a matter for the Bermudian authorities. However, we took action in previous years when we reversed the colonial laws that we had bequeathed to the overseas territories in relation to the criminalisation of homosexuality. The very fact of the relationship between us and the overseas territories—and the very fact that we can change the law there by orders in the Privy Council—reveals a relationship that requires us to hold to certain standards.

I accept that there could be unusual circumstances in which the UK Parliament would seek to intervene, but when it comes to global law enforcement, the harm that is being done is so general that it surely justifies action. There is a danger that, if the Government are seen to be stepping back in relation to human rights issues and to corruption, far from winning praise for allowing the devolution of power and the expression of local democratic decision making in the overseas territories, we will actually be harming ourselves and our international reputation for not upholding our obligations to the highest standards. Therefore, on balance, the argument is made not only that we have the power to intervene but that we have a duty to do so if the harm that is being done is otherwise so great.

Let us be clear that the tide is now turning in the direction of increasing transparency. As we have heard from the official Opposition, the EU is adopting measures to ensure that that takes place, and it is significant that the developing countries—those that are most harmed by the absence of transparency—are often the most supportive of these measures. Countries such as Kenya, Nigeria and Afghanistan are committed to introducing public registers of beneficial ownership. Are we really saying that our own overseas territories will not be required to do so when developing countries such as those are committed to taking that action?

The uncomfortable truth is that some of our overseas territories are the worst culprits when it comes to tax havens. Everyone knows that; the papers that have been published reveal it, and the time has come to deal with it. I agree with the right hon. Member for Barking that the time has come to insist that our overseas territories deal with this issue because frankly we will not make progress unless we press them. That is why, if a sensible amendment is tabled to the Bill to set a reasonable timetable for the overseas territories to produce registers of beneficial ownership—an amendment that has cross-party support, that includes commitments to ensure redress for any economic harm and that is respectful of the great economic damage done by the terrible hurricanes to some of our overseas territories—I will support it. I hope that such an amendment will command support

on both sides of the House. This is, after all, the policy set by a Conservative Prime Minister and this Conservative Government, and it is the right policy.

Tax havens harm the world's poorest most of all. Tax havens harm developing countries, and they harm us. They harm us economically, but they also harm our reputation. We live in an age of accountability and transparency. We must continue to lead this argument and not be behind it, which is why I urge my right hon. and hon. Friends on the Front Bench to take very serious note of what is being said in the House this evening and to act.

8.20 pm

Jo Swinson (East Dunbartonshire) (LD): It is a great pleasure to follow the right hon. Member for Arundel and South Downs (Nick Herbert), who made a powerful speech to which I hope his Front-Bench colleagues were listening. It is hugely encouraging to hear so many Conservative voices speak out in favour of more transparency than is already being implemented. I hope it is a sign that this House has a centre of gravity for encouraging further action, of which the Government need to take note.

This Bill is sadly necessary if we are to leave the European Union. The very existence of this Bill underlines the negative impact of Brexit. Our international influence is diminished by leaving the European Union. Of course, sanctions and action against financial crime and money laundering are much stronger when co-ordinated internationally, and the European Union has been a successful mechanism for doing just that.

The existing sanctions and anti-money laundering rules are important, because fighting corruption is an important part of protecting our democracy. When I was a Business Minister, I was charged with implementing parts of the accounting directive through secondary legislation and with championing extractive industries transparency through the extractive industries transparency initiative. One of the issues I was always keen to explain is the link between financial crime, which can often be seemingly victimless—we are talking about numbers on a spreadsheet or on pieces of paper—and its very real and significant impact on people's lives. The extractive industries transparency initiative is about fighting the corruption that we know happens in some developing countries, where vast mineral wealth is siphoned off into the pockets of dictators rather than funding essential public services.

It is important that we recognise that our country is not immune to such practices. Given particularly that London is such a major financial centre, we perhaps have a greater responsibility than other countries to ensure that tough laws are properly enforced to crack down on corruption. Of course, UK tax havens are another area to which that responsibility extends. I totally agree with the points made about the effect on our international reputation when we do not make sure that happens.

On the sanctions part of the Bill, I welcome the UK's appetite to align with the EU's sanctions policy in future, although I note that we will not enjoy the influence we currently have on what that sanctions policy should be. It is crucial that we do not diverge from that policy, because we do not want to risk being seen as a haven for corrupt individuals and corrupt money.

As the right hon. Member for Sutton Coldfield (Mr Mitchell) said, there are opportunities in the Bill to provide greater clarity for NGOs that are doing vital work in difficult countries where there may be regimes that are subject to sanctions but where, none the less, those NGOs need to purchase fuel, supplies and food in country. Clause 15 makes sure there are more powers in primary legislation to provide exemptions so that there is legal clarity that what those NGOs are doing is proper and in order, which is important. Some NGOs, and others in the sector, have suggested that there could be improvements in the detail, which can no doubt be discussed in Committee and on Report.

More generally on sanctions, despite the amendments made in the other place, the Bill still hands over too many powers to the Government, and those powers are too widely drawn. Clause 12 is a case in point, as it defines sanctions not in terms of named individuals but gives Ministers the power to describe groups of people. The potential for unfairly catching individuals in such descriptions is large, and we still need to consider that point. I urge the Government not to look to overturn amendments made in the other place or to roll back the positive changes that have already been made to this Bill.

Various right hon. and hon. Members, including the hon. Members for Bishop Auckland (Helen Goodman) and for Huntingdon (Mr Djanogly) and the right hon. Member for Sutton Coldfield, have raised the idea of a Magnitsky amendment. It is important that the UK takes a leadership role on human rights issues, and sanctions responding to human rights violations are therefore important. That means a crackdown on money and on visas, and it should also include a public list of those who are banned or for whom a ban is potentially being considered. I will look with great interest at any amendments tabled on that basis, and my party and I are very much minded to lend support to such amendments.

On the anti-money laundering aspects of the Bill, one part of the UK economy where there is real cause for concern is our property market. My hon. Friend the Member for Oxford West and Abingdon (Layla Moran) talked about her experiences when the Public Accounts Committee visited the United States last week. The United States is already ahead of us, with mechanisms to define areas where property transactions and property ownership can be further investigated. The statistics are shocking. As many as three in 10 properties that are investigated have suspicious ownership. The London property market is hugely vulnerable to such intervention. Properties are bought to try to clean dirty money.

Excellent research by Transparency International UK has identified £4.2 billion-worth of property in London that has been bought with suspicious wealth, most of it based in secretive jurisdictions. In praising Transparency International, I should declare a degree of interest. Transparency International has excellent research, and my husband happens to be its director of policy.

The anti-corruption summit in 2016 committed to introducing legislation so that overseas companies that own UK property would have to declare their beneficial owners. We were promised that legislation by April 2018—in two months' time. That is clearly no longer happening. It has been delayed on more than one occasion, and now it looks like we will not receive even a draft Bill until the summer.

Danielle Rowley (Midlothian) (Lab): With the UK in a housing crisis, does the hon. Lady agree that the Bill could speed up the property register and help tackle that important issue?

Jo Swinson: I absolutely agree. There is no need for any further procrastination. Officials clearly ought to have been looking at this issue since the promise was made at the anti-corruption summit 2016, and it was expected that something would be ready in time for this year. Even if a draft Bill is being considered for the summer—I recognise that parliamentary time is sometimes a constraint on the Government—there would be real support for the bringing forward of some amendments to this Bill based on what may already be partially drafted legislation, because money laundering is important when it comes to property and understanding who owns it. This situation is just another worrying signal from this Administration about the priority they give to combating corruption, because promises made in 2016 are being downgraded and delayed.

Others have pointed out the missed opportunity in this Bill in respect of the overseas territories and Crown dependencies. Back in 2015 and the latter part of 2014, I was the Minister who brought forward changes to the Small Business, Enterprise and Employment Bill—now Act—to introduce a public register of beneficial ownership of UK companies, and I am proud to have done so. Persons of significant control are now registered at Companies House, and people can now log on and see exactly what is there. I agree that there is a need for additional resources for enforcement to will the means, but that was an important step forward, and I am proud to have been part of a Government who took a leadership role.

I pay tribute to my right hon. Friend the Member for Twickenham (Sir Vince Cable), who was Business Secretary at the time, and to the former Prime Minister, David Cameron, because he was absolutely committed to fighting corruption and to playing a global leadership role through the G7 summit and beyond. He repeatedly made it clear that overseas territories should also publish registers. In fact, between 2013 and 2016, the Government sent letters to the overseas territories on several occasions encouraging action, and it is deeply concerning that the appetite has significantly diminished under the current Administration. It is almost as if the Government are now relaxed about the murkiness of financial transactions of the like that we saw revealed in the Paradise and Panama papers and about our overseas territories being used in the UK's name to hide complex structures under which corruption can flourish. Progress has ground to a halt. If the Government disagree and think that they are as committed to tackling corruption as ever, what have they been doing since 2016? Where are the letters and notes from meetings where they have been encouraging the overseas territories to publish their beneficial ownership registers? I stand ready to be corrected if the Minister can provide that information, because the House would very much like to see it.

The right hon. Member for Barking (Dame Margaret Hodge) mentioned Gibraltar and the fifth anti-money laundering directive when the Foreign Secretary was still in his place. His answer was somewhat vague, suggesting that maybe we would be implementing it, because the UK is already going beyond what is required, but that was not entirely clear. We then heard a response

[Jo Swinson]

that was slightly more depressing, if a little clearer, from the Minister for Europe and the Americas later in the debate, suggesting that we perhaps would not need to implement the directive because we may have left the EU by the final deadline for implementation. He knows as well as I that there is no reason to be a last-minute merchant about such things. There is nothing to stop us implementing the directive before the final deadline, so it is absolutely in the gift of the Government to do so. If they are choosing not to, that is a clear decision from this Government to allow Gibraltar not to conform to the provisions of a directive that we deem to be necessary for the UK as a whole.

The hon. Member for Glasgow Central (Alison Thewliss) raised Scottish limited partnerships, and I am glad that she did, because they have been abused in major money-laundering schemes. Indeed, they have potentially been implicated in the alleged bribery of European politicians. Such partnerships have been required to file beneficial ownership information since June, but many have failed to do so or, in some cases, have filed patently false information. Again, there is an issue about enforcement.

Many of these issues need to be explored further during the passage of this Bill, which is sadly necessary. The Bill overreaches in some areas by giving the Government too many powers, but in other areas it misses opportunities that we need to take in order to provide assurances that we are taking the necessary and swift action to fight corruption. The Bill is an all right start, but it clearly needs further improvement. We should maintain the positive changes already inserted by the House of Lords, and I look forward to exploring the detailed issues as the Bill progresses through the House.

8.34 pm

Nigel Mills (Amber Valley) (Con): It is a pleasure to follow the hon. Member for East Dunbartonshire (Jo Swinson). I also pay credit to her husband's work at Transparency International. I think he came up with the phrase that, as we leave the European Union, we should be "a beacon, not a buccaneer". That is the spirit in which I approach the Bill: we should look to set the highest standards for transparency and financial probity, not try to get some short-term advantage by short-changing on those important issues.

I want to focus on three matters. The first is sanctions, which I raised with the Secretary of State earlier. I accept that if we freeze other people's assets, we should not try to take part of them. However, in rare situations when we freeze the assets of regimes that have caused or committed serious offences in our country that have done real harm to our citizens, it is perhaps right to say, "Those assets are there and there is no realistic prospect of getting compensation to the victims in any other way than by using them." In those rare situations, rather than letting people continue suffering from the injuries that were done to them, should not we be able to use the assets to try to rectify the wrong, if only slightly? I cannot imagine many instances in which that would apply, but it would clearly apply to the victims of the previous Libyan regime, which supplied Semtex to the IRA. I hope that, when the Government consider licensing the use of assets that have been frozen, we would help

those victims of events that took place at least 20 years ago, if we could find a way to do so. How much longer will they be around to benefit from compensation, even if we could agree it with a Libyan Government—if there ever were one that would do so?

I heartily support the arguments for the need for overseas territories to have public registers of beneficial ownership. I do not want to repeat the arguments, but I will add a couple. It is sometimes asked why the overseas territories should have to lead, and argued that they should be able to follow the rest of the world. It is claimed that if they act first, they will be at a disadvantage and lose revenue and business will be driven elsewhere, to even murkier regimes. The problem with that argument is that our overseas territories are such a large part of the market for the activity that we are discussing that, if they do not reform, nobody else will. We cannot follow the market—we are the market here. We have to take a lead. We have to say to our overseas territories, "You have to do this. We don't want you to be accused of having dirty, corrupt, criminal money. We don't want you to have it or be accused of having it. The only way that we and you can show that you have clean regimes is to have this transparency."

I suspect one of the reasons why the overseas territories can attract such large amounts of business is their relationship with the UK, their protection by the UK, the rule of law that we help them have and their access to our financial market. There is a very real link between what they do and what happens here. We therefore have some obligation to act to ensure that they have the same standards as we have. We cannot just wash our hands and say that it is for them and that they are independent and can do what they like. They benefit greatly from their links to us, and the time has come for us to say that we need them to move to the same standards as we have and that they cannot be allowed to weaken our reputation. Everywhere else in the world thinks that they are part of the UK. Developing nations say, "What you've done is great, but our assets have been stolen and are being hidden by your territories and we can't get at them or find out exactly where they are." Everyone thinks that they are part of us and it damages our reputation if they do not adopt the same high standards.

I agree with my right hon. Friend the Member for Arundel and South Downs (Nick Herbert) who said that we cannot force that on overseas territories overnight. We have to give them a sensible and fair timeframe and we would much prefer them to choose to put the transparent register in place instead of our forcing them. I, too, would support an amendment that provided for a realistic and fair timetable, but we need the Government to tell the overseas territories that they want and expect them to do it and that, if they have not done it by the deadline, the Government will make them do it, so that we get that open, clear and transparent standard.

Let us be honest: the Government's actions in the UK to increase transparency have been mostly extremely good. We have the open register of beneficial ownership for companies, although we need to sort out some of the Companies House details. A few weeks ago, the new power of unexplained wealth orders came into effect. But if devious people can hide from our regime by using our overseas territories, all those things will be for nothing. We need to extend these powers much more widely.

I am not usually keen on our transposing EU directives where we do not need to do so, but it would be a terrible situation if we were not to implement something consistent with the fifth EU anti-money laundering directive and were lagging behind. If we read what is in there, we see that it contains some things that we should do, such as having a cap where we do not have a register of who has a pre-paid card, so that someone cannot spend laundered money around the world using such a card. That is a perfectly sensible measure to take.

The directive also contains provision for the register of trusts in certain situations. It would be a strange situation if the country in Europe that probably has the most trusts was the only one that did not have any transparency. That would hardly aid our reputation for being a clean financial centre, which is what we should be keen to establish. I am not particularly fussed whether the Government implement the fifth directive before we go or whether we introduce similar, equivalent or, we hope, stronger measures of our own, but let us not fall behind on those sensible ideas that the EU has come up with. I am not aware that we opposed them in the EU. I believe that we agree with the direction of that directive, so let us get those things into force.

The third point I wish to cover is the property register. I have served on a few Bill Committees in my time and I have occasionally tabled amendments in my misspent youth; occasionally I have asked for reviews, as that has been the only way of getting things tabled. In general, the Government's response is, "There is no point putting into a Bill a requirement for a review, as we review things in any case." Yet in clause 44, on the property register, what we have managed to get is a requirement for three annual reviews of the progress the Government are making on their own policy. I accept that that was the result of a compromise in the House of Lords, but I, too, would love to see real progress made on this property register, as it is an important missing link in our transparency.

I followed that debate in the House of Lords, and I found Lord Ahmad's argument convincing: if we are going to have this register, we want it to have real meaning and teeth, and if the reward for a delay is that we can have a mechanism in law that means that if someone does not disclose the beneficial ownership of that property correctly, we can prevent them from selling it in future, that is a price worth paying for a delay. That would be a real consequence: if someone does not register who really owns a property, they cannot sell it until they do. That would be a powerful message to send out to say that we do not want dirty money buying property in this country; that if we think someone has bought a property with dirty money, we will impose an unexplained wealth order and try to work out whether we should get that money back off them; and that if they just do not tell us who owns that property, they are not allowed to sell it until they do. That would be a real step forward, so I am reluctantly prepared to accept that we need to wait a couple of years to get those powers in a place that will be effective. I hope that as this Bill proceeds through this House we can have the same assurances that were given in the Lords that the Government are committed to that register and that we are not just left with three years of reviews, at the end of which we have made no progress on that situation. The Government have committed strongly to that register again, and I look forward to it.

If ever we needed a reminder of how important the measures in this Bill are, we need only look at a story again today of a large bookmaker being fined millions of pounds. One of the reasons for that was that it did not prevent money laundering through its shops for several years. I declare that I went to a charity darts tournament sponsored by that bookmaker, to get a donation for a charity in my constituency—that is on the register and I declare it. This just shows that money laundering is not just about large amounts of very clever things moving around the world, as the "McMafia" credits showed; it is everyday activity, and we need everyday businesses to be on their guard in preventing this from happening. So I support the fact that the Bill retains those important powers going forward.

8.44 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): It is a pleasure to follow the hon. Member for Amber Valley (Nigel Mills), who made a thoughtful contribution on some of the gaps in this Bill. Perhaps it is because I am, with him, the co-chair of the all-party group on anti-corruption, perhaps it is because in the last Parliament I was our Front-Bench spokesperson on the Criminal Finances Bill or perhaps it is because I am in front of the TV too much at the weekend, but I get the sense that money laundering is everywhere of late.

As the hon. Gentleman has just mentioned, we heard this morning of the record £6.2 million fine slapped on William Hill for not being vigilant enough in the prevention of money laundering. We have seen how the proceeds of crime have been funnelled through its channels, and the Gambling Commission has said that it must do better—as if it did not have enough on its plate with responsible gambling.

It has just finished, but for a while Sunday night was "McMafia" night—it is now "Homeland" night again in our house—and as the plot unfolded, we saw how billions of pounds can be transferred internationally very quickly, at the click of a mouse on a laptop. It also showed corrupt politicians, violent police, counterfeit goods hawked around high streets and all sorts of other things. It was fiction, but there was some factual basis.

No one so far has spoken against the idea of having such a Bill. The principle is good. No one is saying that we should turn a blind eye to dirty money. My worry is that, as right hon. and hon. Members from all parties have said, the Bill could do better and go a lot further. It is a good start, but the Paradise papers and Panama papers shone a light on a murky world of international finance and taxation working for the benefit of those with access to vast wealth and an army of lawyers—for the few, not the many—when ordinary citizens just want a fair and transparent financial system. So two cheers for the Bill.

The glaring omission, which has been mentioned many times, is that the Government need to work a lot harder to persuade the UK's overseas territories—and one day, I hope, the Crown dependencies, too—to adopt the same level of transparency as we have in the UK and introduce public registers of beneficial ownership.

It is not for nothing that London is frequently named as the world's money laundering capital. In 2016, the Home Affairs Committee concluded that the London property market was the primary avenue for the laundering of £100 billion of illicit money a year. As a London MP,

[Dr Rupa Huq]

that is particularly galling to me, because my inbox and postbag are full of housing issues, which also come up a lot when people come to my surgeries. We have a housing crisis, with people who want to get a foothold on the ladder and people in substandard accommodation.

It is not enough to think that it is not our problem; otherwise, silence equals complicity in what are becoming industrial levels of tax avoidance and evasion. The Bill will allow us to set our own sanctions and anti-money laundering policy, but our leaving the EU will inevitably damage our ability to influence the policies of the bloc. Britain's voice will be quieter on the world stage and its global footprint will diminish. We will shrink in our role fighting corruption globally.

Some progress has been made in the adoption of private registers, but not all overseas territories have even adopted one, and if they have, they have not been centrally located or fully populated. Four and a half years on from when the Government tried to persuade the overseas territories to adopt public registers, none has so far done so, and the Government seem to have given up on them. As has been said many times in this debate, only Montserrat has made the commitment.

The ghost of David Cameron seems to have been ever present in this debate. He invited the world to an anti-corruption summit in London in May 2016—how long ago it all seems—and talked about how the public register model should be a “gold standard”. He said that tax avoidance schemes

“are quite frankly morally wrong”.

Again, there is that disjuncture between what is legally possible and what is morally correct.

Fast forward to 2018 and the Foreign Office expects the UK tax havens to adopt the public register model only when it becomes a “global standard”. There is a definite shift there. It is hardly leadership; it is followership, backtracking or a dereliction of duty, if we are being blunt.

Peter Dowd (Bootle) (Lab): It is uselessness.

Dr Huq: Absolutely; my hon. Friend is so correct, as ever.

We all know what happened to David Cameron next: his ill-judged referendum was his downfall. Ironically, the EU seems to be taking the lead as it prepares to implement the fifth anti-money laundering directive. Our chaotic approach to Brexit and the slippage—we do not know what will or will not apply—is why the Bill is necessary. Last December, the EU agreed that all its 28 member states should establish public registers of the beneficial ownership of companies. We can all get behind the reasons: they allow greater scrutiny of information and contribute to preserving trust and integrity in the financial system. More and more countries are committed to implementing, or have implemented, public registers—I am talking about sovereign countries and not necessarily our overseas territories. There were 35 countries with registers at the last count, and with all EU member states required to have them by 2019, I suggest that this is a golden opportunity to build a new global standard.

When that happens in 2019, the UK Government should seize the opportunity to ensure that our overseas territories follow suit as soon as possible. Regulatory

alignment is a popular watchword these days, and we should apply it in this situation. The territories that rely on wealth being stashed away from taxpayers are astute. They do it because they can get away with it, and they use the arguments of competitiveness and security against a centralised register. Our Government continue to drag their feet after so much promise, which is shameful.

The Government's anti-corruption strategy was hastily rushed out—some Conservative Members did not notice it—because of harrying by people such as my right hon. Friend the Member for Barking (Dame Margaret Hodge), who had several debates on it at the end of last year. We kept saying, “Where is that anti-corruption strategy?” and the strategy was hurriedly rushed out at the end of last year. There is full awareness of the importance of public registers, but the strategy states:

“Our ultimate aim is that public registers become the norm. If this were to happen”—

suddenly it has become conditional—

“we would expect the Overseas Territories to follow suit. The government will continue to work with these Overseas Territories to strengthen their beneficial ownership arrangements”.

The Government also promise a statutory review by December 2018. Why not now? It seems we have had a year of nothing, with the smokescreen of a consultation thrown in. People have consultation fatigue and we know what the issue is.

How can the Government aim for something if they are taking no action? It is not good enough. Only when the UK mandates the overseas territories to create the registers will transparency flow, and only then will the big question be sorted out, with all its constitutional, ethical and international dimensions—people have talked about foreign aid. It is right to hold the Government to account on the promises they have made, as the all-party parliamentary group will continue to do. I hope that the anti-corruption tsar, the hon. Member for Weston-super-Mare (John Penrose), who has gone from his place—I would have liked a tsarina—will continue to hold the Government's feet to the fire.

I should give a short plug for the APPG. We recently had an event where we had the cast and crew of “McMafia” in the building—my hon. Friend the Member for Oxford East (Anneliese Dodds) was there. It is not just fiction, but is happening in the real world. They launched an app. If people enter their postcode, they can see how many secretive jurisdictions are near them. The programme showed Kensington and these smart central London properties, but it is happening in Ealing. I put in my own postcode: Ealing is the 14th most secret neighbourhood in the country.

We are lucky enough to live in one of the most desirable cities in the world, but it is desirable for the corrupt, too—those with dirty cash to stash and launder. The Government agreed to fix that at least two years ago, but no concrete progress has ultimately been made. There are loads of examples—I will not go into them all now because we could be here forever. There were stories of “from Russia with cash”, Magnitsky was mentioned in the debate, and there is the pop princess from Uzbekistan. My right hon. Friend the Member for Barking had a debate on the Azerbaijan laundromat case, and we have had Bywater Investments and North Korean shell games. The list goes on and on.

This country has a real choice ahead in defining what kind of country we want to be post Brexit. We can put an end to the millions of pounds of stolen money

flowing through London's luxury property market or we can continue turning a blind eye, kicking the can down the road, saying that we are doing a consultation, pushing these things into the long grass and making London an even more appealing playground for the corrupt.

Thankfully, the other place wants significant concessions on the Henry VIII powers that might have come to pass. We have heard mention of statutory instruments, but this House must be vigilant and ensure that the Government do not try to sneak in more secondary powers through the back door, giving Ministers carte blanche.

Leaving the EU will undoubtedly affect our ability to sanction regimes properly. We will be vulnerable to legal challenges because corporations will see us as an easy target outside the EU. They will have an easier task suing a smaller state. Despite the Bill's title, only one and a half of its 59 pages are dedicated to anti-money laundering. The Bill is a disappointment and a missed opportunity from a Government who promised much but are short on delivering. It is not just me saying that; ask Christian Aid, Global Witness and Transparency International. My verdict is, "Could do better."

8.55 pm

Julia Lopez (Hornchurch and Upminster) (Con): I welcome the Bill, which will not only see us retain our ability to impose sanctions and some of the powers against crime that currently derive from our EU membership, but will pave the way for new methods of tackling terrorism financing and money laundering.

Concern has been expressed that once we are out of the EU, the UK will—out of economic desperation—somehow turn itself into the global laundry for money of dubious origin or market itself as the premier place to stow ill-gotten gains. Sound arguments for a simpler, more competitive UK tax and regulatory regime must never be undermined by the idea of a financial free-for-all, not least because, in an ever more transparent world, London's reputation as the world's top financial centre will increasingly depend on it setting and adhering to global standards on financial probity. Meanwhile, as criminals continually update their methods, we shall need our own law and law enforcers to be ever more adaptable and responsive. It is therefore a timely moment to create an independent UK sanctions and anti-money laundering regime that can respond adequately to the forensic, cutting-edge work being undertaken by the likes of the City of London police and the National Crime Agency.

Going forward, the UK might wish to harmonise its own sanctions regime with existing sanctions regimes in order to maximise the impact of those sanctions and reduce the opportunity for legal uncertainty for UK or UK-based firms operating under our new regime. In time, the UK could play a critical role in bridging the growing gap between the EU and US approaches to sanctions, and in pushing for ever greater clarity from both sides to try to mitigate the risk of non-compliance in the financial sector.

As we look ahead, we must be careful of the law of unintended consequences. We must not make operating in certain countries or particular types of business so risky that we either cut ourselves off from legitimate opportunities or push ever greater volumes of business into newer, less robustly regulated parts of the sector.

In that regard, the Government might consider new measures to facilitate information sharing between banks and regulators on suspicious entities or individuals so that we can encourage a proportionate, risk-based approach to whether to take on such business.

I welcome the ability that the Bill gives us to update counter-terrorism financing legislation, as well as clause 44, which commits to a register of beneficial owners of overseas entities. Nobody wants to discourage investment into the UK, particularly if such investment can help to increase housing supply by getting large-scale developments off the ground. None the less, the current approach cannot go on.

For goodness knows how long, I have been writing a book about London in the 21st century, covering the flood of international money into London's housing market, the use of overseas investment vehicles to pay for that property and the resentment stoked in Londoners when such investment vehicles have been used as mechanisms to shield the proceeds of crime or evade tax, with property left empty. I therefore appreciate the confirmation from my hon. Friend the Member for Weston-super-Mare (John Penrose) that the Government believe that foreign owners of British homes and offices should now be treated in the same way as owners of British companies. As he says:

"More than £122bn of property in England and Wales is owned by offshore firms. If they're clean and reputable...they'll have nothing to fear. But if murky shell companies have bought British property with plundered or laundered cash, we don't want them here."

The register should underline the UK's commitment to being a strong, reputable trading nation that welcomes clean investment. Those values must surely shape our nation's future as we chart our new path outside the EU.

8.59 pm

Alex Norris (Nottingham North) (Lab/Co-op): As I have been sitting here listening to the debate, I have had a growing sense of déjà vu with regard to a similar sedentary vigil just before the recess when we debated the Nuclear Safeguards Bill. That is an important piece of legislation that we need as we leave the EU and seek to quickly and safely reproduce the benefits of our EU membership. It is in the same vein that we consider sanctions and anti-money laundering provisions. We must have arrangements in place not only because sanctions and anti-money laundering provisions are important causes, but because we have international duties to fulfil. This must be done, as is widely accepted across the Chamber.

Nuclear safeguards are of course high-impact, but also relatively easy to define and understand. That makes things a bit easier. We have civil nuclear matter, we need it, we want to move it, and we do not want it to fall into the wrong hands. Our current arrangements work, and we want to continue to have the same level of protection and safeguards. We cannot say the same about this area of murky finance, with money moving across boundaries and individuals profiting from criminal activities and then seeking to legitimise that wealth elsewhere. This is an ever-changing world, so our arrangements must be able to keep up. As we have heard very powerfully from Members throughout the Chamber, our current arrangements leave a lot to be desired. It would therefore be remiss of us just to lift

[Alex Norris]

and shift current systems; we should seek to improve them, and I will suggest a couple of ways in which we might do so.

First, I want to address the issue of the EU's fifth anti-money laundering directive. This has now been agreed in principle between the EU and member states, of which we are still one, but it is scheduled for a phased introduction from next year, presumably falling during a post-Brexit transitional period. We have not had a lot of clarity from those on the Treasury Bench about how we will approach this. I hope that we will not see a request for us to concede a boatload of secondary legislation to Ministers. There was considerable interest about that in the other place, and I think we can do better. Even the hon. Member for Amber Valley (Nigel Mills), who is not currently in his place, said that we ought perhaps to transpose the directive into our law. When we hear the hon. Gentleman talk about transposing EU directives, we really are in a special place.

So what could we do about our sanctions regime? Currently, we lag behind the US and Canada. We need a targeted, flexible approach that promotes human rights and protects innocents from paying the price for the crimes of their leaders. That is why we have heard many voices call for Magnitsky-style amendments to the Bill. I add my voice to that. Such provisions allow us to pick and choose public officials from around the world who have committed human rights abuses or violations, and seize their assets and ban their travel. Such sanctions work because they target the wrongdoer specifically. A broader sanction or embargo at a national level punishes all, and often those who can least afford it bear the burden. Instead, such provisions target the people we need to get to. They would give Ministers flexibility and promote our attempts to meet our human rights goals as a country. We could underpin that—I am very keen on this, and it has not been mentioned yet—with humanitarian impact assessments of any sanctions that the Government impose. When our Government seek to impose sanctions, it is reasonable that we ought to have a clear understanding of their impact on the wider community in the affected area.

With regard to the anti-money laundering provisions, I start with the obvious: it is time for a property register. The initial commitment was made by the Government in 2016; we are now told that it will be operational in 2021. That will not do. This Bill is a good opportunity for us to pick up the cudgels and get on with it. Bricks and mortar is an obvious place to start, where we can disrupt the supply chain and follow the money. That would also have benefits in affected communities through releasing properties for people who actually wish to live in them.

That would help us at home, but we need to take on the broader challenge across the world. We will have failed if we get to the end of the process with a gold-standard piece of legislation—as I very much hope we will—but find that those high standards can be easily circumvented through a British overseas territory or Crown dependency. I know that this is controversial and there are strong feelings on it, but while we have a relationship whereby this Parliament has responsibility for defence, security and foreign relations in those territories, we should continue to take a strong interest in money

laundering, because it sits at the very root of all those things. When the British Virgin Islands is at the heart of the Panama papers and Oxfam rates Bermuda as the No. 1 worst corporate tax haven, we should want to act and use all the tools that we can. Notwithstanding the qualifiers heard from the Government Benches, it is not too much to ask that we should see a public register of beneficial ownership of companies in the overseas territories and Crown dependencies.

The final way we could improve is by looking at the role of the banking system in preventing money laundering. We know that banks are under pressure to serve the bottom line and that they can have their heads turned when they encounter potentially profitable customers. We also know that relative to estimated levels of money laundering, regulatory fines have been low. When penalties are low, rewards for looking the other way are high. When there is little personal reputational risk, these things can happen.

The current legal framework is inadequate, and we should seek to change it. Two years ago we had a consultation on creating a specific “failure to prevent economic crime” offence, which would have covered money laundering. That was downgraded to a call for evidence, which closed in March 2017. It has been nearly a year, and we have not seen the fruits of that. I know as well as anybody what 12 months can do in life—it has been a big 12 months for me—but it is time we got around to this.

In conclusion, how we approach the Bill will tell us a lot about Britain's place in the world post Brexit. Do we still believe that we have an outward-looking leadership role? Do we still seek to set high standards for ourselves and others? Are we keeping up with the pace of the modern world and the changing nature of crime? I believe that we ought to want to do all those things, and that we can use this Bill to do so.

9.5 pm

Mr Bob Seely (Isle of Wight) (Con): It is a pleasure to follow the hon. Member for Nottingham North (Alex Norris), who spoke so eloquently. I welcome the Bill, but like so many other Members who have spoken this evening, I think we should be doing more.

It is not in our interests to have lax standards. It is in our interests to have the highest standards, which I know the Foreign Secretary and others are trying to achieve. The Bill is not just about finance; it is about power. Our finance system—the western finance system—is a source of power. Russian and Chinese oligarchs, and especially the Russians, use our finance system. That gives us influence over them. This is not just about terrorists, dodgy individuals or drug dealers. This is about changing and influencing state behaviour. I very much hope that Ministers will see it in that guise. With new forms of conflict in the world that we inhabit, financial power is a hard bit of soft power. The power to make rich people poor by freezing their assets should not be underestimated because it is a significant source of our influence.

Other Members, such as my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), have spoken eloquently about the lack of Magnitsky elements in the Bill, which concerns me. There are no visa bans in the Finance Bill amendments, and there is no presumption of action. I remind Members that Magnitsky was a

Russian lawyer who worked for Bill Browder. He was tortured for several months and murdered, and his dead body was put on trial. That is remarkable, even by Russian standards. It would be nice if the Government had more ambition when it came to the Magnitsky elements of either the Finance Bill or this Bill.

The idea that weak or lax standards help the UK to compete in international money markets and international economies is deeply misguided. We are in danger of wagging our fingers at people like the Russians while allowing their state officials, people close to their regime and those on sanctions lists a free light to live here and use the western system.

EN+ was floated recently in the City. It has been reported that US security officials were concerned about the float and raised issues about it, as it may have been used to pay off loans to VTB, a Russian state-owned bank that is subject to sanctions. If that is the case, I would love Ministers to explain to me why it is a wise move effectively to turn a blind eye while the Russians play the sanctions process that we have put on them.

I will touch briefly on the offshore problem. I congratulate *Private Eye* on the work it has done in recent years to highlight the effects and the extent of offshore vehicles in the UK. When even in a place such as the Isle of Wight we have property owned by companies based in the British Virgin Islands, the Cayman Islands, Jersey, Guernsey, Luxembourg or Gibraltar, the system is flawed. Lax standards are corrupting for our country and our financial system and it is short-sighted to see it otherwise; I am sure Ministers will agree. When houses in Belgravia and Hampstead are used as glorified Rolexes for the international kleptocracy, we are getting something wrong.

I very much hope that the Minister will pledge to continue to make aspects of the Bill tighter, consider what can be done about the missing Magnitsky elements and make a commitment to having the highest standards in the Bill, rather than following others.

9.10 pm

Bambos Charalambous (Enfield, Southgate) (Lab): As most hon. Members have stated in this debate, money laundering and corruption are huge issues worldwide. Although I welcome some of the measures in the Bill, I do not believe that it goes far enough.

The Minister for Europe and the Americas has already been made aware—it was mentioned in an intervention—that, as part of the recently agreed fifth EU anti-money laundering directive, all EU member states will be required to have public beneficial ownership registers by 2019. I am sure he will confirm that, whether or not the United Kingdom is part of the EU at the time of the directive's implementation, the United Kingdom would not want any measures that are weaker than those in the directive.

This raises the question of what should happen in the overseas territories. The UK has made a start on a public beneficial ownership register, but more needs to be done in the overseas territories. As my right hon. Friend the Member for Barking (Dame Margaret Hodge) pointed out, the problem is that many overseas territories are tax havens and as such they are home to many offshore companies willing to offer complete anonymity to their clientele, with very few questions asked.

We should note that, despite overseas territories having small populations, half of all global trade passes through them because they are tax havens, and the vast majority

of the transactions are carried out by offshore companies. Let us, for example, take the British Virgin Islands. Despite having a population of only 28,000, it is home to an estimated 500,000 offshore companies, which is 40% of the total number of offshore companies in the world. Many of these offshore companies have complete anonymity and are shell companies working with nominees and powers of attorney to move around vast amounts of money. Most people faced with that information would conclude that there is something dodgy going on.

My right hon. Friend gave examples of corrupt and illegal practices that have occurred in overseas territories tax havens, all of which are because of the opaqueness of the systems that they operate. A fully functioning central, public beneficial ownership register in the overseas territories would be no cause of concern to companies carrying out legitimate business activity. As more and more countries agree to adopt a public beneficial ownership register, it is inevitable that the overseas territories should follow.

We need to make sure that money offshore in these tax havens is not being used for illegal purposes. If there is an issue, it is that overseas territories have built their wealth on secrecy. If that is the case, the Government should support the overseas territories to make sure activity is based on a legitimate and transparent model of business. The Government should give support to the overseas territories as they transition from financial secrecy to openness.

There is no reason why corporate ownership transparency should cause any problems in the provision of legitimate financial services, especially considering that many other countries will be adopting the principles of transparency registers. The people who are losing out the most are those in developing countries. They are in the greatest need and the billions being diverted away from them could literally be costing lives.

I will conclude by saying that a fully operational public beneficial ownership register in the overseas territories will greatly help to curtail money laundering, corruption and criminal activity, but much more needs to be done than is set out in this Bill.

9.13 pm

Vicky Ford (Chelmsford) (Con): Issues relating to sanctions and anti-money laundering have been dealt with under EU law for many decades. It is absolutely right that we in Britain should treat these matters extremely seriously and make sure that the UK has in its toolbox all the tools that it needs to take action.

The UK has taken the lead in the past. Many of my colleagues in the House have reminded us of their experience when David Cameron chaired the G8 and tax transparency was put at the top of the global agenda. I remember being in the European Parliament at that time, working with the UK Conservative-led Government to increase tax transparency across Europe by introducing country-by-country reporting for banks.

The UK must continue to lead because the City of London is the world's leading financial centre. The financial services sector is the leading contributor to British finances. It is vital to our future economic success, and its success is based on its reputation for trust and transparency. Crime does not stand still, however, and those who want to continue to launder money will continue to try to evolve their behaviour,

[Vicky Ford]

moving into new dark spaces, taking advantage of digital trade and finding new ways to exploit a virtual world. No country has the tools to act alone and countries must continue to work together. Of course Britain will continue to implement anti-money laundering laws that were set in Brussels: we helped to form those laws. Action is being taken today. In today's news, we have seen fines against William Hill, HSBC has announced a warning of a potential \$1.5 billion fine for its Swiss operation and Latvia's central bank chief has been suspended.

If we are to continue to take action against money laundering and fraud internationally as well as domestically, we must continue to have exchange of information. Data exchange is key for our security services, our tax authorities and our financial services sector. The vast majority of our financial services companies want to be able to stamp out fraud themselves. I am sure I am not the only Member to receive a phone call from their credit card company warning them that their credit card was being used fraudulently. I was in my kitchen in England while my credit card was being used in a hotel in Turkey. Our companies want to be able to access cross-border personal data because that helps them to fight crime.

Foreign Secretary, you have spoken about building bridges with Europe. You have spoken about building a physical bridge. You have spoken about building a hypothetical bridge. I challenge you to build a digital bridge: a 21st century data exchange bridge, based on the rules of data adequacy. That will ensure we keep the ability to fight crime together across the world.

9.17 pm

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): I agree with many of the comments we have heard today from both sides of the House, which I would summarise as a necessary start but not good enough, not far enough, not strong enough.

One area I am interested in is arms control, which the Bill misses an opportunity to address. The arms export control system we use in the UK goes hand in hand with the sanctions system we use to stop arms getting to certain regimes. The arms export regime we operate in this country is, of course, underpinned by EU consolidated criteria. There is no mention of consolidated criteria or of bringing the arms licensing regulations into a system such as the sanctions regulations. It is, I suggest, a great shame. The Bill does not touch on that area.

All of this is all very good, but enforcement is needed. Without enforcement, there is no point and the Bill is not worth the paper it is written on. Since 2011, there have been no prosecutions by Her Majesty's Revenue and Customs of people who have broken the arms export regime or broken sanctions on arms sales. What is the point of introducing a Bill with a raft of sanctions against arms sales to certain regimes if we are not going to enforce them? It is not as though during this time there have not been significant and very credible reports that arms export controls have been breached and that arms have been sold to some of the most dangerous regimes in the world. We have just failed on enforcement because HMRC is under-resourced and these issues are under-prioritised in that department.

Turning to another area, I have a constituent who is a local business owner with a foreign national. She has reported many times her feeling that the company that she co-owns has been engaged in money laundering. She reported it to Action Fraud, Sussex police and HMRC, but for over a year, nothing was done. It took us hiring forensic accountants for HMRC suddenly to realise that hundreds of thousands of pounds might well have been laundered through the company. This was a director who wanted to blow the whistle, but HMRC and Action Fraud were just not interested. That is another example of how what is written in the Bill is all well and good, but the enforcement is just no good.

When Labour Members talk about wanting to give more money to our nurses, teachers and firefighters, we are often mocked by Government Members, who say that we want a magic money tree. It seems to me that a crop of magic money trees is growing with incredible health in some of our 14 British overseas territories. They are very clean because they are laundered daily, and they clearly like the climes—the balmy 32° that it is right now—in the British Virgin Islands. I note that many of the people in the Virgin Islands never really see these trees because they are lovely brass-plate trees.

Maybe it is not the climate that encourages magic money trees to locate in our overseas territories. Perhaps they thrive as part of a protection racket to shelter the very wealthiest in our society from paying their fair share. As we leave the European Union, it is vital that we have the mechanisms in place to replace the sanctions and money laundering provisions of the EU. I commend the Government for taking the first steps, but the Bill falls very short of creating a public, central and open register of beneficial ownership for our overseas territories.

More than 70% of corruption cases surveyed by the World Bank between 1980 and 2010 rely on anonymously owned companies helping to obscure what they are doing. It is the overseas territories that fly the flag of brand Britain and endanger that flag by not opening up—[*Interruption.*] I am sure that you will have a moment to reply later on, Mr Foreign Secretary. You do not need to chunter from your seat. These corrupt regimes are under the British flag. We have seen in the Paradise papers how companies such as Appleby—I call them crooked Appleby—advertise themselves as respectable offshore sector companies. However, they are now suing *The Guardian* for telling the truth that six of their 10 offices are located in overseas territories and are involved in money laundering. What will the Bill do to help people? Not enough.

We might hear from Government Members that we cannot do much on these issues, but a raft of people from overseas territories have written to me, begging us to take action, saying that they see no benefits in the territories for people on the ground from this tax evasion. It does not benefit our overseas territories. It benefits a small, super-elite and if we do not take action on enforcement in our overseas territories, who will? The Bill must go further. If it does not, we must ensure that amendments are forced in Committee and on the Floor of the House because there is cross-party support for ensuring that brand Britain stays clean and that we kick out the dodgy dark money from our country and our overseas territories.

9.24 pm

Anneliese Dodds (Oxford East) (Lab/Co-op): It is a real pleasure to respond to the debate on behalf of the Opposition. The Bill, as many colleagues have indicated, purportedly aims to provide the UK with an appropriate system to stop the corrupt and the criminal from benefiting from our British financial system. I will first consider the sanctions-related matters before looking at the money laundering matters, although they are of course intrinsically linked.

As with much of the Government's Brexit-related legislation, many concerns have been expressed about the lack of parliamentary oversight of the Bill's provisions. As my hon. Friend the Member for Bishop Auckland (Helen Goodman) set out, many positive changes were made when the Bill was discussed in the other place, and they must not now be rolled back in this place. Other matters of concern persist, as indicated by the hon. Members for Glasgow Central (Alison Thewliss) and for East Dunbartonshire (Jo Swinson), and echoed in the calls for clarity from the hon. Member for Huntingdon (Mr Djanogly).

We still lack clarity over the extent to which our sanctions regime will be aligned with that of the EU 27. The evidence is clear that sanctions are more effective when imposed collectively—the hon. Members for Glasgow Central and for Huntingdon made that point very well. I was disappointed by the Foreign Secretary's comments in this regard, which I thought were contradictory; he simultaneously admitted that unilateralism might not be effective while vaunting the possibilities of a totally independent regime. There are no indications in the Bill of how we will concretely ensure the continued co-ordination that is so necessary in this area.

We heard in the debate some persuasive arguments about the need for stronger commitments in the Bill, not just fleeting mentions, on the necessity for sanctions to target those responsible for human rights violations, particularly those responsible for gross human rights violations, as in the so-called Magnitsky regimes. The right hon. Member for Sutton Coldfield (Mr Mitchell) spelled out clearly the reasons for such an explicit approach. I hope that Government Members will have listened to those arguments.

Finally in relation to the sanctions-related provisions, the hon. Members for Glasgow Central and for East Dunbartonshire mentioned the need to ensure that measures are appropriately calibrated so that they target criminal individuals and terrorists, not legitimate aid agencies and financial service providers delivering legitimate services. It is essential that we have accurate and appropriately granular mechanisms in that regard.

Let me move on to money laundering. I was very pleased, as I am sure were many Members, about the informative and courteous style of debate that we have had on money laundering tonight. I am afraid that is in contrast to the comments on money laundering from the Government when introducing the Bill, which I thought were disturbingly brief. It is clear that the problem of money laundering is getting worse, not better. I will not go into all the arguments and evidence on that now, because that has been done very ably by other Opposition Members, not least my hon. Friend the Member for Ealing Central and Acton (Dr Huq). At the centre of the UK's problems with money laundering lies a lack of transparency and accountability, both of

which are essential if we are to ensure that the criminal and the corrupt do not profit from our leaky financial system.

On the issue of public registers of beneficial ownership in our associated territories, may I say what a powerful tour de force we have had from the right hon. Members for Arundel and South Downs (Nick Herbert) and for Sutton Coldfield? I am sure that the right hon. Member for Arundel and South Downs, as a former Home Office Minister, has a huge insight into the damage being done by the lack of transparency in this area, aiding international criminals. The Government must listen to the uncomfortable truth that he has set out so ably tonight.

My right hon. Friend the Member for Barking (Dame Margaret Hodge) set out how long this process has been running, as the Government requested beneficial ownership registers from the overseas territories five years ago. Many Members have indicated that we have had a slippage from the Government's initial commitments in this regard. The failure to clean up their act by some of our overseas territories is having a severe impact on their reputation. As someone who has had many meetings with representatives of those jurisdictions, and who supports them tremendously, let me say that it is not their foes but their friends who are arguing for more transparency, because we see the reputational damage that the lack of transparency is doing to them. As my right hon. Friend the Member for Barking said, the Government's failure to act constitutes complicity. I agree with the hon. Member for Amber Valley (Nigel Mills) that the UK must exercise leadership.

There has also been a lack of clarity from the Government over whether they are minded to follow EU-level developments, particularly the anti-money laundering directive known as AMLD 5. I agree with the hon. Member for Chelmsford (Vicky Ford) about many things—we worked together previously in the European Parliament—but I am afraid I cannot agree with her assessment that we know for certain that the Government will continue to cohere with EU-level developments. The hon. Member for East Dunbartonshire (Jo Swinson) and my hon. Friend the Member for Enfield, Southgate (Bambos Charalambous) explained very clearly why we do not have the clarity that we need.

I think it especially important to focus on the regulation of trusts. Under David Cameron, the Government argued against their inclusion in EU registers of beneficial ownership. The Foreign Secretary claimed that the UK was ahead of the rest of the EU with our register of beneficial ownership, but we have been a drag on the EU when it comes to more transparency on trusts.

Boris Johnson: A drag?

Anneliese Dodds: At EU level, we have been. David Cameron argued against the inclusion of trusts in EU beneficial ownership registers, but we now have a chance to change. I can see that the Foreign Secretary is appalled by the idea that we might have acted as a drag in that regard, but I am sure that he will be converted to the cause of more transparency.

As the hon. Member for East Dunbartonshire rightly mentioned, it is deeply concerning that the timetable for the foreign-owned property register has slipped so substantially. I take on board what was said by the hon. Member for Amber Valley—we already have a

[Anneliese Dodds]

register of sorts, in the guise of *Private Eye*'s tax haven property map—but that map was created, essentially, by mistake. It was created when the Land Registry released data, by mistake, which was then matched up with Companies House data. The Government should be delivering the register themselves. I appreciate that there should be additional disincentives, but that is not a reason not to act now.

Finally, let me say something about the issue of due diligence in relation to British company ownership. Yes, we do have a public register run by Companies House, but the responses to a series of parliamentary questions that I have tabled have shown that there is little or no oversight of the veracity of the data supplied to it. That is illustrated by the worrying case mentioned by my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle), to whom I pay tribute for all his effort to help his constituent. There are not enough resources in Companies House, and there is a regulatory gap in respect of those registering companies with it directly. There are even problems for those who register through company formation providers, many of which have been shown not to be fulfilling their responsibilities. In that context, it may be necessary to launch a pincer movement requiring all such firms to have UK bank accounts: at least they would then be covered by anti-money laundering legislation through the bank account system.

The Financial Action Task Force is due to report next month on the UK's approach to money laundering and ensuring the integrity of the international financial system. I am sure Members in all parts of the House agree that it would be a huge international embarrassment if the taskforce concluded that the UK Government had chosen not to adopt measures that would help to clean up our financial system. I am afraid I agree with my right hon. Friend the Member for Barking that there are grim stains on the UK's reputation in this regard.

Let me issue one last plea. I have been very disturbed by the Government's decision not to defend publicly the journalists who were singled out by Appleby. It picked on British companies, the BBC and *The Guardian*, which were taken to court after releasing details that were in the public interest. Sadly, the Treasury team—I see that some of its members are present—has not yet been willing to condemn that behaviour. I appeal to Ministers, including those in charge of foreign policy, to do so now, and to confirm that those disclosures were in the public interest.

9.34 pm

The Minister for Europe and the Americas (Sir Alan Duncan): As my right hon. Friend the Foreign Secretary said in his opening speech, this Bill is necessary to ensure that we can continue to use sanctions and anti-money laundering regulations to support our foreign policy and national security goals as we leave the European Union. We have had a lively and passionate Second Reading debate, but I sense that the setting up of a UK sanctions regime on our departure from the EU would appear to enjoy the broad support of this House.

It is often invidious in winding up a debate to pick out some speeches but not all, but forgive me, Mr Speaker, if I do that this evening, because I think the two strongest

and most remarkable speeches were those of the right hon. Member for Barking (Dame Margaret Hodge) and my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), with whom I worked very closely as his deputy in DFID. I appreciate the passion of the right hon. Lady; we will no doubt debate these matters at great length in Committee and on Report, and we will take on board the strength of the arguments we have heard tonight, and which, of course, we have heard before. Likewise, my right hon. Friend made an impassioned plea for humanitarian agencies to be fully considered, and I will come to that shortly. He also spoke of Magnitsky, as did many Members; I will go into more detail later, but for now I will say that this Bill has wide-ranging powers to sanction people for human rights abuse. On open registers, we share my right hon. Friend's view on wanting to bear down on illicit money flows; as he said, the registers are open to instant access by regulatory authorities, but I quite understand his view that such action alone does not suffice.

I have a small point to make to my hon. Friend the Member for Huntingdon (Mr Djanogly), who asked if we could publish the anti-corruption strategy; we did so in December of last year. The hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) asked why nobody has been prosecuted for export control offences; in fact, there have been 23 not just prosecutions, but convictions, for export control offences in the 10 years from 2006 to 2016, and a number of these prosecutions relate to exports to countries covered by UN and EU sanctions regimes.

This being a Second Reading debate, I want to dwell on a few key principles contained in the legislation, as I have no doubt that we will discuss the closer detail further in Committee. The first such issue is that of delegated powers. They are rightly coming under scrutiny in this place today. However, it is important to recognise that Ministers implement sanctions and anti-money laundering regulations by using delegated powers now, through secondary legislation under the European Communities Act 1972, and this Bill will not change that approach. In fact, in the future Parliament will have greater oversight of sanctions than it currently does, with votes needed in both Houses when the UK acts outside the requirements of the UN, and given the need to respond quickly to global events, the Government believe that regulations remain the best mechanism for implementing and amending sanctions and anti-money laundering regimes.

There is, however, the question of creating criminal offences, as referred to by the hon. Member for Glasgow Central (Alison Thewliss), and I am confident this will be addressed before Report. We have listened to these concerns and we are working on a solution that we hope will be accepted by those who expressed them in another place. Indeed, Lord Judge, whom we have been talking to, and his colleagues did not disagree that breaches of sanctions should be criminal offences, and we will introduce amendments to fix this and address their concerns in due course.

On procedure, we believe we have the right balance of affirmative and negative resolutions. Regulations that implement UN regimes will be made under the negative procedure; regulations that do not implement UN sanctions regimes will be made under the made-affirmative procedure.

The hon. Member for Glasgow Central talked about the ability to amend devolved legislation as being “monstrous”. I think she slightly misunderstands the process here. Sanctions are a matter of foreign policy.

Helen Goodman: On negative and affirmative resolutions, the Minister is choosing to draw a distinction based on the origin of the sanctions—whether they are from the UN or the EU—but would there not be a greater logic in drawing a distinction between individual sanctions on people, which obviously have to be done quickly, and the rules of the game for the regimes, where the House would be reasonable in seeking to be consulted before they are introduced?

Sir Alan Duncan: The reason that we have made this distinction in terms of procedure is that we are obliged in law to implement UN sanctions. Once the sanctions have been agreed at the UN Security Council, the UK has an obligation to implement them under the UN charter. Not to do so would leave the UK in breach of international law—hence the distinction in the procedure that we are using.

Returning to what the hon. Member for Glasgow Central described as “monstrous”, I say again that sanctions are a matter of foreign policy and so are reserved to this Parliament.

Alison Thewliss: Will the Minister give way?

Sir Alan Duncan: No. We consulted the devolved Administrations—that answers a question that the hon. Lady asked—and they did not disagree with us. The ability to make changes to devolved legislation that can be used only to make changes required as a result of sanctions does not injure the devolution settlement. Their primary purpose is for a reserved matter.

Let me move on to the issue of Magnitsky. I recognise the concerns expressed about the importance of taking a stand against individuals responsible for committing gross abuses of human rights. We recognise and indeed share those concerns. I would like to make it clear that this Government are committed to promoting and strengthening universal human rights, and this Bill will permit us to do so. We already have a range of powers to take action against those who commit gross human rights abuses, most recently through the Proceeds of Crime Act 2002, as amended by the Criminal Finances Act 2017. The Home Secretary also has the power to exclude individuals whose presence we believe to be contrary to the public good, and we keep track of potentially dangerous individuals to prevent them from entering the UK. To complement this, we also have a range of domestic asset-freezing powers.

We are already committed to using sanctions in this area. This is demonstrated by the number of countries against whom we use human rights-related sanctions. They include the Democratic Republic of the Congo, Iran, Libya, Mali, South Sudan, Venezuela and Zimbabwe. The Bill will rightly continue this, allowing the UK to continue to implement existing sanctions regimes and to impose new sanctions in the future. I reiterate my point that paragraphs (f) and (h) of clause 1(2) will empower the Government to implement sanctions on human rights grounds. These are broad powers that will provide maximum flexibility and allow us to include all sorts of abuses, including but not only gross human rights abuses.

I should like to refer to the comments made by my right hon. Friend the Member for Sutton Coldfield about humanitarian access and freedoms. This is an important point. The Government recognise the concerns expressed in the House about the humanitarian impact of sanctions, and we understand the need for engagement with non-governmental organisations and other humanitarian actors. We fully support the work of NGOs operating in difficult areas, and we recognise that they are important partners in delivering the UK’s objectives in challenging environments. I want to reassure the House that the Government have been actively engaging with NGOs. As part of the consultation for the Bill, we held a roundtable to understand their concerns. Within the past couple of months, we have also met organisations involved in humanitarian, development and peace-building work.

The Bill provides a number of tools that will enable the Government to tailor each regime to help to meet the needs of NGOs. In particular, it will enable the Government to make exemptions for humanitarian reasons and to issue licences for legitimate activity. EU case law currently limits our ability to issue general licences, but the Bill will provide greater flexibility by allowing us to do so in circumstances where Ministers judge it appropriate. It will also help to prevent the exploitation of NGOs by those seeking to circumvent sanctions. We have committed to remain engaged with the humanitarian sector and to provide it with high-quality guidance on the implementation and enforcement of individual regimes. We will continue to work with NGOs and other stakeholders to develop the best possible system.

Beneficial ownership has been at the heart of tonight’s debate. We will no doubt discuss it in Committee and perhaps on Report. It is important to recognise that the UK is the only member of the G20 with a public register of company beneficial ownership. We welcome the fact that the EU is catching up with us, but, when it does, public registers of beneficial ownership will still not be a global standard. The non-EU members of the G20 will still not have them.

We hope to work with the Financial Action Task Force and other partners to establish registers of beneficial ownership as a global standard, the effect of which will be not to allow companies or people simply to shift from one regime to another and hide their assets somewhere else. In the meantime, we should remember that the overseas territories are well ahead of most jurisdictions, including many G20 partners, in developing private registers.

In the exchange of notes in 2016, the overseas territories with significant financial centres each committed to holding central or equivalent registers of company beneficial ownership and to making information held on those registers available to UK law enforcement and tax authorities. Those arrangements are almost complete, with some of the territories understandably slightly delayed by last year’s devastating hurricanes.

Moreover, the overseas territories are separate jurisdictions with their own democratically elected Governments. The UK respects the constitutional relationship with the overseas territories and Crown dependencies. It is entirely right to work consensually with them, rather than to impose legislation. The UK has only legislated directly without the overseas territories’ consent in the most exceptional of circumstances, such as on capital punishment.

[Sir Alan Duncan]

We do not generally legislate for the overseas territories, and to do so would have the effect of overruling their own legislatures and could be interpreted as disenfranchising the citizens who voted for them. The overseas territories have taken great steps forward in this area, further indeed than many other jurisdictions, and I urge the House to appreciate the importance of not jeopardising what has been agreed with them.

Until we leave the European Union, the United Kingdom will continue to exercise all the rights and obligations of membership, including with respect to common foreign and security policy, sanctions and anti-money laundering. After we leave, this Government intend to continue working closely with our European neighbours to ensure our collective peace and security. Sanctions and anti-money laundering regulations will continue to be a powerful tool in that effort.

Through this Bill, the Government intend to ensure that these important foreign policy instruments continue to be fully available for the United Kingdom to use wherever it is deemed appropriate so to do. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

SANCTIONS AND ANTI-MONEY LAUNDERING BILL [LORDS] (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Sanctions and Anti-Money Laundering Bill [Lords]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 6 March.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

4. Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

7. Any other proceedings on the Bill may be programmed.—(Chris Heaton-Harris.)

Question agreed to.

SANCTIONS AND ANTI-MONEY LAUNDERING BILL [LORDS] (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Sanctions and Anti-Money Laundering Bill [Lords], it is expedient to authorise the payment out of money provided by Parliament of:

(a) any expenditure incurred under or by virtue of the Act by the Secretary of State or the Treasury; and

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—(Chris Heaton-Harris.)

Question agreed to.

SANCTIONS AND ANTI-MONEY LAUNDERING BILL [LORDS] (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Sanctions and Anti-Money Laundering Bill [Lords], it is expedient to authorise:

(1) the imposition, by regulations under the Act, of charges by persons exercising functions under the regulations in connection with the detection, investigation or prevention of money laundering or terrorist financing or the combating of threats to the integrity of the international financial system; and

(2) the payment of sums into the Consolidated Fund.—(Chris Heaton-Harris.)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Mr Speaker: With the leave of the House, I propose to take motions 6 to 17 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

LEGAL SERVICES

That the draft Legal Services Act 2007 (Appeals from Licensing Authority Decisions)(General Council of the Bar) Order 2018, which was laid before this House on 19 December 2017, be approved.

That the draft Legal Services Act 2007 (General Council of the Bar) (Modification of Functions) Order 2018, which was laid before this House on 19 December 2017, be approved.

REPRESENTATION OF THE PEOPLE

That the draft Representation of the People (England and Wales) (Amendment) Regulations 2018, which were laid before this House on 19 December 2017, be approved.

That the draft Representation of the People (Scotland) (Amendment) Regulations 2018, which were laid before this House on 19 December 2017, be approved.

That the draft Representation of the People (Northern Ireland) (Amendment) Regulations 2018, which were laid before this House on 19 December 2017, be approved.

SOCIAL SECURITY

That the draft Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2018, which were laid before this House on 15 January, be approved.

That the draft Tax Credits and Guardian's Allowance Up-rating etc. Regulations 2018, which were laid before this House on 15 January, be approved.

CRIMINAL LAW

That the draft Policing and Crime Act 2017 (Consequential Amendments) Regulations 2018, which were laid before this House on 11 January, be approved.

SOFT DRINKS INDUSTRY LEVY

That the draft Soft Drinks Industry Levy (Enforcement) Regulations 2018, which were laid before this House on 15 January, be approved.

TERMS AND CONDITIONS OF EMPLOYMENT

That the draft Seafarers (Insolvency, Collective Redundancies and Information and Consultation Miscellaneous Amendments) Regulations 2018, which were laid before this House on 15 January, be approved.

CRIMINAL LAW

That the draft Andrey Lugovoy and Dmitri Kovtun Freezing Order 2018, which was laid before this House on 19 January, be approved.

DIGITAL ECONOMY

That the draft Proposal for Designation of an Age-Verification Regulator, which was laid before this House on 14 December 2017, be approved.—(*Wendy Morton.*)

Question agreed to.

STANDING ORDERS ETC. (DEPARTMENTAL NOMENCLATURE)

Motion made, and Question put forthwith (Standing Order No.9(6)),

That the following Orders, changes to Standing Orders and amendments to Resolutions of the House be made:

A: Select Committees Related to Government Departments

(1) That Standing Order No. 152 (Select committees related to government departments) be amended in the appropriate places in the Table in paragraph (2) as follows:

(i) by inserting "Housing," before "Communities and Local Government" in the first column, and by leaving out "Department for" and inserting "Ministry of Housing," in the second column, and

(ii) by inserting "and Social Care" after "Health" in each place it occurs.

B. European Committees

(2) That the Table in paragraph (7) of Standing Order No. 119 (European Committees) be amended as follows:

(i) in respect of European Committee A, by inserting "Housing," before "Communities and Local Government", and

(ii) in respect of European Committee C, by inserting "and Social Care" after "Health".

C: Planning: National Policy Statements

(3) That paragraph (7)(a)(i) of Standing Order No. 145 (Liaison Committee) be amended by inserting "Housing," before "Communities and Local Government"

(4) That paragraph (2)(a) of Standing Order No. 152H (Planning: national policy statements) be amended by inserting by inserting "Housing," before "Communities and Local Government"

D: Liaison Committee

(5) That the Resolution of the House of 6 November 2017 (Liaison Committee: membership) be amended, by inserting "Housing," before "Communities and Local Government", and by inserting "and Social Care" after "Health".

E: Related Provisions

(6) That all proceedings of the House and of its select committees relating to the Communities and Local Government Committee done before the passage of the Order this day (Standing Orders etc. (Departmental Nomenclature) (Select Committees related to Government Departments)) shall be read and have effect as if they had been done in relation to the Housing, Communities and Local Government Committee.

(7) That all proceedings of the House and of its select committees relating to the Health Committee done before the passage of the Order this day (Standing Orders etc. (Departmental Nomenclature) (Select Committees related to Government Departments)) shall be read and have effect as if they had been done in relation to the Health and Social Care Committee.

(8) That all proceedings of the House and of its select committees relating to the Culture, Media and Sport Committee done before the passage of the Order of 12 September 2017 (Standing Orders etc. (Departmental Nomenclature) (Digital, Culture, Media and Sport) (Select Committees related to Government Departments)) shall be read and have effect as if they had been done in relation to the Digital, Culture, Media and Sport Committee.—(*Wendy Morton.*)

Question agreed to.

COMMITTEES

Mr Speaker: With the leave of the House, we will take motions 19 to 24 together.

Ordered,

FOREIGN AFFAIRS COMMITTEE

That Ms Nusrat Ghani and Nadhim Zahawi be discharged from the Foreign Affairs Committee and Priti Patel and Mr Bob Seely be added.

HEALTH AND SOCIAL CARE COMMITTEE

That Dr Caroline Johnson and Maggie Throup be discharged from the Health and Social Care Committee and Derek Thomas and Martin Vickers be added.

HOME AFFAIRS COMMITTEE

That Will Quince be discharged from the Home Affairs Committee and Kirstene Hair be added.

COMMITTEE OF PUBLIC ACCOUNTS

That Heidi Allen and Nigel Mills be discharged from the Committee of Public Accounts and Anne Marie Morris and Lee Rowley be added.

TREASURY COMMITTEE

That Kit Malthouse be discharged from the Treasury Committee and Mr Simon Clarke be added.

WORK AND PENSIONS COMMITTEE

That Chris Green be discharged from the Work and Pensions Committee and Nigel Mills be added.—(*Bill Wiggin, on behalf of the Selection Committee.*)

Mr Speaker: Order. We will come in a moment to the petition to be presented by the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy), so I will repeat the point that I ordinarily make: if, unaccountably, there are Members who do not wish to listen to the presentation of this petition, I hope they will leave the Chamber quickly and quietly, so that the rest of us can enjoy the mellifluous tones of the hon. Lady.

PETITIONS

Provision of LGBT inclusive education in schools

9.49 pm

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): I rise to present this petition relating to LGBT sex and relationship education. Sadly, for everybody in Hull and elsewhere in the country, the Hull equalities campaigner Colin Livett died over the weekend. He wrote this petition to ensure that no child would be left behind just because they are LGBT or struggling with their sexuality or gender identity, and it is in tribute to him that I present this today.

The petition states:

The petitioners therefore request that the House of Commons urges the Government to ensure that LGBT inclusive SRE is to be granted mandatory status in all schools in order that future generations leave schools informed on such matters of equality and personal safety having been educated correctly about sexual relations.

Following is the full text of the petition:

[The Petition of residents of the UK,

Declares that there are benefits of inclusive teaching of Sex and Relationship Education (SRE) to ensure that no child is left in ignorance; further that the Government should pledge that the updated SRE guidelines for mandatory SRE in all schools will be LGBT inclusive, which it is yet to do; and further that recent agreements made by the Government with a party which is not sympathetic to LGBT inclusive SRE following the general election on June 8th 2017, causes concern that education that is appropriate and LGBT inclusive, could be put at risk.

The petitioners therefore request that the House of Commons urges the Government to ensure that LGBT inclusive SRE is to be granted mandatory status in all schools in order that future generations leave schools informed on such matters of equality and personal safety having been educated correctly about sexual relations.

And the petitioners remain, etc.]

[P002103]

Royal Bank of Scotland closure

Martyn Day (Linlithgow and East Falkirk) (SNP): I rise to present a petition relating to the damaging and misguided proposals to close the RBS branch in Linlithgow.

The petition states:

The petition of residents of Linlithgow East Falkirk,

Declares that proposed closure of Linlithgow branch of the publicly-owned Royal Bank of Scotland will have a detrimental effect on local community and the local economy.

The petitioners therefore request that the House of Commons urges Her Majesty's Treasury, the Department for Business, Energy and Industrial Strategy and the Royal Bank of Scotland to take into account the concerns of petitioners and take whatever steps they can to halt the planned closure of this branch.

And the petitioners remain, etc.

[P002111]

Arts Council England Funding: Coalfield Communities

Motion made, and Question proposed, That this House do now adjourn.—(Wendy Morton.)

9.52 pm

John Mann (Bassetlaw) (Lab): Thank you, Mr Speaker, for generously granting this debate. I rise to congratulate Arts Council England on its incredible deftness and artistic creativity in presenting to the world a list of the coalfield communities that it funds that is so expansive as to defy most critical logic. In attempting to demonstrate that the paltry amounts of money it spends in English coalfield communities is slightly larger, the Arts Council has through its vivid imagination incorporated into the English coalfields the centre of Newcastle, the docklands of Salford and the entirety of Huddersfield.

Were this 200 years ago, the latter would have some credibility, but one can see from the detail of where miners are under the miners' pension scheme, and much more publicly through *Hansard* due to repeated questions about the number of former miners who have claimed compensation under the huge industrial injury compensation scheme, the precise number of retired miners—for they are what we are talking about when we discuss former coalfield communities—in each constituency in the United Kingdom. It is safe to say that Huddersfield, central Newcastle and the Salford docks are rather low down the pecking order. Indeed, they are virtually invisible.

However, one can see on the public record, which the Arts Council should read to clarify its statistics, where the former coalfield communities are. I have a list of some of them and the amounts of money generously given by the Arts Council in the past year: Nuneaton—zero; North Warwickshire—zero; Washington and Sunderland West—zero; Amber Valley—zero; Erewash—zero; Rother Valley—zero; Wentworth—zero; Blyth Valley—zero; Gedling—zero; Sedgefield—zero; Sheffield South East—zero; Cannock Chase—zero; Makerfield—zero; Easington—zero; Leigh—zero; Doncaster North—zero; Barnsley East—zero; Newcastle North—zero; Blaydon—zero; Sherwood—zero; Staffordshire Moorlands—zero; North West Durham—zero; Stoke-on-Trent North—zero; Normanton, Pontefract and Castleford—zero; Hemsworth—zero; Houghton and Sunderland South—zero; Ashfield—zero; Mansfield—zero; North West Leicestershire—zero; Bolsover—zero; Bassetlaw—zero. The figures were last put in the public domain by my good self in a parliamentary question in 2007, when the situation was slightly better—five had received tiny amounts of money. However, 85% received nothing in 2007, nothing since and nothing today. We are therefore talking about national funding by the Arts Council, in most coalfield communities, of zero.

Let us compare that, at random, with the borough of Islington. There, the Arts Council funded 26 projects in the last year, 14 of them at more than £1 million—up from 2007. In Bermondsey, 13 projects were funded—up from 2007. In Bethnal Green and Bow, the figure is 30 projects—up from 2007. In Cities of London and Westminster, 62 projects were funded in the past year, of which 35 received more than £500,000—up from 2007. In Hackney, North and South, 32 projects were funded, and in Holborn and St Pancras the figure was 26. To demonstrate that this is not entirely a London bias,

Manchester Central received funding for 30 projects, Brighton Pavilion had 13 projects funded and the figure for Birmingham, Ladywood was 29. All those areas benefit more than all the coalfield communities in England combined every single year.

This debate is about arts funding, but if we look at sports funding, the picture is not quite as bad. London has merely four times as much as the entirety of the coalfield communities.

All of that prompts the question of whether this is fair or reasonable. Should my constituents not have the same access to the arts as everybody else? If someone takes a bus from my constituency, it is not like taking a city centre bus or the underground in London. It is not possible to get from parts of my constituency to the city of Nottingham and back in a day by public transport. The slightly more generous funding for the city of Nottingham, which was explained to me as benefiting my constituents, has minimal benefit, particularly for young people.

I am particularly concerned about young people. You, Mr Speaker, have always been rightly and appropriately generous in welcoming young people from my constituency to Speaker's House. For them, it is not just a great honour; it opens their eyes and opens doors to the kind of places they do not tend to go into. You fully recognise that, Mr Speaker, as did your predecessor. Why cannot the Arts Council get its head around the fact that young people in my area do not have such opportunities?

We are talking about scores of constituencies around the country. One that I have excluded—Bishop Auckland—has one project at the moment, so it is doing very well. However, that is hardly an example of fairness. Indeed, the Bishop Auckland project demonstrates a further problem: when arts funding goes in, it tends to go into the great, historic buildings and museums. So although Bowes in Bishop Auckland is a great place and a great museum, it is not in the coalfields. Technically, it can be put down as a “coalfield contribution”, and it is a very valid contribution, but it is not a coalfield contribution at all. Even the paltry amounts are skewed by the Arts Council—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(Wendy Morton.)

Helen Goodman (Bishop Auckland) (Lab) *rose—*

Jim Shannon (Strangford) (DUP) *rose—*

John Mann: I will give way to my hon. Friend.

Helen Goodman: My hon. Friend is making a passionate case. I think the bias is for London and against the regions. Not so long ago, the whole of Lincolnshire was given 25p per person. What can be done with 25p per person? That is absurd. At the same time, London was getting 14 times as much as the average across the rest of the nation.

John Mann: My hon. Friend makes a good point. I merely say that when it comes to the English coalfields, we are talking about zero, zero, zero, zero, year after year. So the young people are reliant on the schools, which do their best, but we all know that schools funding has been tight. Schools funding for the arts has

been tight for successive Governments—this goes back to the Labour Government as well. It has always been tight, but it has got tighter. Where someone wants to be creative in music in Bassetlaw, there is no facility available in the community for them. Where someone wants to go into the world of theatre, they find that no youth drama is being funded by the national Arts Council. The amounts of money that are there ought to be spread to some extent, to allow us to do things.

When we bid for money, the way the Arts Council works is that it says, “We’ll give you a consultant. One of our consultants.” That consultant will advise the Arts Council on what should be done. It is a closed shop within the arts world, where they give someone they know the contract to bid for money from themselves and none of it gets into the former coalfield communities. It is a scandal. The Arts Council needs to have the integrity to open up opportunities to give us the chance to demonstrate that where we do not have the arts infrastructure to bid for money, we can do it in a different way, with its assistance, without needing that infrastructure. Where people have the time, wisdom, inclination and skills, coming from the arts world, I do not begrudge them their brilliant ideas, inventiveness and claims in respect of facilities that already exist. If those facilities were in my constituency, I would be proposing the same. But is this fair on the national level? What about not just the education but the health, not least the mental health, of young people and the importance of the arts to them?

Jim Shannon: I congratulate the hon. Gentleman on his contribution. He has just mentioned the very issue that I want to bring to his attention—the health institutions. Almost 50% of the nation's healthcare institutions provide arts programming for patients, families and staff because of the health benefits of the arts to their patients. Surely if they can do it, we can see clearly the benefits that would be brought to the coalfield communities.

John Mann: It would bring a huge benefit. We are talking about small amounts of money to give us a chance with the few projects we ever put forward, which get knocked back repeatedly, as the evidence demonstrates. That requires a change of mindset in the arts world and in Arts Council England, which must say to communities—not only mine, but the many others from all corners of England—“You have the right to benefit from the arts. You have the right and we are going to help you. We are going to get in there. We are going to provide that little bit of funding that would make such a big difference.” I predict, Mr Speaker, that if the young people in my constituency were given that opportunity—you, Sir, are witness to this—we would see that they are as inventive, creative and brilliant as any other set of young people in the country, but they do not end up in the arts world because their skills remain hidden. It is hardly a surprise that the talent shows uncover so many people from areas like mine.

We once had in the miners' welfares and institutes many educational, artistic and sporting structures, based on the coalmining industries. That gave an entire set of generations opportunities. Over the past 30 years, those facilities have gently crumbled away in most places. The miners are not there and the employer is not there to provide the time, facilities and, indeed, money that there used to be. The void needs to be filled.

[John Mann]

Will the Minister meet representatives from the Arts Council to take them through these incredible figures and challenge them? I am more than happy to go with him. The big-picture issue is not whether it is my constituency or one of the many others that actually benefits. I shall of course fight strongly for my area, but if it was only my area that was not benefiting, one could see that we were doing something wrong. When so many scores of constituencies get no national funding whatsoever from the Arts Council, that shows that the system is wrong.

I say in a non-partisan way—the Minister will note that this affects constituencies represented by Members from different parties—that it is long overdue that this issue is addressed. The Arts Council is currently reviewing its priorities; here is a chance to direct a modicum of resource to the former coalfields to give our kids a proper artistic chance.

10.6 pm

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Michael Ellis): I congratulate the hon. Member for Bassetlaw (John Mann) on securing this interesting and important debate. I believe that he and I are in agreement about the vital role that the arts can and do play in binding local communities together and about the sense of pride—and enthusiasm, for that matter—that engagement with the arts can bring to individuals and to places; we are certainly in agreement about that. The Government truly believe in and recognise the power of the arts to transform places and, indeed, people's lives. I passionately believe that and know it to be true.

As the hon. Gentleman will know, Arts Council England rightly operates at arm's length from the Government. In those circumstances, it would be wrong for a Minister of the Crown to intervene in, or comment too specifically on, individual funding cases. I shall therefore begin by discussing the Arts Council's role and the support that it provides at a broader level.

The Arts Council's mission is "Great art and culture for everyone", which it seeks to achieve through advocacy and investment in line with its 10-year plan. It works to make the arts, and the wider culture of museums and libraries, an integral part of everyday public life, accessible to all and understood as essential to the national economy and the health and happiness of society.

On the hon. Gentleman's specific point, the Arts Council has worked very hard in recent years to ensure that investment outside London has increased as a percentage and in cash terms. He will be pleased to hear that last year some 70% of Arts Council funding was awarded outside London. Between 2018 and 2022, an additional £170 million will be invested outside London. The Arts Council is also on target to spend 75% of national lottery money outside London by April this year—that is expected in the next couple of months.

The Arts Council recognises that more can be done to ensure that more people have access to great art and culture. Its flagship Creative People and Places programme, for example, was set up to focus on the least-engaged parts of England. Current investment in that programme is more than £53 million. The scheme allows local people to have a say in the art that they want locally.

It is about taking art and culture to the people. Through that programme alone, the Arts Council has reached 1,450,000 people who would not ordinarily participate in art and culture.

There are some great examples of Creative People and Places schemes working in former coalfield areas, such as St Helens in the north-west, where Heart of Glass was set up in 2015. The evidence shows that that has made a difference. Heart of Glass and St Helens library service will join the Arts Council's national portfolio of organisations for the first time in 2018 to 2022—congratulations to them for that achievement.

Helen Goodman: The statistics the Minister has given would be reasonable if between a quarter and a third of the British population lived in London, but they do not. Moreover, although the Arts Council is at arm's length, the Minister has under his own control a significant budget that he could use if he wished to make up for the deficiencies in Arts Council distribution.

Michael Ellis: The fact of the matter is that the Arts Council has made significant progress, as I have outlined, in delineating moneys outside the London area. It is also important that my Department and I access all people throughout England. Arts Council England is focused on that too.

I should like to take this opportunity to congratulate Sue Williamson, who joins the Arts Council as director of libraries from St Helens library service, which I referred to a moment ago. She most recently delivered its award-winning cultural hubs and arts in libraries programme, and oversaw the successful application to the Arts Council's national portfolio.

Another Arts Council-funded scheme is First Art, which is a collective of four cultural and community organisations working within former coalfields in north-east Derbyshire and north-east Nottinghamshire. It aims to bring inspiring cultural experiences within reach of everyone in Ashfield, Bolsover, Mansfield and north-east Derbyshire over the next two years. It is a very exciting programme.

The hon. Member for Bassetlaw raised the issue of funding for coalfield communities at Prime Minister's questions a few weeks ago, when he alleged an inequality of funding by comparing funding for coalfield communities with funding in the London Borough of Islington, which he mentioned again this evening. I am happy to correct that assertion on the record. Having read his letter to me following Prime Minister's questions, I see that his figures are based on the Arts Council's national portfolio funding only, which led to the conclusion of a discrepancy in funding. In actual fact, although the national portfolio organisation funding is an incredibly important part of the Arts Council's work—it provides regular funding over a set period to some of England's most vital cultural institutions—it is by no means the only form of funding it distributes. The Arts Council has established various funding streams to tackle different issues across the nation. Many of those funding streams are heavily focused on supporting areas outside London. Some 80% to 90% of the funding for the Ambition for Excellence scheme, which supports talent, leadership and ambition, will be spent outside London. Recent research showed that 91% of touring activity funded by

the Arts Council strategic touring fund was spent outside London. Some £35 million will be invested in the scheme between 2015 and 2018.

John Mann: I fear that the Minister is not quite getting it. Yes, touring people come through the wealthy villages in my constituency—I live in one—and good people like me pay good money to see these productions. But that is not in the former mining communities. In most of the former mining communities, there is zero going on. The Arts Council could not even manage to agree to fund an artistic director in my constituency and others for the 400th anniversary of the Mayflower pilgrims in 2020. We are getting zero into the coalfield areas. Let us not confuse constituency and coalfield area, as I fear the Minister is being hoodwinked into doing by the Arts Council.

Michael Ellis: No, I certainly would not wish to conflate any of those issues. As I have already delineated, the fact is that there are several examples of coalfield areas that have benefited from Arts Council funding.

As I was saying, £35 million will be invested in the strategic touring fund between 2015 and 2018. The Arts Council is continuing to work hard to create a fairer balance to its funding outside of London. It is no part of my suggestion that there is not more that needs to be done; of course there is. This is something to which the Government are fully committed. I consider that the Arts Council is doing a very good job, and Sir Nicholas Serota is doing very well. I understand that there are currently no national portfolio organisations in the hon. Gentleman's constituency, although I am sure that the Arts Council would be willing to discuss how that could be addressed in future. I know that, as he loves the arts and supports the priority that culture should and does have in our society, he will want to engage and be willing to discuss how the situation can be addressed.

I emphasise that there is investment through the national lottery grants for the arts scheme, most recently awarded to the Harley Gallery and the artist Anthony Cropper. The hon. Gentleman's constituency has seen an increase in funding of 269% taking into account all Arts Council funding, when comparing data for 2012-13 with the current financial year.

John Mann: Will the Minister give way?

Michael Ellis: May I just make a wider point?

In many cases, the perceived lack of funding in certain areas is due to the limited number of applications for funding that the Arts Council receives. This is the case in the hon. Gentleman's constituency, where the Arts Council has only received 17 applications through its grants for the arts programme since 2014.

John Mann: That rather sums up the problem across every coalfield community. Of course, there is the Harley Gallery. Prince Charles has been there on several occasions, which is not surprising given that he is directly related to the family who own the estate. It is a great investment.

People come to the Harley Gallery from all over the world. If we could get people to go there from my constituency as well, it would be even better. But let us not confuse that kind of high-end art work—as important and valuable as it is to the nation—to working in coalfield communities.

Michael Ellis: I want to do everything I can to support all parts of society to access all forms of art. The Harley Gallery is doing wonderful work, and it is open to all. I know that the hon. Gentleman will join me in encouraging people to visit that gallery and any other galleries nearby that people wish to visit.

The Arts Council recognises the need to increase levels of ambition and interest at the local level. This, of course, cannot be done in isolation. Partnerships are vital. They often extend beyond culture and tourism to include businesses, the local authority in a given area, schools and higher education establishments. In places where that co-operation exists, great things can happen. I know that, as a supporter of the arts, the hon. Gentleman will be a leader in Bassetlaw in working to make these things happen. Clearly, things do not change overnight. It is important that this House devotes time to discussion of the arts, given their importance to so many people in our country.

I again congratulate the hon. Gentleman on enabling this discussion to take place.

Helen Goodman: Before the Minister concludes, we know what the problem is, and we know it is difficult, but we want to know what he is going to do about it.

Michael Ellis: Well, this Minister is deeply supportive of our arts, our culture, our galleries and our museums—our entire sector. This Minister is going to give every ounce of support to ensuring that we support the Arts Council and other arm's length bodies in the important work that they are doing to make sure that the widest section of society has access to the arts, crucial as we know that to be in broadening the horizons and vistas that the hon. Member for Bassetlaw has spoken of. As I have said, there is work to be done, but it is wrong, in my submission, to characterise the Arts Council in the way that it has been characterised, because it is working very hard on this, and 75% of its funding is now outside of London.

As we all know, arts and culture help to remind us of where we come from. They bring incredible stories to life and help us to step into someone else's shoes and see the world through their eyes. This country is a world leader in culture and the arts and the Government are committed to supporting that. By continuing to inspire people through the arts, we can continue to create the practitioners of the future. With the leadership—the good leadership—of the Arts Council, the House can see that this Government are paving the way for a bright cultural future right across the nation.

Question put and agreed to.

10.22 pm

House adjourned.

Westminster Hall

Tuesday 20 February 2018

[MR ADRIAN BAILEY *in the Chair*]

UK Basketball

9.30 am

Alex Sobel (Leeds North West) (Lab/Co-op): I beg to move,

That this House has considered the future of basketball in the UK.

It is a pleasure to serve under your chairship, Mr Bailey. I am delighted that the Backbench Business Committee has given us an opportunity to debate the future of basketball at such an important juncture for the sport. It is five years since this place last had a chance to discuss this hugely popular sport.

There are three main areas of the sport and different organisations leading and governing them, as befits a game played by so many in this country. To put it simply, we have the grassroots sport, which is overseen by Basketball England, Basketball Wales and Basketball Scotland, looking after all the amateur clubs, from juniors right up to the semi-professional national basketball league. We have the professional club game for adults, which is overseen by the British Basketball League and Women's British Basketball League. In my constituency, we have Leeds Force, who are the newest team in the British Basketball League. I know that many other hon. Members are in attendance because they have WBBL or BBL teams locally; just like all sports fans, we are here to support our teams. Finally, we have the elite, international top of the sport, which is made up of the eight Great Britain teams, both male and female, playing in age groups and at adult level, and overseen by the British Basketball Federation. This is GB Basketball.

I pay particular tribute to the women's team, who beat both Portugal and Israel last week on the road, to jointly top their EuroBasket qualifying group with Greece, one of the pre-eminent basketball nations, which finished fourth at the last EuroBasket event, in 2017. Some of those top players are here today, as I am sure people will not have failed to notice: Stef Collins, GB women's captain, Eilidh Simpson and Bev Kettleby, the team manager. Those women's futures are at stake, as are the futures of their male counterparts, of all the boys and girls playing in the national age groups, and of all the boys and girls in the clubs out there who dream of one day putting on a Team GB jersey—in other words, all those who think that they have a future in basketball and that our great country will sustain their dream of one day playing for their national team. The more immediate future concerns those women present here today and their dreams of finishing the qualifiers and competing at the 2019 EuroBasket championships, where they have a brilliant chance of taking GB to its highest ever placing in the competition.

Minister, let us not be remembered for throwing an air ball; let us do what is right for basketball and slam dunk the ball right into the hoop for our GB players. At the moment, the ball is in the hands of UK Sport, and I am concerned that it is double dribbling with its decision not to fund GB Basketball. I see an opportunity for the

Minister to make an offensive turnover, and her assist could provide the opportunity for British basketball to score the winning three-pointer that sees those women through to EuroBasket in Serbia and Latvia in 2019 and all the other GB teams continuing to compete in their competitions, thereby maintaining the dreams of young people to play at the highest level.

Paul Blomfield (Sheffield Central) (Lab): I thank my hon. Friend for securing this hugely important debate. On the point about dreams, does he recognise the point made to me by Tyler Gayle, who wrote to me on behalf of Sheffield Hatters, our women's basketball team, and said that the sport of basketball is one of the most effective at reaching out to deprived communities? Is that not a particularly important reason that it should continue to be supported?

Alex Sobel: My hon. Friend's area has two great basketball teams: Sheffield Hatters and Sheffield Sharks. People in disadvantaged communities in Sheffield, Leeds, London and other urban centres, aspire to play for such teams and, one day, for our national team, so his point is spot on. My constituent Tricia McKinney, knowing that this debate was scheduled to take place, wrote to me on a similar point. Her son represented England and played for Sheffield Sharks, in my hon. Friend's constituency, and her daughter and four grandchildren are involved with clubs in Leeds. She said:

"I see first hand the physical and social benefits 'of being involved'. All the facts and figures show that basketball provides opportunities for adults and children from diverse ethnic backgrounds and both genders to participate in sport. It is a particularly important sport for those in deprived communities."

That echoes my hon. Friend's point.

Nic Dakin (Scunthorpe) (Lab): I congratulate my hon. Friend on securing this very important debate. Does he agree that local basketball involving colleges, schools and other organisations, such as John Leggott College and Leggott Academy, is so important and, indeed, key to helping to grow the grassroots of this very important game?

Alex Sobel: My hon. Friend makes an absolutely apt point, which leads me to my next point. My constituent Baile Beyai wrote to me:

"I'm currently studying Politics at Leeds University and Basketball was a big, big reason that I had the self-esteem to even attempt to study at university, especially growing up as a problem child"—those are his words—

"in a 'disadvantaged' area of London. So thank you; it's an inspiration that you're commandeering these efforts as I doubt even you know how much impact it has on kids, especially ethnic minorities in low income families. We face a much... bigger dropout than other sports and more funding would definitely improve the chances of young children playing the sport. Growing up I was jumping trains to go to England Basketball trials and sessions by myself, and remember at age 16 I was forced to skip the regional competition because I just didn't have the £120 to pay for hotels. I doubt such constraints are put on children who've been selected to a high level of competition in other sports."

Minister, do we really want our inner-city kids driven to petty criminality in order to follow their dreams, or to abandon their dreams, as they cannot pay for hotels?

UK Sport recently announced £226 million for Olympic eligible sports until 2021. That includes £14.5 million for equestrian sports, £25.5 million for sailing and more than £6 million for modern pentathlon—a sport that

[Alex Sobel]

requires a horse, a sword and a gun. None of those sports is within reach of the young people we see playing basketball. We are funding elite sports for elites.

Temi Fagbenle, who top scored for GB in last week's win against Israel, started playing in Haringey. That ultimately led her to a scholarship at Harvard University and a contract in the Women's National Basketball Association, where she plays for Minnesota.

Last week, Temi said:

"I feel...they are literally trying to rip the GB shirts off my and my team-mates' backs. Just look at the athletes on the basketball teams—a lot of us are from ethnic minorities and/or grew up in working-class households. The youth from these groups, and young people in general, aren't inspired by obscure sports that are completely alien to them, they are inspired by athletes they can relate with."

This is the sad reality of where we are. The next game for Temi and the other women players will be in November, but will they be able to play that game and qualify for EuroBasket, as we have heard they are on course to do?

I think it is important, Mr Bailey, that you know the background to how we got here. In 2006, British Basketball was formed, as required by the International Basketball Federation—FIBA—in conjunction with the British Olympic Association, to guide our teams through to London 2012, where we qualified as hosts. Since then, basketball has continued to grow in popularity, with more and more players giving us our best ever base for the future, but funding has eroded and is almost entirely at risk, although our elite teams have continued to improve, especially the women, who finished a best ever ninth at the 2013 EuroBasket tournament. The two main funding bodies in this country are Sport England and UK Sport, but at present our GB teams do not receive funding from UK Sport because basketball does not meet the current performance policy. Sport England provides £4.7 million for the grassroots game in England and allocates £1.4 million for talent, with £150,000 of Sport England's talent grant in 2018, plus a further indicative investment of up to £150,000 from that talent grant, to ensure that the men's and women's under-16, under-18 and under-20 age group teams can compete this summer, but there is nothing for the senior teams.

This temporary reallocation of funds is subject to final approval by Sport England, and I understand that it will be confirmed shortly. Grateful as I am to Sport England, that is not enough to sustain our GB teams, and if no more funding comes forward, we will have to withdraw all our teams. The sum of £1 million a year is enough to sustain all of elite basketball in the UK. The funding that basketball received was equivalent to just £10,000 per player, while so-called—but not guaranteed—podium team sports received £40,000 per player in the old funding regime.

Julia Lopez (Hornchurch and Upminster) (Con): I appreciate the hon. Gentleman's securing this debate, not least because I wake up every day to the NBA highlights on YouTube as my husband is such a fan. One reason for the great appeal of basketball is that it is a game of the street. That is particularly the case in London, where outdoor courts such as Clapham Common, Turnpike Lane and Bethnal Green can act as a social lubricant for people from all backgrounds. Does the

hon. Gentleman therefore agree that we need not just to focus on funding costly leagues and indoor basketball courts, but to get local authorities to fund outdoor courts properly and get proper facilities for people?

Alex Sobel: Absolutely. I am very grateful for the hon. Lady's point, because I am not going into great depth about facilities, but we absolutely do need facilities, and I will come to the outdoor game later in my speech.

I am sure that most hon. Members think of basketball as a five-player game indoors, but they will also remember the classic movie "White Men Can't Jump", starring Woody Harrelson and Wesley Snipes, in which Woody and Wesley play outdoors on a half-court, two on two. That will not quite become an Olympic sport, but if we add a player on each side, it will: 3 on 3 basketball will debut at the Tokyo 2020 games, in just two years' time, as a full Olympic sport—an Olympic sport eligible for UK Sport funding. No one knows who the medal challengers will be or what our Olympic potential is.

The game 3 on 3 is played in every urban constituency, as the hon. Member for Hornchurch and Upminster (Julia Lopez) has pointed out. In fact, 3 on 3 basketball is the largest urban team sport in the world, according to a study commissioned by the International Olympic Committee. The Netherlands base their youth basketball development programme on the 3 on 3 style of play, and as a result the country is ranked second across all genders and ages. Ball Out 3x3 is pioneering 3 on 3 basketball in the UK and is endorsed by FIBA 3x3. It will deliver the nation's biggest 3 on 3 tournament this summer. We will become one of the leaders of 3 on 3 if this continues.

In the United States, rapper Ice Cube has teamed up with former NBA stars to launch a 3 on 3 league. Cube said:

"It was to bring a style of basketball that I grew up playing, watching, and loving, which is 3-on-3 basketball."

That is the same urban sport that our young people play outdoors. As this is the first debate I have led in Westminster Hall, I hope you will indulge me, Mr Bailey, and let me quote from the Ice Cube song, "It Was a Good Day", which is about a day in south-central Los Angeles, a very urban and difficult area. It was a day without any gang violence, air pollution or police harassment. He raps:

"Which park, are y'all playin' basketball?

Get me on the court and I'm trouble".

The game 3 on 3 is global, urban and an Olympic sport. It has a bright future, but we are not even considering its potential for our own programme. UK Sport revealed in its annual review that athletes in para taekwondo, para badminton, sport climbing, karate and BMX freestyle will receive national lottery support, as they enter the Olympic and Paralympic programme for the first time, but not 3 on 3.

GB Basketball wrote to UK Sport in June last year seeking a meeting about a 3 on 3 programme, but a meeting did not take place until January this year. GB Basketball has asked for help, as it needs expertise to research the position of the 3 on 3 game and strategic support for 3 on 3. I am sure that UK Sport will say that GB Basketball did not apply, which is true, but it took six months for UK Sport to engage with GB Basketball, and support was not forthcoming to put in a comprehensive application for Olympic funding. GB Basketball is waiting

for UK Sport to confirm that it will support it in the process. We are missing an opportunity with 3 on 3. However, if we do fund it, we still need to keep our elite basketball teams on the court.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): My hon. Friend is making an excellent speech. I wholeheartedly agree with many of his points. I have been contacted by many constituents representing Vale Vipers and Cardiff Met Archers, and by Sheridan Ward, whose son Jed has been selected to play for Wales. They are all passionate about this game. I know how much difference it made to kids in the vale when I was growing up. Some of them went off to play in the United States and at the top levels in the UK sport. Without this funding and support, kids will not have that chance in the future, so I wholeheartedly endorse what my hon. Friend is saying.

Alex Sobel: My hon. Friend hits the nail right on the head. I am grateful for his contribution. Basketball Wales provides valuable support to UK basketball.

On broadcasting, the British Basketball League is not currently able to secure domestic and international broadcast revenues, whereas other European leagues have monetised broadcasting both domestically and internationally. Attendance figures vary throughout Europe, but basketball is clearly a popular spectator sport. BBL's average stadium capacity is only 2,362—Leeds Force have the smallest arena in the UK—compared with 4,424 in Germany and 6,447 in Spain. The value of France's domestic broadcasting rights for basketball stands at £8.5 million. The domestic league in Spain is valued at £5.3 million and Germany's at £0.9 million.

The Perform Media Group—one the world's largest sports media companies, which holds the BBL media rights—estimates that the level of interest in basketball in the UK stands at 20% of the population. That is one in five people. Similarly, 22% of the population in Germany takes an interest in the game. The figures for France and Spain are 33% and 61% respectively. Much smaller nations, such as Israel, still manage to monetise their league rights to the tune of £1.8 million. The potential audience of 20% in the UK is sizeable. If we can grow the brand appeal of both the national team and the BBL, that will help create a sustainable commercial model for both.

The UK's domestic fan base is young—we can see that from those present in the Public Gallery—which is extremely important to advertisers. The monetisation of German and Israeli basketball gives us a benchmark for where the UK could realistically be in the future with the right funding and investment. However, due to the rise of internet protocol television there is general commercial uncertainty over the future of TV licensing revenues. As a result, the right to broadcast tier 1 sports, such as the premier league, the National Football League and the champions league, attract an even larger share of broadcasting budgets. Tier 2 sports, such as ruby league, ruby sevens and hockey, are struggling to grow and maintain revenues from broadcasting rights. Currently, the only way to watch the BBL is online, apart from the finals games that are broadcast—but poorly promoted—on the BBC. However, 10 times as many people watch the BBL on the Unilad Facebook page than on the BBC. There are huge opportunities to grow the audience for

basketball here, and get more young people playing through clubs and rising to the highest level. These audiences will also attract commercial opportunities, but this takes time—time that the game is currently not being given.

Our GB games are also not being broadcast, with limited live-streaming opportunities to watch GB games, so how can the British fan base watch our national team and how can our national team move on to monetise their potential? In the medium term, if we can get those broadcasting rights for those games, we can monetise it, but in the short term, that just is not possible.

I hope that the Minister will take on board three recommendations, with which she can score a triple double—a basketball term for scoring 10 or more in three different areas. First, I recommend that sports funds provide a short-term solution for the next three seasons so that GB players can stay on the court. Secondly, post-Tokyo, I recommend that the review of elite funding looks at a wider set of criteria than immediate podium potential and a wider range of socioeconomic factors, including the barriers to elite sport faced by our black, Asian and minority ethnic and disadvantaged communities, linking it to the sports they play. Finally, I would like the Minister to intervene and recommend that UK Sport undertakes an urgent review of the potential of 3 on 3 and that funding is made available for a development programme for a 3 on 3 squad for Tokyo.

Mr Adrian Bailey (in the Chair): I have something like eight Members down to speak. I intend to call the Front-Bench spokespersons at 10.30 am at the latest. That works out at approximately five minutes per speaker. I will not impose a time limit at this point, but I will start to get agitated and interrupt after five minutes. Back Benchers should bear that in mind.

9.46 am

Sir Mike Penning (Hemel Hempstead) (Con): It is a pleasure to take part in this debate, not least because the national cup champions, Hemel Storm, are in my constituency. I want to talk about two points. I agree completely, looking at aspiration, that there has to be an opportunity for our young boys and girls to start at school, come through the clubs and go on to play for England. If the funding is just about winning at the top all the time, there will never be that transition. While I absolutely agree with the policy of Sport England on elitism, money has to be put to one side to bring the different places through.

I slightly disagree with the hon. Member for Leeds North West (Alex Sobel): it is not all about young people. The average crowd at Hemel Storm—I see here some of the referees that have come to me—is 700. That club started seven years ago. We had a club many years ago; the franchise was bought out, and it went to Milton Keynes. When we restarted the club—I say “we”, because it is completely a community project—we made sure it was set up as a trust, so that it could never be sold off again.

From that moment on, the community came in. We have great-great-grandparents in the audience on a regular basis, and toddlers who cannot even walk. They are mostly not there because of the players. Of course, the

[Sir Mike Penning]

families and loved ones of the players are there, but we could not get those sorts of numbers from only families and loved ones, in a town that has baseball, professional rugby league and three football clubs—I could go on. There is an elite gym where Max Whitlock and Jess Stretton, who won Olympic golds, came from. The crowd is there because it is a community thing. It is us coming together.

When we went to east London, to the Docklands, for the final against Manchester Magic, they never realised what happened to them, because we had 500-plus of our people in the crowd and I think Manchester Magic had about half a dozen, or perhaps fewer than that. I am not saying that that is why Manchester Magic lost; they lost because they were not as good as Hemel Storm—it is as simple as that.

The issues I have heard are not new to me. I have players playing for England at junior level. In the past, I have had families come to me and ask, “Can we help fundraise?”, to help these young players come through. Like many colleagues, I have had correspondence from young people with aspirations who want to get up there. They have been selected for the England junior team. Marina Christie and Jack Burnell are both coming through and should be playing for England soon. They have had problems, but the families are brilliant and support them. While I fully support saying that we need to get more help from central funding, if we are really honest with ourselves, basketball needs to come together better across the board, so that we have the structures we need, right from the bottom to the top.

Nicky Morgan (Loughborough) (Con): Does my right hon. Friend agree with what the Leicester Riders said to me: basketball has a unique case for funding, because it is not just a sport, but a way to engage disengaged young people? He has been a Minister; he knows about young people who might fall the wrong way. Basketball can be a way to get them back on the right track, as sport generally is for young people.

Sir Mike Penning: I completely agree on the latter point: sport is aspirational. It is one of the great ways forward for people like me, born and bred in north London. I got into the armed forces because I could play rugby pretty well. It was pretty obvious that I would not have got in on my academic abilities, but I boxed and I played rugby pretty well. I did try to play basketball, but it was the wrong shaped ball for me, and they were all up here somewhere, even though I was in the Guards.

My right hon. Friend the Member for Loughborough (Nicky Morgan) has touched on a very important point. Look at the people in the crowd watching: they are young and old, and from across our community. I am not going to pick on any particular area; at the end of the day, we come together as a community. Interestingly, Hemel Storm have only one overseas player. That is quite remarkable given the progression that we have made, but we simply did not have the money at the time to bring in players from Spain and America; we have one American player now.

We looked at how this could be funded, and we need to look at that all the way through. Look at the sponsorship

of Hemel Storm: Epson, an international company; Vanarama, one of the largest leasing companies in the country and sponsors of the Vanarama football league; McDonald's, interestingly enough, which is genuinely trying to show what it does with its healthy food; and Arriva, which has donated us a bus completely plastered with “Hemel Storm”, which we use when we are away.

Interestingly and importantly, Mr Bailey, when I was at the cup final, I saw absolutely no advertising. There was no marketing and no sponsorship. To me, that is the missing link. We can ask the lottery and Sport England for more money, but we also have to come together in the basketball community to get the sponsorship that we need.

9.52 am

Alison Thewliss (Glasgow Central) (SNP): I am delighted to speak in this debate and very glad that the hon. Member for Leeds North West (Alex Sobel) secured it. I should declare two interests: first, the Glasgow Rocks are based in my constituency and play at the Emirates arena, and secondly, one of my caseworkers, Alexander Belic, is a Rocks season ticket holder. The Rocks have gone through a wee bit of history in Scotland. They started as the Edinburgh Rocks in 1998, became the Scottish Rocks, and then in 2008—I was a councillor in Glasgow City Council at the time—we pinched them and lured them over from Renfrewshire to play in Glasgow.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): More on that later!

Alison Thewliss: There will be more on that later from my hon. Friend.

The Rocks have been a huge success story in the city and a great thing to celebrate. I thank the new owner, Duncan Smillie, for his time earlier this week, when he gave me a wee bit more information on them for this debate.

In my constituency, the Emirates arena is a key part of the Commonwealth games legacy in Glasgow. It is a huge arena with great benefits for many sports, particularly basketball. It is very impressive and has a big capacity, so it can put on a great show. Basketball has the benefit of being something that people can do in Scotland indoors during the winter. That is of huge benefit to many people, because it is freezing and raining most of the time, so there is a consistency in being able to play indoors.

We have been able to grow lots of our own talent in Scotland. My son's favourite player, Jonny Bunyan, joined the 1,000-point club at the weekend, having scored 1,000 points in the British Basketball League championship. That is a good achievement from a Scottish-grown player.

In Scotland, we have also had a good degree of success in securing the grassroots elements of basketball, particularly through Scottish Government funding through the CashBack for Communities scheme. For people who do not know, CashBack for Communities puts money from the Proceeds of Crime Act 2002 into grassroots sport. The scheme is in its fourth phase in Scotland. The basketball programme has received £2.1 million over the course of CashBack for Communities, and in this

phase, basketball programmes got a significant £492,800, which will support 16 schools of basketball right across Scotland over the next three years.

The scheme has surpassed its targets: 95 new teams have been established across Scotland, 61% of Basketball Scotland's membership are young people, and there are 155 registered members playing wheelchair basketball in Scotland. All the clubs that have youth sections in Scotland are also delivering women's basketball, which is great. There is also an associated education programme, which sees qualifications achieved in partnership with Glasgow Kelvin College. That means the volunteer coaches who come through the programme get accreditation, which is really important, as they can take that on to other parts of their life.

Outreach work in schools, such as the Jump2it programme and Shell Twilight Basketball, run right across Scotland and are absolutely brilliant. At Glasgow Rocks games, the kids who are involved in those programmes come on at half time, which is absolutely great to see. They get to come in front of a huge crowd and have that experience, which is absolutely brilliant.

Shell Twilight Basketball runs in the highlands, Aberdeen, Fife, Dundee, Sterling, Glasgow, North Ayrshire and Stranraer, so it goes right across Scotland and is a really valued programme. It has the impact of youth diversionary activity, which the hon. Member for Leeds North West mentioned. It keeps the kids busy, occupied and healthy, and has that brilliant impact on those communities. It is very much done in partnership, working with local schools. Schools in my constituency see a huge benefit from it, because they have the team very close by. Credit goes to those Glasgow Rocks players who go into schools across the length and breadth of the country, are very accessible, and make promoting basketball to young people across the country part of their job.

The players' other partnership work in Glasgow is with Active East, which is the Commonwealth games legacy programme. That has sustained funding, and I hope it will continue to be funded in the years ahead. It has had an impact on local schools. St Mungo's Academy has a basketball team. At the school's academic awards, the winner of the basketball MVP—most valuable player—award comes up with everybody else who has won an academic achievement, and is recognised by their peers. It is important that the partnerships between these organisations—Active East, Scottish Sports Futures, the colleges and Basketball Scotland—are in place.

The result of that success is that the Scottish team has qualified for the Commonwealth games for the very first time. That is brilliant, and we are really excited about it. Seven people on that 12-person team are Rocks players. That is an important aspect. The points that the hon. Member for Leeds North West made about losing out on places mean that we might not be able to put that team forward. That would be hugely disappointing, not only for the players, who are desperate to play and represent their country, but for Callan Low, who is only 17 and has been called up. I would be heartbroken if he was not able to take up that place. It is also important for the kids in my constituency to see the players that they have had in their schools, such as 6 foot 10 Kieron Achara, representing Scotland on the Commonwealth stage. I beg the Minister to do something to make sure that the sport is secured for the future.

9.58 am

Maggie Throup (Erewash) (Con): In the words of the hon. Member for Leeds North West (Alex Sobel), I am here to support the Ilkeston Outlaws and the Derby Wheelblazers.

The Ilkeston Outlaws were set up in 1966, so have just celebrated half a century. They have gone from strength to strength: they lost their first match against Bestwood A by 121 points to 14, but are now winning, which is really good news. They have eight teams, beginning with boys and girls aged 7 and stretching into senior men and women. That covers something like 120 to 130 people across the community, and it is an amazing way to get people active in sports. However, the club do not receive any funding from the sport's governing body, Basketball England. The regional body, Derbyshire Basketball Association, does help with some small-scale funding to support them at county tournaments and with coaching and official courses, but in the main, the club is self-funded, and that is probably one of their problems. They have managed to get some sponsorship, like the team mentioned by my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning), from a bus company; but that is just for kit and equipment—they do not have a bus from the bus company.

Sir Mike Penning: Try harder!

Maggie Throup: We will try harder, definitely. Having good kit and being branded provides a sense of community for the players. The bus company sponsors the under-12s squad, and it gives them a sense of purpose and of belonging that is so important.

When it comes to funding for the future, there is a lot more that Ilkeston Outlaws want to do. At the moment, girls must leave after reaching age 12, because there is no pathway for them beyond that. The club could set up a pathway for girls over 12, but it would run at a loss, which the club, as a community group, cannot afford. The school where the under-12s practise has made a great push on "This Girl Can", but sadly, any girl over 12 cannot. On the other hand, boys can continue. If one looks back at the reports, one can see that some of the people involved in the club in 1966 are still involved. It shows what longevity basketball has. If we get it right at the grassroots, not just for boys but for girls, it can go from strength to strength in future.

Mr Philip Hollobone (Kettering) (Con): I am enjoying my hon. Friend's speech immensely, and I congratulate her team on its success. I do not quite understand why the girls must stop at age 12, while the boys can carry on. Would she be kind enough to explain?

Maggie Throup: That is a good point; my hon. Friend is right that it sounds odd. It is down to numbers. More boys are attracted to basketball at that age, especially in my local community. It is a matter of having the numbers. Long-term, a team for girls over 12 would be self-funding, but there would be a period after set-up before it would become fully funded and viable. It is about getting over that gap.

To look at it from another angle, children who start the right way—by doing sports, getting out and being active, and developing a good body awareness and image—are less likely to eat the wrong things and become

[Maggie Throup]

obese, unlike many of their peer group. We need to look at it not just from a sporting point of view but from a health point of view. If we set them on the right pathway, they will have the right habits for life.

Before I finish, it would be remiss of me not to show my support for Derbyshire wheelchair basketball and our team, Derby Wheelblazers. We have a hub in Erewash that meets at Friesland sport centre in Sandiacre. Wheelchair basketball can be played by anyone: amputees, paraplegics and people with no disabilities whatever all play together. It is good to have that rounded approach.

If we get it right at grassroots level and at a young age, habits will be formed for a lifetime. Who knows? Maybe even more stars will make our country proud.

10.3 am

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is a pleasure to serve under your chairmanship, Mr Bailey. I thank my hon. Friend the Member for Leeds North West (Alex Sobel) for securing this important debate, and for his excellent and entertaining speech; I do not think that we have heard rap quoted in here before. He recently took over from me as co-chair of the all-party parliamentary group on basketball, and he is doing a sterling job; he has already done a lot more in that short time than I hoped to do to raise the profile of basketball in Parliament, and this debate is an excellent opportunity to do so.

I have always loved basketball. I know that I do not look like a basketball player—we have lots of them in the Public Gallery—but I played in high school, and I still love to watch the sport; I know that that is hard to believe. I always hoped that through the work of the all-party group, one day the sport would be as large as others, even football, and that it would be everywhere: on our TVs, on the news channels, in our local communities and in our international sports arenas. However, that cannot be achieved unless basketball receives fair and sustainable funding so the sport can grow from the grassroots up.

Basketball is the second most popular sport behind football for 11 to 15-year-olds. According to the Department for Digital, Culture, Media and Sport, it is more popular than riding a bike, so why does the funding stay so low? All young people could benefit from basketball as a sport. It gets them active, but as shown in the results of the all-party group's 2014 inquiry, which I chaired, it can also serve as a great tool for representation and aspiration, especially among children from deprived communities.

Basketball is perceived as very cool, and it is. It has street credibility globally, and due to its strong affinity with music and lifestyle, it is a sport that can resonate with young people. It can be played with very little space, equipment and money, making it truly representative. More than 300,000 young people aged 16 and over play basketball at least twice a week. It appeals to men, women, boys and girls—one in six participants are female—and is popular among players from less wealthy backgrounds. Somewhat uniquely, basketball is the only team sport in which more than half of registered members—58% of adult basketball participants—are

from black and minority ethnic backgrounds. That is followed by cricket, which is still some way behind at about 30%.

We have all plugged our local teams. My local team, the Newcastle Eagles, are absolutely amazing. I do not wish to gloat or be biased, but allow me to remind Members that they are the top team in the British Basketball League, having won the BBL championship seven times and the BBL cup six times. I was there for some of those games, cheering them on. Not only are the Newcastle Eagles a fantastic team, they do so much work for the local community and hold partnerships with Northumbria University. Little Dribblers, Mini Eagles, Hoops 4 Health and the School of Excellence are just some examples of what the Eagles Community Foundation, launched in 2006, helps to do for the local community. The primary school programme Hoops 4 Health works with 7,000 young people every year, encouraging them to play and get healthy. It is a great way to introduce children to the sport. They can also play in the Eagles' central venue league on weekends. The Eagles are a great example of what all BBL clubs do, week in and week out.

Despite all that great work, since 2009, basketball nationally has received just £102 in funding per adult participant. That is less than half as much as the next highest comparable sport, netball, which receives £205. Why is that? I know that netball has its own attributes; I used to play when I was younger, although I preferred and was better at basketball. It is cooler, as well. Why must funding be shared so unfairly? Sport England's February 2017 funding round awarded £4.73 million to Basketball England, and just £1 million to British Basketball. Wheelchair basketball funding was not announced until October 2017, when it received £300,000.

Based on Sport England's active lives survey, just under 1% of the population—0.7%, to be exact—participated in basketball at least twice during the 28 days prior to the survey. Although that might seem like a small percentage, basketball placed 10th out of the top 25 sports by participation—only 8% of participation was in team sports—placing it ahead of other sports such as netball, rugby and hockey. [Interruption.] I will wind up, but before I do, I will make one point about funding. Those sports receive far more funding than basketball. Hockey receives more than £9 million in funding although only 0.3% of the population participate, meaning that hockey receives 50% more funding from Sport England than Basketball England, British Basketball and wheelchair basketball.

I had more that I wanted to say, but others want to participate, and I am being told to wind up, so I will leave it to the Minister to do the sums. I hope that she will consider what is being said today and fix the unfair funding, so that basketball becomes a national sport in this country.

10.9 am

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Bailey. I congratulate my hon. Friend the Member for Leeds North West (Alex Sobel) on securing this debate. It seems that we share more than just a love of environmental and co-operative politics. I can be very proud as well, because Plymouth are two places above Leeds in the league table.

Basketball is a sport worthy of our support. It is growing, with more young people getting stuck in every day, and it has low barriers to entry, because all people need is a ball, a hoop and a flat surface. It can change lives.

As a supporter of the mighty Plymouth Raiders—as we know, the sporting hub of the country is Devon—who play at Plymouth Pavilions in my constituency, I know that basketball is fast-paced, family friendly and a great spectacle that grows every year. It has the opportunity to star as a sport that is embedded in the community by getting young people involved from day one, which is what Plymouth Raiders and Plymouth Storm, the wheelchair basketball side, do with their incredible community work.

Raiders are Plymouth's only national top-flight sports club and we are very proud of them. They are firmly established in Plymouth's big three alongside the in-form Plymouth Argyle, who are pushing for the playoffs in league one, and Plymouth Albion, who are fourth in rugby's national league one.

Home games at the Pavilions are something special. For people who have not been to a basketball game, it is worth going along. It is not like a football game or a rugby game. I have seen Raiders play at the Copper Box at the Olympic park and I was brimming with pride at seeing them play on such a big stage, but there is no place like home. We have Foxy the mascot, the best basketball cheerleaders in the country, indoor fireworks, music, competitions on court and a chance to see hero players—going to a basketball game is fantastic. I last saw Raiders play on 11 February when our friends from Glasgow gave my boys a bit of a beating—the score was 63-86. Glasgow Rocks outplayed us, but it was a fantastic game. The drama and cheerleaders were electric.

Some hon. Members will know that as a massive gay, I am not really into the traditional cheerleader, but I am a big fan of equality, which Plymouth Raiders can boast about. In October 2015, Terrell Lawrence became the British Basketball League's first male cheerleader and he remains centre-stage as the team's choreographer and fitness coach. To be honest, I would love to be able to bust a move like he does when Raiders go on. It is on my bucket list, but sadly I fear my busting-a-move days are behind me.

The serious point of this debate is that despite basketball's growing popularity, its funding is a real concern. As a country, we need to look at how we adopt our funding model. It is great that we put money behind going for gold, but we also need to put money behind sports that are growing in our communities, especially at the grassroots.

The lack of certainty about elite-level funding for basketball from UK Sport and Sport England has already been discussed. It needs to be pushed for. If we cannot compete at the highest level and allow our players to do what they do best—give it a go—we lose the role models our young people need to aspire to keep pushing themselves. We need better and more consistent elite and grassroots funding.

Basketball is a sport that centres on team spirit and attracts children and young people, particularly from working class and ethnic minority backgrounds. The lack of funding largely targets the underprivileged areas of the UK, including in Plymouth. The Minister will know that a lack of funding has consequences. She is a

real sports fan and is passionate about participation, so she will take these concerns seriously. We need to compete at the world cup, EuroBasket, the Commonwealth games and the Olympics. We also need to be able to compete in new sports such as the 3 on 3, which my hon. Friend the Member for Leeds North West mentioned.

In a world where we are at risk of turning our back on the global stage, we need to put our best foot forward and compete at international competitions. Basketball teams, like other sports teams, are a source of huge local and regional pride. Sport has a unique power to bring people together. Although basketball was not an English sport originally, it is one that the British people have adopted and hold dear.

This is a debate about not just the sport itself, but what sport can do in our communities. Basketball is a superb example of how elite and grassroots sports teams across the country have a fantastic role to play. Plymouth Raiders have launched two new community clubs for under-16 girls and sessions for walking basketball, which has not been mentioned yet. Similar initiatives are happening across the country and we should give teams the platform to talk up that work. Across the country, whether it is playing, coaching, officiating or volunteering, basketball is a fast-growing sport worthy of support at the highest political level.

Mr Adrian Bailey (in the Chair): Four hon. Members wish to speak, so I will reduce the time limit for each speech to a hard limit of four minutes.

10.13 am

Mr David Lammy (Tottenham) (Lab): Given the time limit, I will cut to the chase. This debate comes at a tough and rough time for urban, inner-city communities in our country. Local authorities have had their money slashed by up to 40%. The idea that they could invest in courts and facilities is, I am afraid, pie in the sky. In a constituency such as mine, knife crime and gun crime are soaring. I thank God for groups such as the Haringey Hawks and the Haringey Angels. I thank God for the basketball facilities we have at Ducketts Common and Finsbury Park.

I ask the Minister very seriously why we are looking at the prospect of the decimation of elite basketball in this country. I remind her that this is absolutely an urban sport and a predominantly black, Asian and minority ethnic sport: almost 60% of adults in the sport are from black, Asian or minority ethnic backgrounds. The figure for adult men is 75%. That is staggering. In reality, they are role models—role models I desperately need—but there cannot be role models if there is no prospect of making it to the elite.

When I look at the figures for this urban sport, which attracts black, Asian and minority ethnic communities in the numbers it does, I have to ask why hockey received £28.1 million and the rugby league received £51.6 million. Why is it that canoeing, equestrian, cycling and rowing all do so much better? Where is the equity in that formula? Can the Minister satisfy herself that there is no unintended or unconscious bias in the way that judgments are being made about that funding? Urban communities across the country require young people to have the prospect of reaching their hoop dreams.

[Mr David Lammy]

This debate is important because this is a critical moment for basketball in this country. There are many people in the Public Gallery and across the country waiting to hear what the Minister will say. On the tube, people have tapped me on the shoulder and said, “Are you going to be in the debate? What can you do about it, Mr Lammy?”

When we look at the problems that urban communities have across the country, we cannot talk about dreams and cut them away in the same breath. We need proper grassroots basketball, of course, but we absolutely need the prospect of being successful in the elite game. Ultimately, this debate is about whether we are going to throw that away after all the effort that has been put in. I cannot wait to hear the Minister’s response.

10.17 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Leeds North West (Alex Sobel) on bringing this debate to Westminster Hall for consideration. I am pleased to participate and to see whether we can persuade the Minister to do what everyone wants her to do: put more focus on basketball in this place and across the United Kingdom. In Northern Ireland, basketball is a small but passionate community, in which it is fair to say that love of the game has overtaken any issues of identity. With 22 teams in the Basketball Northern Ireland league, it is safe to say that we are happy to play—and hopefully beat—any and all teams.

My interest in basketball comes from my boys. We live on a farm and we had a basketball net out in the yard among the tractors and the cows. The boys played basketball when they could and it was a fun game for them. In America, where we sometimes go on holiday, the love of basketball is a phenomenon like our love of football or rugby. The players are superstars, the cheerleaders are as ferociously competitive as the players, and the sport has a buzz about it. Although we do not currently have that buzz in the UK, that is not to say that we cannot and will not. When I look back at Ulster Rugby in Northern Ireland 20 years ago, they did not have the passion and the buzz around them that they now have. I am astounded at how far they have come. It is not surprising to see young boys and girls walking down the street with their Ulster tops on, which gives an idea of what dedication and promotion can achieve among young people.

What brought about that change? It was the sport’s and promoters’ dedication to slogging away when we were not winning; it was going to schools and inspiring young people to take up the sport; and it was promoting the schools rugby cup with time, money, passion, drive and determination. All those things have brought about the change that was necessary.

The same can be said about the Northern Ireland football team, who are at a level that was unheard of years ago. We are no longer the joke act. The best teams understand that there is a good chance that they could fall under the weight of the green and white army; many of us have believed that for a long time, and the figures and statistics indicate it as well. For those who have kept paying for season tickets and hoping and believing,

the ambition used to be for Northern Ireland to score one goal, but now it is for us to beat the best teams—and we can.

Hon. Members have mentioned cycling. Britain is now the greatest cycling nation in the world. Did that happen by chance, because hundreds more people just decided to take up the sport and were good at it? No, it came through a targeted offensive aimed at young people and showing what could be achieved. Why are we taking the focus off inspiring our young people to get off the sofa, get off their mobiles, interact in a team, build fitness and build relationships? We regularly read figures about childhood obesity. If those figures do not inspire us to act, I do not know what will.

Every year, Wimbledon lights a fire in a child to pick up a tennis racket. My parliamentary aide’s niece and nephew have done just that, and they now play for the Ulster team. We could achieve even more inspiration and attraction, but that takes funding.

For the sake of mental and physical health, combating social isolation, encouraging those who struggle academically and building self-esteem and confidence in children, I ask the Minister and her colleagues for action to help children who play basketball, as well as tennis and other sports. Perhaps we can win gold at the next Olympics—who knows? We can certainly get kids off the sofa and involved in sport if we fund it and make it attractive and accessible. That would be gold enough for me.

10.21 am

John Grogan (Keighley) (Lab): It is a great pleasure to take part in this debate, which was introduced with such energy, enthusiasm and expertise by my constituency neighbour and good friend, my hon. Friend the Member for Leeds North West (Alex Sobel). In the few minutes available, I would like to address the history of basketball, the implications for its future, and the issue of broadcasting.

As several hon. Members have said, the United States have always provided inspiration. My hon. Friend mentioned “White Men Can’t Jump”; I understand that the basketball film that everyone is looking out for this year is “Uncle Drew”. Basketball first came to the United Kingdom in the 1890s, when a gentleman called C. J. Proctor of the Birkenhead YMCA went to Canada, was inspired by the sport and brought it back to our country. The participation of American soldiers in the first world war reinforced that connection. The London YMCA—the greatest team in our country in the 1920s—went to the 1924 Paris Olympics, at which basketball was a demonstration sport, and did not lose a game.

We have that history with the United States, but even today people go on basketball scholarships there and in Europe, because the only way they can become really expert at the game is by going abroad. In my area, the Bradford Dragons have a number of players who have followed that pattern: Zion Tordoff, Easley Swaine, Mate Okros and Tamas Okros have all played for England at age-group level and are now looking for opportunities elsewhere. At a lower level, the Keighley Wildcats aim

“to promote healthy living, social interaction and community togetherness through our mutual love of the game of basketball”, which is all organised by a man who goes by the great name of Andy Romero-Birkbeck.

The link with the United States brings me on to broadcasting. Every year, National Basketball Association teams play a game at the O2 in London and not enough is made of it, whereas when American football is played at the O2 we get live free-to-air coverage. The NBA is the greatest basketball league in the world, and we need more support from it. Why not have a British final at the same venue on the same day as the NBA game? That would create an event that might be attractive to free-to-air TV.

My hon. Friend the Member for Leeds North West is right to say that some of the basketball figures on the BBC Sport website have been disappointing. More needs to be done to promote the sport, perhaps by showing it on a different night; Friday is a very crowded night for sports, so Thursday might be better. We must also make the most of the broadcasting opportunities from the Commonwealth games. These are only the second ever Commonwealth games—Melbourne was the first—to include a basketball tournament. Both England and Scotland will be represented, and it will all be broadcast live on free-to-air TV. I do not think that the sports for the Commonwealth games in Birmingham have been decided yet, so let us lobby to ensure that they are the first Commonwealth games in the United Kingdom to feature basketball. There is an awful lot more to do on broadcasting and general promotion of the game.

I end with an appeal to the Minister. We all have great confidence in her; we know that she loves sport, that she does not take no for an answer and that she knocks heads together. The rules are the rules, but sometimes they have to be interpreted creatively. We have to preserve our national teams, because they are the heroes and heroines who inspire people to take up the game. Whatever else the Minister does in her tenure, please will she save British basketball?

10.25 am

Sarah Jones (Croydon Central) (Lab): I thank my hon. Friend the Member for Leeds North West (Alex Sobel) for securing this important debate. As so often happens, my right hon. Friend the Member for Tottenham (Mr Lammy) has said what I wanted to say better than I can, so I will be brief.

We have already heard how basketball reaches further into communities than many other sports in this country, how it reaches children from black, Asian and minority ethnic and deprived backgrounds, and what value it provides. The case for funding is clear, but we need to stress the value that basketball can bring to our local communities by tackling the problems that we struggle with in London and across the country, including serious youth violence, and young people getting involved in crime and needing to be helped out.

I will not go through all the statistics, but 2017 was one of the worst years for fatalities, knife crime and youth violence since the '70s: 39 teenagers were stabbed to death. There have already been 13 fatalities in London this year, and we are only in February. We know that knife crime is a complex issue with many underlying causes that we could debate for hours, but among them are cuts to our youth services. Young people do not have the roots, activities, aspirations, hopes and role models that they once did. Basketball has a real role to play in addressing that.

Mrs Hodgson: Further to my hon. Friend's point about youth crime, is she aware of a fantastic initiative in Newham, the Carry A Basketball Not A Blade campaign?

Sarah Jones: Absolutely. I have met many young people who have come out of prison, who have carried knives or who have been involved in knife crime or selling drugs. Many of them have responded well to sports, including through organisations such as Gloves Not Gunz. There are many different sporting activities that we can encourage people to get involved with, but basketball is a key one.

After the Croydon riots in 2011, teachers and basketball players in Croydon set up the Croydon Cougars. The club does fantastic work with local people, and it also manages to fit in some extra homework time, so that children can play basketball for free and get tuition and help with homework afterwards—a good combination. Croydon Council and OnSide Youth Zones are funding a very big and impressive new, all-singing, all-dancing, youth centre in Croydon that will cost £6 million and will open next year. It should bring in thousands of young people and give them things to do, and basketball will be a key part of it.

I want young people in Croydon to be able to say, "If I put the effort in, show talent and become good at this, there is a pathway right to the very top," but unless we fund the very top as well as the grassroots, that pathway will not be there for them. I echo other hon. Members in urging the Minister to consider basketball really carefully and see whether she can find some money for it.

Mr Adrian Bailey (in the Chair): We come to the Front-Bench spokespersons. You have 10 minutes each. If you could be a little disciplined and show a bit of flexibility, so that Alex Sobel can sum up at the end, that would be helpful. I call Gavin Newlands.

10.29 am

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Thank you for calling me to speak, Mr Bailey. It is a pleasure to see you in the Chair once again.

It is also a pleasure to take part in this debate, and I congratulate the hon. Member for Leeds North West (Alex Sobel), not only on securing it, but on getting on the parliamentary record what I think is the first reference to Ice Cube. He will be remembered for that, if for nothing else. I also echo the sentiments expressed so powerfully by the right hon. Member for Tottenham (Mr Lammy); I think he spoke for many of us.

Unfortunately, basketball is a slightly touchy subject in my constituency. As we heard, we hosted the Scottish Rocks at the Braehead arena for about six years. In 2008, however, they moved to Kelvin Hall in Glasgow, before moving to their current home at the Emirates arena. Their move to Glasgow coincided with a name change: the team is now called the Glasgow Rocks. We already have Glasgow airport in the Renfrewshire area, so I am sure we could live with the name change if the team chose to come back to Renfrewshire.

Alison Thewliss: No, we are keeping them.

Gavin Newlands: We shall see about that. The Rocks attract healthy crowds. Their popularity should not come as a surprise, given that they are second in the

[Gavin Newlands]

British Basketball League championship, sitting just behind what is apparently the best team in the league, the Newcastle Eagles, and given that basketball is so popular in local schools and communities. As we have heard, it is also popular in English schools, where over a million children between the ages of 11 and 15 play the sport.

A survey carried out by Sport England in 2012-13 identified basketball as the third most popular sport for once-a-week participation among over-16s, behind only football and rugby union. That level of engagement is mirrored in other age groups, because basketball was the fourth largest team sport in 2016, with over 160,000 people playing recreationally every single week.

I have witnessed the popularity of this sport in my constituency, through the excellent work of React Basketball. It exists to advance public participation in the sport, regardless of how good someone is at it. Essentially, its work is about keeping children active. The great thing about React is that its work is not limited to encouraging boys and girls to play the sport; it also works to instil a sense of social responsibility and pride in young people. It is firmly rooted in the community, and it extends its efforts to raising funds for other causes, such as cancer research. It is a fantastic example of a sporting charity that uses the power of sport not only to help those whom it engages with directly, but to help improve local communities and wider society.

It would be remiss of me not to mention the achievements of Basketball Paisley. It is considered to be one of Scotland's biggest and most successful basketball clubs, and since its inception its various teams have managed to bring 95 trophies back to Paisley. In fact, only last Friday night, the senior men's team were crowned Scottish league champions, 18 years after their last league title.

As with React, Basketball Paisley is successful on and off the court: it does community outreach work, and runs community clubs across Renfrewshire and East Renfrewshire for kids from primary school through to second year at secondary school. These clubs are open to everyone regardless of ability, and are always popular among schoolchildren.

Basketball also leads the way when it comes to disability sport: many disabled people play and become involved in it. The Great Britain wheelchair men's basketball team won gold in the European championships for the third time in a row in 2015 and were fourth at the London Olympics, and the GB women's team won their second bronze in a row at the European championships in 2015. Wheelchair basketball is an inclusive sport that allows many individuals who would not normally be able to access sporting opportunities to become involved in sport. According to the all-party group on basketball, wheelchair basketball is the largest disability sport in the world, and it has the world's largest women's league in disability sport.

British Basketball is working hard to grow basketball, and its "Transforming Basketball in Britain Together" strategy sets out its intentions to improve the sport in all parts of the UK, from grassroots through to elite level. However, as I will discuss a little later, basketball, like other sports, is held back by UK Sport's fixation with funding only elite sports that have medal potential. The Scottish Government recognise the popularity of basketball

and encourage people across Scotland to play it. The Shell Twilight Basketball project, supported by the Scottish Government's CashBack for Communities fund, which we have already heard about, provides basketball sessions infused with education and life skills for all those aged between 11 and 21.

The Scottish Government are keen to get more women playing different sports, including basketball, and in 2017 they announced a fund to help that aim become a reality. One of the projects that benefited from that fund was the Scottish Women Warriors wheelchair basketball club. It is a fantastic club that is based on the philosophy that it is

"about what you can do—not about what you can't do".

It is a fantastic resource to get people fit and healthy, but perhaps even more importantly, the Scottish Women Warriors club serves as a vital support network for all the women involved. Projects such as this one have helped to grow the sport over the past four years, with research from the Scottish Parliament Information Centre revealing that 82% more women now play in basketball clubs. Groups such as the Scottish Women Warriors not only highlight the inclusivity of wheelchair basketball but help to capture the growth of the sport.

A few months ago, I met Kevin Pringle and David Watt from Basketball Scotland, and they spoke with great passion about the fantastic work that the sport does to encourage individuals from all backgrounds to start playing it. It is important that such work is recognised in the funding of groups.

As I have said, one of the stumbling blocks threatening the growth of basketball is the stringent funding criteria of UK Sport. This issue does not just affect basketball. I have written to UK Sport about the impact that its funding criteria have on other sports, such as badminton. Another stumbling block is the historically low level of direct funding for basketball in relative terms. As we heard from the hon. Member for Washington and Sunderland West (Mrs Hodgson), basketball receives only £102 per adult participant. She referred to netball, but hockey receives £259 a head in funding, and my sport of rugby union receives £276 a head. These are the figures for Sport England funding only; if we include elite funding from UK Sport, the discrepancies become far, far greater.

UK Sport's funding criteria ignore the high participation rates for basketball, and the sport is also doing great work in recruiting individuals from diverse backgrounds. I agree with British Basketball when it says:

"We believe Basketball has a unique case for funding, as it is not just a sport, but also a way to engage disengaged young people, particularly from BAME communities, and offer wider life opportunities, and reduce the potential for involvement in anti-social and criminal activities".

Unfortunately, despite the great work that basketball does in our communities by improving health outcomes, reducing antisocial behaviour and encouraging involvement from diverse groups, British Basketball warns that it is reaching a "crisis point in funding", which puts its progress in real danger.

Winning a medal at the Olympics should not be the only way in which we judge success. UK Sport's funding criteria should also judge participation rates, engagement from diverse backgrounds and social impact. Assessing sports by these factors would help sports such as basketball to grow and flourish.

Much more importantly, right across the four nations we need to become much fitter and healthier. The obesity and inactivity rates are desperately high, and they not only impact on individuals, particularly later in life, but are a great cost to society and the public purse. It is estimated that obesity and physical inactivity cost NHS services across the UK around £6 billion a year, and the cost to the wider economy would be much higher.

The future of basketball can be bright, but the sport needs to be supported to achieve its full potential. Experience shows that young people from all backgrounds are jumping—literally and figuratively—at the chance to play basketball. However, the success of the sport is under threat due to the funding criteria of UK Sport. We need to use this debate to call on UK Sport to recognise participation rates as much as it recognises medal success or medal potential. We all want to see our teams and athletes winning medals, but the best way to ensure that happens is by supporting grassroots sports and providing a pathway through to the elite level.

I will end by congratulating Scotland on qualifying for the Commonwealth games for the first time. I wish the team all the very best on the Gold Coast.

10.38 am

Dr Rosena Allin-Khan (Tooting) (Lab): It is a pleasure to serve under your chairmanship, Mr Bailey.

First, I thank my hon. Friend the Member for Leeds North West (Alex Sobel) for calling this debate. He is a champion of basketball, serving as the chair of the all-party group on basketball, and is also a fierce supporter of his local team, Leeds Force.

I also thank all Members from all parties for their contributions today. As has already been pointed out, basketball is a truly unique sport. I played on my university team for three years and enjoyed it, proving that mixed-race, Pakistani-Polish girls can jump. [*Laughter.*]

Basketball has an amazing grassroots following and reaches out to demographics that other sports simply cannot. It gathers popular support among black, Asian and minority ethnic communities, and among those who come from traditionally poorer backgrounds.

In the UK, basketball is the second most popular sport played by 11 to 15-year-olds, and that cannot go unnoticed. One in four teenagers played it last month alone. The sport can play a major role in supporting communities and can help to address the issues they traditionally face. My hon. Friend the Member for Croydon Central (Sarah Jones) made that point most eloquently. Those issues include everything from education and health to inclusion, aspiration and employment opportunities. As my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) says, it can also do a great deal to deter people from engaging in criminal activities and help them to stay out of gangs. Yet it remains woefully underfunded, under-appreciated and under-acknowledged. Facilities are poor and many local clubs struggle financially. If basketball is to continue to support our communities, we must support basketball—it needs proper funding. We need to plan for the future. We need to create role models. We need to inspire.

Part of the attraction for young aspiring players is being able to see themselves and their values in the players they support, respect and look up to. Some of the most famous basketball players the world has seen

started out in the sort of communities we need to inspire. My right hon. Friend the Member for Tottenham (Mr Lammy) spoke eloquently about the need for role models and about how we cannot ignore the communities that basketball speaks to. We have Luol Deng, originally from Sudan, who moved to Brixton, where he played basketball at his local club and went on to become a two-time NBA all-star. Do we have the next Luol Deng, the next LeBron James, the next Michael Jordan, in our ranks? We do not know. But one thing is certain: if we do not fund basketball, we will never know.

Sadly, no Government funding will be available for elite athletes from April. That risks preventing participation in the world cup, EuroBasket, the Commonwealth games and the Olympics. Although success at the Olympics brings wonderful plaudits for those sportsmen and women who work tirelessly for success, our funding formula cannot always be driven by Olympic medal potential. As my hon. Friend the Member for Keighley (John Grogan) and my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) have said, it is right that as a country we support athletes who are at the top of their game—those who have the ability to achieve their dreams—but when large swathes of young people are galvanised by their love for a sport such as basketball and not by Olympic medal potential, we owe it to them to ensure adequate funding.

It is a terrible shame that our professional basketball teams have been pushed to the brink of financial collapse. A last-minute deal saved our national team from pulling out of the European championships this year. Without additional funding, we risk losing future stars and damaging the positive impact that basketball has on all our communities. The recent U-turn made by Sport England suggests that there is the capacity for bespoke partnerships. Badminton was originally one of five sports set to lose all its funding for the next Olympic and Paralympic games; however, it has now been placed on a medal support plan, following the team's success at the 2017 world cup championships.

Basketball's contribution to local communities deserves recognition. Look at who we have here in Westminster Hall, coming and fighting for their sport. Look at the cross-party agreement we have today about the necessity of adequate funding for basketball. Sometimes sports need to be judged more than on just their medal potential. The narrative must change. I hope that the Minister agrees that if we refuse to give basketball the funding it needs, we risk losing an exceptional sport and all the people it reaches out to.

10.43 am

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Tracey Crouch): As always, it is a pleasure to serve under your chairmanship, Mr Bailey. I thank the hon. Member for Leeds North West (Alex Sobel) for securing this debate. Given the number of contributions from colleagues across the House, I hope that the players who have travelled to watch the debate from the Gallery, and indeed those who are watching outside, recognise how much we value basketball in this place.

Colleagues have made some brilliant speeches, and at this point I particularly mention those of my right hon. Friend the Member for Hemel Hempstead

[Tracey Crouch]

(Sir Mike Penning), the hon. Member for Washington and Sunderland West (Mrs Hodgson), the right hon. Member for Tottenham (Mr Lammy) and the hon. Member for Croydon Central (Sarah Jones). My right hon. Friend the Member for Hemel Hempstead—a genuine champion for sport in his constituency, and a fellow Tottenham fan—made a really important point about getting basketball working better together, and I would welcome his thoughts and comments after the debate on how we can make that happen. Likewise, the hon. Member for Keighley (John Grogan) made some really important points about broadcasting and displayed some creative thinking about how we can bring that together, so I would welcome his thoughts also on how we can promote the game.

John Grogan: Does the Minister agree that the BBC coverage has been valuable? Whereas on YouTube people watch for three or four seconds, I understand that on the BBC it is 15 to 20 minutes. Whatever happens in the future, that has been of some value.

Tracey Crouch: I completely agree. I will refer to the BBC coverage in my speech. It is important to remember that people watch the BBC's free-to-air broadcasting and that it brings value to sport in this country.

I pay tribute to the comments made by the hon. Member for Washington and Sunderland West, who has been a true champion of basketball for all the time we have been in the House together. It was her passion that had me shooting some hoops in the shadow of Big Ben in the pouring rain—it was hard, however, for me to shake off my netball arm. She mentioned some comparative funding figures. I know she appreciates that funding is complex and is allocated for lots of different factors, and I hope she will not mind if I take her points away, consider them in more detail and get back to her if necessary.

In response to the points made by the right hon. Member for Tottenham and the hon. Member for Croydon Central, I could not agree more about the disruptive and the diversionary power of sport. I sit on all the relevant ministerial groups—something I am sure they appreciate—including that on gangs, in which I regularly try to promote sport and ensure that its power is recognised and funding made available, so that projects can go into communities to help the disruptive and the diversionary aspects that the Members are rightly concerned about in their London constituencies.

As a nation, we should be proud of the investments we make in support of sport, both at the grassroots and on the Olympic and Paralympic stage. After Rio in 2016, many international Sports Ministers came to me to see how they could get a better understanding of how we invest in sport, with our unique mix of Exchequer and lottery funding. We are very different from America, for example, where sport is solely privately funded, and from China, where it is completely state-funded. We have a true mix of funding streams. As colleagues know, Sport England invests lottery and Exchequer funds in its “Towards an Active Nation” strategy. Sport and physical activity have the power to transform people's wellbeing and create a fitter, healthier and happier nation. UK Sport inspires the nation by investing in Olympic and Paralympic success. The two organisations

have an agreed memorandum of understanding on talent, but are largely tasked to invest in sport and physical activity at different levels against criteria specific to their remits.

I am a fan of basketball. I never played, because my sister is about 6 inches taller than me and also three years younger. So I stuck to football and she stuck to basketball and my poor mum's garden was obliterated as a consequence. However, I recognise the opportunities basketball provides across the country and internationally. At the grassroots, basketball can have great success in engaging young people from disadvantaged communities, which is reflected in Sport England's investment in the sport at that level. The organisation's Active Lives figures show that just over 300,000 people in England had played basketball at least twice in the previous 28 days, and between 2013 and 2021 it expects to invest just over £18 million in basketball's grassroots. That investment runs much wider than in national governing bodies, and includes localised projects such as StreetGames doorstep clubs and providers such as Reach and Teach. Basketball England will receive £2.1 million of Sport England investment to deliver satellite clubs that create regular, informal opportunities for young people who have not made the commitment to regular club basketball or are completely new to the game, particularly young people from groups typically underrepresented in sport. Other organisations such as county sports partnerships also receive funding to invest in satellite club projects locally, including basketball provision. A total of 608 satellite clubs have been established between 2013 and 2018, attracting nearly 45,000 young people.

Basketball is a sport with professional opportunities for those with skill and commitment. The men's and women's British basketball leagues represent the top tier of domestic competition. They offer ambitious playing opportunities for some of the most talented individuals and a showcase of regular live games for their fans. As has been mentioned, not only can BBL fans follow the competition in person or streamed online, but they can now enjoy 32 games broadcast on the BBC via the red button, making the domestic league possibly more accessible than ever before. There is always more to be done, but rights are matters for national governing bodies. Earlier this year we welcomed an eighth regular season NBA game to London, and I am keen to encourage more NBA presence and investment in the UK as part of our wider ambitions to bring more US sports over here.

There is much to appreciate about basketball in the UK, but we find ourselves in a difficult financial situation. A great number of conversations have taken place in recent months with British Basketball, Sport England, UK Sport and the hon. Member for Leeds North West and the all-party group about the state of the finances in supporting a financially sustainable GB set-up. It is with great regret that none of that investigation has identified viable solutions. That has led to us discussing the matter here again today.

When I saw British Basketball last year, it was optimistic about a commercial sponsorship that would have helped enormously, but sadly that fell through. British Basketball approached my Department again in January to outline its immediate shortfall, and a great deal of effort on all parts sought a potential solution to support the age group GB teams through Sport England talent funding.

As our English sports council, Sport England invests in participation and physical activity, but its priority must be to support its grassroots programmes, which include using sport to reach into communities that other initiatives do not.

The other sports body in which we invest Exchequer and lottery funds is UK Sport. UK Sport funds Olympic and Paralympic success. Its “No compromise” funding philosophy has taken the GB Olympic team from 36th in the medal table in Atlanta 1996 to third in London and now to second at Rio 2016 in both the Olympic and Paralympic Games. It has done that through investing strategically in the right sports, the right athletes and the right support programmes to meet its goals. UK Sport has made its complex funding decisions for this Olympic and Paralympic cycle, as in previous cycles, based on the likelihood of medal-winning performances in Tokyo in 2020. Against those fundamental criteria, basketball is sadly not yet in a position to receive funding.

However, the hon. Member for Leeds North West raised the issue of 3 on 3 funding, and I am happy to look further into that, particularly since the qualification process will not be confirmed until early next year. That will have a huge impact on the shape of the competition. Indeed, that issue was one of the key asks in his speech. I hope that I have reassured him that I will take that away.

We have established an expert body in UK Sport—it is envied around the world—to take on the funding mandate and make difficult decisions on how to deliver within that. I still believe that it is important that it is not a matter of direct ministerial intervention. These long-term investments are measured and monitored against clear criteria, not my personal interests or empathy.

Mr Lammy: On the point the Minister has just made—I am grateful she will look at 3 on 3—we could be in a situation after the next Olympics where elite and Olympic sport are further away from urban communities, but in other communities, where there is hockey, canoeing and rowing, it is all around.

Tracey Crouch: I hear what the right hon. Gentleman is saying. That is why it is important that we continue to invest in the grassroots and community delivery. I completely empathise and sympathise with the points that he and others have made about the talent pathway. That is why we need to continue to have these conversations, particularly around 3 on 3 funding.

As other colleagues have mentioned, basketball is not the only Olympic sport that UK Sport does not fund. While I completely agree about the good opportunities it can deliver in communities—that is why we will continue to do much through grassroots development—many other sports could set out equally credible reasons to receive elite-level support on a variety of different funding criteria. Eleven governing bodies, including British Basketball, did just that most recently under the banner of “Every sport matters”. I have all 11 in mind as we consider the asks made today.

Sir Mike Penning: The Minister is passionate about sport and in particular about basketball, although I know she does not want to be drawn into her personal views and, as a former Minister, I fully understand that.

The difference between basketball and the other sports on the list she just referred to—I have looked at it—is that basketball touches areas of the community that are not touched by those other sports. We are reaching out beyond communities such as Tottenham, where I grew up, into areas such as my constituency, where we did not traditionally have that reach. The participation across communities is not touched by those other sports. Every sport says that it is different, but basketball is clearly different.

Tracey Crouch: I hope that so far in my speech I have assured colleagues that I absolutely recognise that point. It is why we look at different funding criteria for different sports across the whole activity perspective in the sports strategy. We also do that in the work we do in all Departments, whether that is to get people healthy or to get them engaged in their communities and so on. I hear what colleagues are saying, but at the same time funding criteria are set by UK Sport for the Olympics.

It is important to say that no funding criteria have been set beyond Tokyo 2020. UK Sport will begin its Paris 2024 funding cycle in due course. Criteria will be reviewed, offering the opportunity to reflect on the existing strategy of investment for the next cycle. UK Sport will then publish a clear set of investment principles against which future awards will be made. I hope that that reassures Members that this is not a closed book.

Mrs Hodgson: Will the Minister give way?

Tracey Crouch: Sorry, but I cannot, otherwise I will not give the hon. Member for Leeds North West time to respond. For the current cycle, UK Sport has set a clear investment strategy, has made a long-term commitment to invest against that and is delivering against that.

I recognise that elite basketball and top-flight players can have an enormous impact on the grassroots across the country. Many colleagues have made that point. Clubs such as Brixton Topcats and those mentioned this morning can and do reach some of the most diverse young communities in the country and signpost opportunities for the most talented to follow in their footsteps. When my right hon. Friend the Member for Hemel Hempstead writes to me on how we can promote and expand basketball and what more can be done together, we will reflect on that.

I am committed to continuing to work with all the constituent bodies delivering basketball in this country and to support grassroots opportunities where they are needed. We will always consider providing elite team funding should the funding criteria be met, but this debate is not the final discussion. There is still time before the end of March. We all need to work together to ensure that we find a solution. In the meantime, we will continue to support governing bodies, clubs, satellite club providers and other bespoke local projects to support grassroots basketball across the country.

10.58 am

Alex Sobel: Because I have little time, I will concentrate on the Minister's remarks. I thank her for taking on board two of my recommendations, but I want to refer to the conversations I had yesterday with UK Sport. It admitted that basketball had medal potential, but that it would take 12 years. UK Sport initially funded basketball

[Alex Sobel]

in 2006, but that ceased in 2014. UK Sport did not see through those 12 years that it identified to me on the phone yesterday. As my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) said, funding is £102 per adult participant, which is the lowest of any team sport, even though it has the second highest participation rates. With those participation rates, it surely has Olympic potential, and UK Sport admitted as much.

A number of Members, including the hon. Members for Glasgow Central (Alison Thewliss) and for Paisley and Renfrewshire North (Gavin Newlands) and my hon. Friends the Members for Keighley (John Grogan) and for Tooting (Dr Allin-Khan), mentioned the Commonwealth games. I want to highlight the letter that FIBA sent to the Minister yesterday. I received a copy. It said:

“I revert to the FIBA October letter, sent to British Basketball, that England and Scotland’s Commonwealth Games participation could still be under threat if Great Britain Basketball cannot fulfil its senior fixtures in the next windows.”

Yesterday, UK Sport said to me that GB Basketball should perhaps relook at its strategy and concentrate on the Commonwealth games. FIBA said that is not possible. I am concerned that UK Sport is luxuriating in complacency about UK basketball and does not understand the implications of its actions across the piece. An urgent discussion is needed among the Minister, possibly me, GB Basketball, Sport England, UK Sport and others, and I am glad that the Minister is committed to that. As a matter of urgency, we need to move things on so that we can save UK basketball, which is a unique sport in this country.

Question put and agreed to.

Resolved,

That this House has considered the future of basketball in the UK.

PACE Trial: People with ME

[MR PHILIP HOLLOBONE *in the Chair*]

11 am

Carol Monaghan (Glasgow North West) (SNP): I beg to move,

That this House has considered the PACE trial and its effect on people with ME.

It is a pleasure to serve under your chairmanship, Mr Hollobone.

“The doctor doesn’t see me crawl on the floor. The doctor doesn’t know I don’t shower every day or brush my teeth twice a day like everyone else. He isn’t aware of my frequent sore throats, my poor balance, my difficulties with reading, my muscle twitches, or my sound intolerance, and he certainly wasn’t here to nurse me when once I was too weak to eat.”

Those are the words of a junior doctor living with ME, who alongside nearly 1,000 others has contacted me prior to this debate.

Myalgic encephalomyelitis, or ME, has been described in many ways, but labels such as chronic fatigue syndrome or post-viral fatigue syndrome simply do not come close to the living hell experienced by many ME sufferers—a hell that is made worse by the lack of understanding that is faced when seeking help.

ME is estimated to affect about 250,000 people in the UK and is classified by the World Health Organisation as a disease of the central nervous system. Symptoms can include debilitating muscle pain, severe headaches that are often made worse by light or noise, significant impairment of short-term memory and post-exertion malaise that can last days and even weeks.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on securing this debate. Does she agree that there is still huge concern among ME patients that the National Institute for Health and Care Excellence says it will not abandon the promotion of physio-social therapies for ME, despite the widespread scientific criticism of the PACE trial methodology, and that we must ensure that that is addressed as a matter of urgency?

Carol Monaghan: I thank the hon. Gentleman for his intervention. I will come on to the NICE guidelines later in my speech.

Although ME is a pathological, not psychological, condition, much about it remains a mystery. The reasons for that are twofold. First, many sufferers are housebound and therefore easy for society to ignore. Secondly, there is a lack of awareness among medical professionals and as a result a woeful lack of quality research. What we do know is that ME is often triggered by a viral infection such as flu, but, unlike healthy individuals, people living with ME do not recover. Into that research drought entered the PACE trial—pacing, graded activity and cognitive behaviour therapy; a randomised evaluation.

The trial was unique in medical research. It was funded by the Department for Work and Pensions to the tune of £5 million, a point to which I will return. From the very start the PACE trial was flawed. In contravention of the World Health Organisation classification, it assumed that ME was psychological and sufferers could recover if they chose so to do. Thus the PACE trial was framed in psychological terms.

Mr Jim Cunningham (Coventry South) (Lab): I thank the hon. Lady for securing this important debate. Does she agree with me that a lot of employers do not really understand how people with ME suffer and that that can affect their employment? It can also affect housewives.

Carol Monaghan: Absolutely. The public perceive it as mere tiredness, but it is so much more than that. The debilitating pain that ME sufferers experience is something that we all should be aware of.

The participants in the PACE trial received a range of different treatments, including cognitive behaviour therapy and graded exercise therapy, where patients were encouraged to become physically active and then increase the activity's intensity. Unbelievably for a trial this large, none of the groups was given specific medical interventions. The results were published in *The Lancet* in 2011, with the contentious claim that CBT and GET brought 30% of patients back to normal, while 60% improved. The media reported that all ME sufferers had to do to recover was exercise. However, the report was immediately questioned by the patient community. How could exercise, the very thing that was known to worsen symptoms, actually help?

Alex Sobel (Leeds North West) (Lab/Co-op): My friend Jo from Leeds wrote to me:

"I've had CFS/ME for 25 years. I'd had it for 10 years before it was diagnosed. When I was diagnosed in Sheffield I was told there was literally no service they could refer me to and relied largely on a local support group. I was told by a Leeds GP to 'just get on with life' despite trying to hold down a professional job and look after a young child."

That is a typical story of somebody with ME.

Carol Monaghan: I thank the hon. Gentleman for his intervention. It is typical, because the PACE trial had such publicity and was lauded by many as the answer. One participant in the original trial has contacted me:

"I was determined to be a part of the...trial because I wanted to get better—so if this 'treatment' could make me better I wanted to give it the chance to do so. I was assigned Graded Exercise Therapy. It never occurred to me that it would actually make me more ill. Nor did it occur to me that decline would not be documented, and that despite patients not recovering (or in some cases worsening), they would publish that the treatment was successful...It was stressed that I would only get better if I tried harder, and even though the graded exercise was clearly making me worse, my struggle and pain was dismissed."

Rachael Maskell (York Central) (Lab/Co-op): As a former physiotherapist, I recognise that all therapeutic interventions must be patient-led—led by people with the lived experience. Does the hon. Lady agree?

Carol Monaghan: Absolutely. In fact, I will be calling for the patient voice to be heard in any treatments.

Calls to publish the raw data—basic protocol in good research—were ignored. Queen Mary University spent an estimated £200,000 on keeping the data hidden. Finally, after a long battle, patients won a court order to force the PACE authors to release the data. It was discovered that the authors had altered the way in which they measured improvement and recovery, to increase the apparent benefit of the therapies. Re-analysis showed that the improvement rate fell from 60% to 21% and the recovery rate fell from 22% to just 7%.

The method of patient reporting has also been questioned. As one participant says:

"After repeatedly being asked how severe...my symptoms were—in the context of...it's just me not trying hard enough...I started to feel like I had to put a...positive spin on my...answers. I could not be honest about just how bad it was, as that would...tell the doctors I wasn't trying and I wasn't being positive enough. When I was completing questionnaires...I remember second guessing myself and thinking for every answer: 'Is it really that bad? Am I just not looking at things positively enough?'"

John Howell (Henley) (Con): I thank the hon. Lady for securing this debate. The PACE trials have been roundly condemned by many scientists as being totally inappropriate. Does she have a feel for what an appropriate trial might have found?

Carol Monaghan: Yes. I will come on to how an appropriate trial could be done. First, I will mention the self-reporting that was a part of the trial. Questionnaires provided the data and measures of success. There were no physiological or scientific measurements. For patients the damage was done. I am a science teacher by profession and I always told my pupils that there are a number of stages to any scientific investigation: "Start with a hypothesis. Decide how you will test this theory, what measurements you will make, how you will record your results and how you will use these results to draw your conclusions. Those conclusions, which might be different from the original hypothesis, must be based on the evidence you have gathered."

That did not happen in the PACE trial, which relied on patient self-reporting, rather than measurable physiological parameters. Furthermore, when the results were not as expected, rather than revise the original hypothesis, the investigators simply changed the success criteria. Thus patients participating in GET who had deteriorated during the study were considered recovered.

There are, of course, ways of measuring the physiological impact of exercise. The two-day cardiopulmonary exercise test can objectively measure post-exertional malaise. We know that a person with ME can perform adequately—sometimes even well—on the first day, but can have greatly reduced cardiopulmonary function on the second. The test requires the participant to exercise on a static bicycle, and allows data on oxygen consumption, workload and gas exchange to be measured. Two identical tests, separated by 24 hours, must be carried out to properly measure the impact of exercise. Results from a single test could be interpreted as a lack of fitness. Two tests change that to something quite different. A healthy person will perform better the second time; an ME sufferer will most likely be worse.

Of course, the failure of the PACE trial to do that could simply be put down to bad science, but unfortunately I believe that there is far more to it. One wonders why the DWP would fund such a trial, unless it was seen as a way of removing people from long-term benefits and reducing the welfare bill.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): The hon. Lady is speaking very well about the challenges that this illness presents to people, but does she share my concern that in Scotland there is only one specialist, nurse-led ME facility and there are no specialist ME consultants? She raises an important point, but in terms of NHS awareness of the condition, we need to do more to ensure that people are getting the treatment that they undoubtedly need.

Carol Monaghan: This is a worldwide issue. The PACE trial results have affected people all over the world. In my folder, I have examples of people from Australia, the United States and Canada. Although there are no specialist centres in Scotland, the ones in England are recommending graded exercise therapy, which is making people worse. We need to deal with the issue.

Helen Whately (Faversham and Mid Kent) (Con): Will the hon. Lady give way?

Carol Monaghan: I will make some progress. The PACE trial was used to inform NICE guidelines, which has meant that symptoms have been disregarded, and sufferers are considered to be attention-seeking hypochondriacs or even, in the case of some female patients, hysterical. Although in some ways the lack of belief has been the most difficult thing for sufferers and their families, the impact of the PACE trial and the resulting NICE guidelines is far further reaching. Many sufferers have reported major difficulties in accessing financial support. Employment and support allowance assessments do not consider the impact of exertion on a person's ability to function on subsequent days, and personal independence payment assessments, which consider ME to be psychological following the PACE report, mean that sufferers struggle to access that entitlement and simply rely on family members.

Conflicts of interest in the trial are also deeply worrying. The former chief medical adviser to the DWP sat on the trial's steering committee, and ultimately the results of the trial have been used to penalise those with ME. When we consider the relationship between key PACE investigators and major health insurance companies such as Unum, the trial takes on a far more sinister slant. Sufferers have reported that their health insurance company would pay out only if they undertook a programme of GET—an impossible task, as the insurance giants knew.

It is not only adults who are affected. Children with the disease have been subject to care proceedings because of widespread misunderstanding among health workers. ME has been mistaken for school phobia, neglect or even abuse.

Layla Moran (Oxford West and Abingdon) (LD): Will the hon. Lady give way?

Carol Monaghan: I will in a moment. One mother contacted me, saying:

"Our 12 year old son was seen at specialist ME centre by a consultant who prescribed GET. In one year this 'programme' caused our youngster's body to develop higher and higher levels of inflammation, he began limping, was in continual pain from not only the ME headaches but joint and foot pain. The comments were 'well he managed to limp into my office', 'you were very active, now since the virus you are very inactive, so you will have this pain due to lack of exercise'.

GET caused his body's immune system to go into overdrive. My son developed Juvenile Idiopathic Arthritis. This was treated by a paediatric Rheumatology Consultant who was shocked it had been left so long and told my son that his toes would be permanently swollen even after treatment as the bones had grown abnormally during the inflammation".

Layla Moran: I, too, have been contacted by parents in my constituency. In the case of one constituent, her daughter took a year to be diagnosed and missed an entire year of school as a result. The effect on children's lives at a very young age is palpable.

Carol Monaghan: Many parents who try to home school their children also face local authority intervention, trying to get the children back to school. We must listen to patients.

This disease is very easy to ignore. All too often, those living with ME are housebound, and suffer from what they refer to as "brain fog", which makes it difficult to mount an organised campaign. That means that much about ME remains unknown. There is some evidence that it could be grouped with auto-immune conditions such as multiple sclerosis and rheumatoid arthritis. Some people have reported that certain anti-viral drugs improve their condition, but without properly conducted scientific research, we do not have the answers. Ultimately, the impact of the PACE trial on those with ME has been devastating.

Alison Thewliss (Glasgow Central) (SNP) *rose—*

Luke Graham (Ochil and South Perthshire) (Con) *rose—*

Carol Monaghan: I give way to my hon. Friend.

Alison Thewliss: My hon. Friend makes a good case. My constituent Carol Ann McGregor has had ME since 1996 and has been bedbound for seven years. She says that she has

"lost my life, health, husband, my career and my home".

Does my hon. Friend agree with my long-term family friend Maureen Bivard that the cover-up, and the way in which the PACE trial was carried out, amounts to a miscarriage of justice for patients?

Carol Monaghan: I think that when the full details of the trial become known, it will be considered one of the biggest medical scandals of the 21st century.

Luke Graham: Will the hon. Lady give way?

Carol Monaghan: I am just going to finish off. I am pleased that NICE is reviewing its guidelines on ME and has removed the recommendations to embark on harmful exercise, but I was contacted only last week by a lady who had been told recently by her GP to exercise her way to health. That highlights the huge need for education and for raising awareness among both the public and medical practitioners.

I ask the Minister: can the next set of guidelines be drawn up through listening to those living with ME? What plans does she have to introduce compulsory training for medical practitioners on ME care and treatment? Can she assure me that specialist ME treatment centres are not advertising graded exercise therapy as a method of recovery? Will she support proper funding for ME research? Lastly, will she work with DWP colleagues to ensure that new guidelines are drawn up for dealing with people with ME?

Finally, I thank the Countess of Mar and the ME Association for helping me to prepare for today. I also thank those living with ME, whose voices are not being heard.

11.18 am

The Minister for Care (Caroline Dineneage): It is a great pleasure to serve under your stewardship, Mr Hollobone. I congratulate the hon. Member for Glasgow North West (Carol Monaghan) on securing

today's debate. As she has articulated so beautifully, the situation is clearly very concerning. I know that she has done an enormous amount of work in this area, and has met people, both in her constituency and more widely, affected by the condition, and with expertise on the condition, to hear about its impact on individuals' lives. As MPs, we all know people in our constituencies who are affected by the condition.

As we have heard, chronic fatigue syndrome, also known as myalgic encephalomyelitis or encephalopathy, is a debilitating and very poorly understood condition, which is estimated to affect more than 200,000 people in England. We do not understand the underlying causes of it, there is no one diagnostic test to identify it, and although patients can improve and recover, there is no cure for it. The condition, which for brevity and to avoid covering you in a thin layer of spittle, Mr Hollobone, I shall refer to in the abbreviated form CFS/ME, can stop a life in its tracks, leaving sufferers unable to carry out the most basic tasks. In the most serious cases, people can be bedbound for weeks at a time. It has a complex range of symptoms, including a very disabling, flu-like fatigue and malaise, and neurological problems. Of course, the impact on friends, families and carers can be significant as well.

It is also true that the difficulties in diagnosis mean that patients with CFS/ME often experience delays in getting the treatment and support that they need. In recognising the need for GPs to be aware of the condition, the Royal College of General Practitioners identified CFS/ME as a key area of technical knowledge that GPs should have as part of their qualifying exams, which answers a question raised by the hon. Lady.

The recommended treatments for CFS/ME, namely cognitive behavioural therapy, or CBT, and graded exercise therapy, or GET, and the evidence for them are the subject of today's debate. Those treatments were first recommended for patients with mild or moderate CFS/ME in 2007 in the NICE guidance, in line with the best available evidence, which showed that the treatments offered benefits. The guidance sets out that there is no one form of treatment to suit every patient and that the personal needs and preferences of patients should be taken into account. Doctors should explain that no single strategy will be successful for all patients; that in common with all people receiving NHS care, CFS/ME patients have the right to refuse or withdraw from any part of their treatment; and that those with severe symptoms may require access to a wider range of support, managed by a CFS/ME specialist.

The results of the PACE trial, which examined pacing therapy, cognitive behavioural therapy, graded exercise and specialist medical care for chronic fatigue syndrome, were published four years after the NICE guidance. The trial ran from 2005 to 2011 and, contrary to what the hon. Lady said, was primarily funded by the Medical Research Council, not the DWP. Total funding was £5 million and the MRC contributed almost £3 million.

The study was undertaken by the Queen Mary University of London. It was the largest ever trial for CFS/ME, including more than 600 participants in England and Scotland. It sought to assess and compare the effectiveness of the four main treatments for CFS/ME—adaptive pacing therapy, CBT, GET and standardised specialist medical care.

The peer-reviewed trial results published in *The Lancet* in 2011 found, as the hon. Lady said, that 60% of patients with CFS/ME benefited from CBT and GET when provided alongside specialist medical care. CBT and GET were found to be better than pacing therapy or specialist medical care alone in improving both symptoms and disability, and a follow-up study looking at recovery after one year further supported the benefits of interventions. The trial had ethical approval from the NHS research ethics committee and had ongoing oversight from an independent trial steering committee, which included patient representatives. Trial reports were regularly provided to a data monitoring and ethics committee that had the power to halt the trial if harm was indicated. NICE considered the PACE results in 2011 and concluded that they supported its existing recommendations on both CBT and GET.

The Government are aware that the use of CBT and GET in treating CFS/ME has long been a controversial issue for patient groups, charities and some clinicians. That began with the publication of the NICE guidance 10 years ago and continued with the PACE trial. Since 2011, PACE trial data has been shared with many independent scientists as part of normal research collaboration, including the internationally respected research organisation Cochrane, which independently validated the findings. However, in the last 18 months, the attention on the trial has increased substantially, following a tribunal ruling in August 2016 ordering the release of the trial data to a member of the public, which the hon. Lady referred to. The data has since been examined more widely and critics, including some clinical academics, have suggested that it shows that CBT and GET are not as effective as the trial results suggested.

Nicky Morgan (Loughborough) (Con): This is clearly a very important debate. I think both the hon. Member for Glasgow North West and the Minister would agree that it is not possible to do justice to the concerns raised by all our constituents, and the 200,000 sufferers that the Minister has identified, in half an hour. Does the Minister agree that this is a subject worthy of wider debate in the House of Commons? Constituents such as Sarah Reed, who have written to me, say that because of the belief in CBT and GET, and because academics believe in the results, many other treatments have not been pursued. Does the Minister feel angry about that?

Caroline Dinenage: I thank my right hon. Friend for her intervention. As has already been said, it is important that we listen to patients. As I will go on to explain, NICE is now looking at reviewing its guidance on this and, in the light of that, it may well be worth discussing the issue more fully.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Does the Minister agree that believing patients is also important here? Patients with the condition are often not believed and concerns about the PACE trial have not been believed, and that has just loaded concerns on those individuals.

Caroline Dinenage: As I have already set out, sometimes it can take a really long time for this to be diagnosed. People have to keep going backwards and forwards to GPs and others with their symptoms. Many other potential

[Caroline Dinenage]

conditions have to be discounted before it can be fully diagnosed, which often leaves people feeling that their symptoms are not being taken seriously or they are being dismissed. Obviously, that is massively concerning, which is why, as we have already said, it is important that patients are listened to and that clinical professionals are well-equipped to be able to recognise the symptoms and identify them.

As I said, the data has been examined more widely. Critics, including some clinical academics, have suggested that it shows CBT and GET are not as effective as the trial results suggested. In turn, the trial authors have defended their work. They have responded to criticisms in medical journals and the wider medical printed press. I know the hon. Member for Glasgow North West raised one such criticism at the oral evidence session of the Science and Technology Committee in January, concerning possible conflicts of interest of the PACE trial authors. On that point, in line with normal practice, all such conflicts were published with the trial protocol as well as the results. If she has evidence to the contrary, I would be very happy to discuss that with her afterwards.

Carol Monaghan: I thank the Minister for that. However, they were not disclosed to the PACE participants.

Caroline Dinenage: It is very important that the hon. Lady has raised that point, and I am sure it will be taken into consideration.

Helen Whately: ME sufferers in my constituency welcome that the NICE guidelines are being reviewed, but one problem is that when they find that the existing treatments do not work for them, there is a lack of alternatives. Does the Minister recognise that alternative treatments need to be looked into urgently and offered to patients?

Caroline Dinenage: I am sure that will be part of the NICE guidance. Where there is significant evidence that alternatives deserve greater investigation, I am sure NICE will look at that. I will talk about that a little more in a second.

On conflicts of interest, it is obviously important that researchers and scientists with particular expertise in one area will have worked and shared their expertise in related fields and industries, but transparency regarding conflicts of interests is vital to the integrity of the

research. The NHS Health Research Authority already issues guidance on conflicting interests and I understand it will consider whether any further clarity is needed.

Clearly, the controversy around the trial is problematic for researchers, but it is most of all distressing for patients with CFS/ME, who deserve the most appropriate treatment from the NHS and to have confidence in the treatment that is being provided. That is why we welcome the NICE decision to undertake a full review of the guidance, which will examine the concerns around the PACE trial and any implications for its current recommendations. NICE develops its guidance independently to support NHS organisations and clinicians to deliver services in line with the best available evidence. It welcomes the input of stakeholders and more than 10 CFS/ME charities and organisations are already registered to support the guideline development process. All other parties who are interested can comment on the draft scope and draft guidelines at the appropriate time during the development process. Final guidance is expected in October 2020.

Paul Blomfield (Sheffield Central) (Lab): The Minister makes the point that final guidance is expected in October 2020, but given the significant doubt over CBT and GET and their impact now, does she recognise the strong case for NICE to suspend the current guidance, which points people towards those potentially damaging treatments?

Caroline Dinenage: As an independent organisation, that will of course be a matter for NICE, taking into consideration the evidence.

I know it is a priority for the CFS/ME community that more research into identifying the underlying causes of the condition be undertaken. I would like to reassure those affected that both the MRC and the National Institute for Health Research welcome high-quality applications for research into CFS/ME, including studies to investigate its biological causes, and it will come as welcome news that the MRC is currently funding a project to examine the relationship between abnormal brain structures and symptoms of CFS/ME.

I again thank the hon. Member for Glasgow North West for raising this important issue on behalf of those affected by the condition in her own constituency and up and down the country. I hope the debate has been helpful.

Question put and agreed to.

NHS Staff: Oxfordshire

11.30 am

Layla Moran (Oxford West and Abingdon) (LD): I beg to move,

That this House has considered recruitment and retention of NHS staff in Oxfordshire.

It is a pleasure to serve under your chairmanship, Mr Hollobone. I am delighted to have secured this important debate on the retention and recruitment of NHS staff in Oxfordshire. It is a pleasure to see fellow Oxfordshire MPs in the Chamber.

Since my election last summer, the state of the NHS in our county has been one of the issues that my constituents have raised with me most frequently. I pay tribute to all those who work in the NHS in Oxfordshire at every level for their outstanding dedication and commitment to delivering first-class care. We owe it to them, and to patients and their families, to ensure we are providing the best possible service across Oxfordshire and, indeed, the country. I am sure all hon. Members will agree that the staff do an incredible job, but they are under increasing pressure. Some have described the situation as a crisis. Although politicians are prone to hyperbole, I fear that that word is increasingly apt.

Last month, our local NHS hit the headlines nationally, as a leaked memo suggested that Oxford University Hospitals NHS Foundation Trust is considering rationing rounds of chemotherapy at the Churchill Hospital for terminally ill cancer patients because of a 40% shortfall in the number of specialist nurses needed to deliver care. I spoke with the trust bosses, as I am sure many other hon. Members did, and they assured me that the leaked suggestion is not their policy—it is important to reaffirm that point—but they confirmed that it is one option among many being considered by senior staff in the privacy of internal conversations. It is alarming that they are having such conversations at all. That points to a wider issue that needs to be addressed urgently.

The problem, of course, goes beyond cancer services at the Churchill. I am sure Oxfordshire colleagues have their own experiences. In my advice surgery, junior doctors, who prefer to remain nameless, have told me in confidence that staff shortages at the John Radcliffe Hospital and high workloads are leaving some departments dependent on less experienced doctors. They tell me that that would not have happened in years past, and that they are now anxious about patient safety. They work far more than their allocated hours to catch up with paperwork, and they are especially concerned about the night shift, when the problem is most prevalent.

In recent years, the NHS in our area has been propped up by the good will of staff at all levels—doctors, nurses and ambulance workers alike—who put patients first, but the stress of the job is affecting them and their families, and I am afraid that some are voting with their feet. In nursing, the shortage is most acute. In Oxford, we had 560 unfilled vacancies at the end of last June. The vacancy rate increased from 6% to 10% at OUH trust between October 2016 and October 2017.

Mental health is another area of concern. The child and adolescent mental health services in Abingdon provide outstanding care and support to young people with mental health issues and their families, but I have been

contacted by residents who are worried that experienced staff are leaving the profession and the NHS altogether due to the pressure on the service and their workloads. According to the Royal College of Psychiatrists, in the Thames valley area, we have a below average number of consultant psychiatrists per 100,000 people, below average numbers of junior doctor psychiatrists, and below average numbers of psychiatric nurses.

The Department of Health's pledge to expand the mental health workforce to the tune of 570 extra consultant psychiatrists by 2021 is welcome, but the number of medical students specialising in psychiatry has flatlined. The Government must do more to ensure Oxfordshire has sufficient mental health specialists to make parity of esteem between mental and physical health a reality. I am interested to hear from the Minister what they are doing about that.

On the mental health of NHS workers themselves, there is a huge if perhaps unsurprising problem relating to stress and sick leave. A freedom of information request by the Liberal Democrats found that nurses took 5,869 days off for stress and mental health-related illnesses in Oxfordshire in 2016-17—up 11% on the previous year.

Why are we having all these issues? There are several strands to the problem, some of which are specific to Oxfordshire and some of which are represented more widely in the country. I will take each in turn. My Oxfordshire colleagues on the Conservative Benches, in particular, would be disappointed if I did not take the opportunity to speak about Brexit, so let me do that first. To put it bluntly, the Government need to do more to reassure the EU citizens working in the NHS that they are not just welcome in the UK but valued. They face uncertainty about their future status, whether they will be settled and the cost and bureaucracy of it all, and they do not have faith in the Home Office to manage the gargantuan administrative burden. More than 2,700 EU nurses left the NHS in 2016—a 68% increase since two years ago. Separate figures from the Royal College of Nursing show that the number of EU nationals registering as nurses in England has dropped by 92%. I am told by local EU nurses that one of the main sticking points is uncertainty about whether their time spent in the UK will count towards career progression in their country when they go back home, so people are making the decision not to come to the UK lest they risk being at a disadvantage in their career. Is the Minister aware of that problem? If so, what is the Department doing to tackle it? I would also like to see the introduction of an NHS passport, or an equivalent with a different name, to secure the rights of EU citizens who have made their home here and to encourage others to come now, because we cannot wait to address this crisis.

Coming back to our home-grown population, the Royal College of Nursing suggests that the next generation of British nurses is deterred by pressure, a lack of funding and poor pay. It also says that the cuts to training places are exacerbating the problem. Just a fortnight ago, we learned of a 13% reduction in the number of UCAS applications for nursing, compared with the year before. This is the second year in a row that applications for nursing courses have fallen, and 700 fewer nurses are even starting. NHS Digital figures show that one in 10 nurses is leaving the NHS every year, and that those leaving now outnumber those joining.

[Layla Moran]

I recently visited Abingdon Community Hospital, and the staff there told me that the shortages mean that they are increasingly using agency staff to fill the gap. Although those staff are well trained, there is strain associated with bringing them up to speed while managing everything else. It is not a sustainable situation.

The RCN is clear that the Government's attempts to increase the number of trainee nurses are not working, and that care failings are becoming more likely. The Government must address this situation urgently so the public can have confidence in safe staffing levels in our NHS. The Department has pledged an extra 5,000 places for student nurses in 2017. Again, that is welcome, but how does it square with the collapse in applications? I would like to hear what the Minister and the Department are doing about that.

I think we can lift the 1% pay cap for NHS staff, who deserve a decent, fair and long overdue pay rise. The Minister must be aware of what the cap is doing to morale across the NHS—especially in areas such as Oxfordshire, where the cost of living is high.

Robert Courts (Witney) (Con): I congratulate the hon. Lady on securing this important debate. She may be about to address this point—I apologise if I am foreshadowing her speech—but she mentioned the cost of living, and of course the cost of housing is a big issue for all of us in Oxfordshire, no matter where we live. Does she agree that one of the most helpful things we can do is to follow the example of schemes such as the partnership in my constituency between Blenheim Estates and West Oxfordshire District Council, which is looking at providing substantially reduced market-rent housing for all key workers—not just those in the health sector? There is a great deal to be done there. Furthermore, institutions such as hospitals may be able to look at similar practices. The clinical commissioning group might take up the long-standing invitation for it to attend growth board meetings, in which it will be able to have some input into the housing provided for key workers, what it costs and where it is located. I am sorry that there are so many points there, but perhaps the hon. Lady can consider them.

Layla Moran: Not at all; I thank the hon. Gentleman for his helpful intervention. He is right to foreshadow what is coming later. The more times we make the point, the better, because it is the crux of the issue in Oxfordshire. On the pay cap, when will we see the timetable for the pay review? We need to ensure that the basic cost of living at least is covered. I will come on to housing later.

I am glad about the renewed focus on social care in the Department since the reshuffle, but I sincerely hope that it extends beyond just a name change. Staffing levels for the sector are even worse than in nursing in Oxfordshire. One of the more surprising facts I have learned in recent months has been about how many social care staff are leaving the service locally to fill positions in the retail sector created by the opening of the shiny new Westgate centre in Oxford. Pay is at a similar level, but the work is less stressful, so the people doing those vital social care jobs are deciding that they would rather do something else and take the easier path.

It is not just pay that we are talking about; Oxfordshire pays well for such jobs in comparison with other parts of the country. Our area still struggles to recruit and keep people. The recently published Care Quality Commission report for Oxfordshire found that

“The system in Oxfordshire was particularly challenged by the issues of workforce retention and recruitment across all professions and staff grades”,

and that “countless” concerns had been expressed about recruitment and retention, and their impact on developing a skilled and sustainable workforce.

The report goes on to highlight the need to do more to increase professional development. We must ensure that budgets are available for continuous professional development within the NHS, allowing existing staff to train, develop and build their career over time. Without such opportunities, it is little wonder that they move on. That has been raised vociferously by nursing leads as another key factor in the retention crisis. I will be interested to hear what the Minister has to say about CPD and whether the budget for that will be increased.

Then there is overall funding. At the election, all political parties pledged more, but it was not enough. Rather than just talking about how much, I want to talk about how we can be honest with the public about how to pay for more funding, if we are all agreed that that is needed. In the short term, my party would like to see a ring-fenced penny in the pound on income tax, providing a £6 billion cash injection. In the longer term, and as a replacement for national insurance, on the basis of wide consultation, we advocate a dedicated health and social care tax. The advantage of that would be that people could see in their pay packets exactly what we were paying for.

We also want an NHS and care convention to bring together all political parties and stakeholders, so we stop using the NHS and social care as the political football it was during the election. Recently a letter on the issue backed by nearly 100 MPs was sent to the Prime Minister, but I was saddened to see that it was not taken up. I therefore urge the Minister not only to continue to ask the Prime Minister and the Treasury for more money for the NHS but, critically, to back something along the lines of a cross-party NHS and care convention, so that we can take the NHS out of the hands of political pundits and put it back into the hands of patients, where it belongs.

I have talked about what I would like to see from the Government: an open and generous offer to EU citizens; a decent pay rise; better funding, which is not kicked about as much; improved working conditions; and action on bursaries and training for nurses. But, to come to the point made so eloquently earlier, that will not cut the mustard for Oxfordshire, because our biggest issue by far is the prohibitive cost of housing in the county.

I will share an email I received from one of my constituents in Kidlington who works for the NHS. She contacted me to say that she feels as though she will never be able to afford a house of her own:

“I work for the NHS and although it comes with fantastic benefits and, I hope, great security it doesn't pay like those who would be doing the same job as me as an office manager, in the private sector.

My situation is that I have been working for NHS nearly 9 years now. I want to move out and I live in Kidlington. To have a slight chance I would have to do shared ownership. Although not

ideal it is a great stepping stone, and you have to start somewhere. However, if I was to look outside Kidlington, the Bicester area where there is up and coming new builds, the prices are still out of my range. It is disheartening to be rejected, especially when you are literally outside the affordability, yet you have worked, paid taxes and generally contributed to society."

That is a damning indictment, and the despair is shared by so many public sector workers across Oxfordshire. A 2017 study by Lloyds bank listed Oxford as the most expensive city in which to live in the UK, with the average house price now 11 times average earnings. The recent CQC report on Oxfordshire found that staff at every level cited cost of living and housing as barriers to staff recruitment and retention.

There have been some steps in the right direction. As the Minister will know, in March 2016 the OUH trust launched a scheme in which new nursing recruits were offered a cash incentive equivalent to their first month's rent and a deposit. I have no doubt that the council, the NHS and other organisations in other parts of the county, as we have heard, are doing everything they can—I am not here to bash them—but the fact is that the new houses to be built will not fix the problem. At best, the models show that house prices may flatline over time, but the definition of affordable as 80% of the value of incredibly expensive houses is still nowhere near enough to tackle the problem for public sector workers.

I can propose a solution. I would like to see some kind of Oxfordshire housing allowance for public sector workers given to local NHS staff to help them meet the extremely high cost of living and to tackle our recruitment crisis. Unison's Oxfordshire health branch has called for the reintroduction of an Oxford weighting to help staff with living costs in the area, in line with the NHS weighting already paid to staff in London. I prefer not to do that, simply because "more pay" can be seen as "more valued", which is not what that is meant to be. I would prefer to see the introduction of a specific payment for housing—a specific payment for a specific problem.

I am open to exploring all options, and I am very keen to hear what fellow Oxfordshire MPs and others think. Without an Oxfordshire housing allowance in some form, we will always struggle to recruit the NHS staff we require. Moreover, we need to start doing something now.

To conclude, the Government can and must take a role collaboratively with stakeholders to recognise the unique situations and challenges that we face in Oxfordshire. If we do nothing, we risk the rationing of care and treatments and, rightly, a backlash from our constituents. God forbid that anything should happen to a single patient as a result of any of the issues I have described today. It is our duty to tackle the problems head on and to ensure that we recruit and retain the staff whom patients deserve and our local NHS desperately needs.

Mr Philip Hollobone (in the Chair): The debate can last until 1 o'clock. I will call the Front-Bench spokespeople at 12.30 pm, so other Members have 10 or so minutes each. I call Victoria Prentis.

11.48 pm

Victoria Prentis (Banbury) (Con): Thank you, Mr Hollobone, and it is a pleasure to take part in the debate. I thank the hon. Member for Oxford West and Abingdon (Layla Moran) for securing it.

It is great to see all my fellow Oxfordshire colleagues present today. If I may say so, they have all been great allies in my fight to save acute services at the Horton General Hospital. Talking about recruitment in some detail is particularly useful, because that is our greatest local challenge with regard to good healthcare.

It is also good to see the Minister in his place. Since he took up his role, he and I have spoken many times about the issues faced at the Horton. We in Banbury are waiting patiently to hear the outcome of the Independent Reconfiguration Panel's initial assessment of the permanent downgrade of our maternity services. Our hopes are pinned on a full review, and we were due to find out 10 days ago whether that would take place. We have heard nothing yet, but I am watching the post with interest.

The Independent Reconfiguration Panel is familiar with our situation, having looked at similar proposals to downgrade maternity at the Horton back in 2008. Just as recruitment was the contributing factor almost 10 years ago, the failure to fill middle-grade vacancies at the Horton's obstetric unit was the straw that broke the camel's back in 2016. However, failures in recruitment are not, as we have heard, unique to maternity services at the Horton. We have spoken briefly about chemotherapy services at the Churchill, and at a meeting in January with local GPs, many expressed concerns about the sustainability of their practices in the current recruitment climate. Last week, the Care Quality Commission observed the following in its full and, if I may say so, quite critical review of the local system, which the hon. Member for Oxford West and Abingdon has quoted and which I will carry on a little:

"The system in Oxfordshire was particularly challenged by the issues of workforce retention and recruitment across all professions and staff grades, especially acute hospital staff...and in the domiciliary...market. This resulted in staff shortages, heavy workloads and impacted upon seamless care delivery and integration of services."

I am reassured that the Department takes recruitment seriously and has invested significant time and resources in addressing current workforce challenges across the nation. Attracting more people to the profession and training them takes many years. The cost of living in our area is high and London weighting is a significant pull factor out of our area, particularly given our very reliable transport links to the capital. We may be a wealthy county but we must think creatively to overcome the current challenges. The future of our services depends on that.

When I called for help, I was overwhelmed by the generosity of local schools and businesses in my area, which offered discounted school fees, free shirts from Charles Tyrwhitt, and free beer from Hook Norton—that made the headlines—to any prospective obstetricians who wanted to apply for a job at the Horton General. As a leading house building authority, Cherwell District Council has been exemplary in its support for the Horton, exploring the possibility of golden handshakes and providing key worker housing. A local developer came forward to offer one of its new build properties to any obstetrician looking to relocate to our area. Yet all of these offers remain completely unexplored by the local hospital trust, which has refused repeatedly to engage with me on this issue.

Last September, the Secretary of State announced plans to offer salary supplements to GPs in rural and coastal regions, which was a really welcome development.

[Victoria Prentis]

Market towns such as Banbury, Bicester, Abingdon and the many others represented in this Chamber desperately need similar incentives to attract newly trained professionals, whether through an Oxfordshire weighting or a ring-fenced housing allowance. I have no particular view about which would be the more effective incentive—I am happy to explore both. More money is always welcome, but it does not have to be the only answer. Just yesterday, I heard from a Banbury GP who has not been able to recruit a fully qualified international GP who is a resident outside the EU, because of problems with the tier 2 visa requirements. The person is an Australian who trained in Banbury and is very familiar with the local system, and we would really value having her back.

It is important that we consider specialties such as general practice and obstetrics when looking at the shortage occupation list that needs to be filled, because there are gaps in those areas too. We must think outside the box and talk across Departments to find the solutions that we desperately need. We must also have some clarity. When obstetric services at the Horton were suspended in August 2016, we were told that the rota needed six obstetricians to operate safely. But the goalposts were moved; the trust now tells us that nine are needed before the unit can reopen. Those decisions have real consequences. We must know the potential domino effect that shortages can have on other medical rotas. Since maternity services at the Horton were downgraded, the hospital has, in turn, lost one of its anaesthetic rotas. Difficulties attracting professionals to CT1 and CT2 posts pose a very real risk to the future sustainability of the one remaining rota. Until that can be fully resolved, the threat to all acute services at the Horton cannot be fully ruled out.

Finally, we must learn, as I say repeatedly, to communicate openly and transparently. Extracting recruitment information from the trust is painfully slow. Rather than offer updates, it leaves us to ask for meetings. We are still waiting for the meeting that my hon. Friend the Member for Witney (Robert Courts) requested for us to discuss recruitment at the Churchill. Yet when I made remarks on local radio about a perceived culture of secrecy, the trust chairman was very quick to summon me to meet her. I was told by the trust that all Oxfordshire MPs would be sent a detailed briefing on recruitment and retention challenges by 1 February. I have not had such a briefing and I do not know whether other hon. Members have.

Time and again I have offered assistance with tackling recruitment. Schools and businesses made generous offers to attract obstetricians, and I am furious that the trust continues to fail to engage. I am hopeful that the CQC report provides a long overdue reality check and that we start to see a real step change in its approach. I have made clear numerous times that we MPs are ready and waiting to help. I am really hopeful that under the new excellent interim head of the clinical commissioning group, we will start to develop a vision for our future healthcare, which we have so desperately lacked for so long.

This year we mark 70 years of the NHS. I am hopeful that many of the hard-working staff in Oxfordshire will be recognised at the upcoming parliamentary awards.

I am particularly grateful to the dedicated Horton midwives who now face an almost three-hour round commute to and from the John Radcliffe, following the downgrade of our unit. Experience has taught us that we need to keep up the pressure.

11.56 am

Anneliese Dodds (Oxford East) (Lab/Co-op): It is a real pleasure to see you in the Chair, Mr Hollobone, and to be among my fellow Oxfordshire MPs. I wish that we could always take the same friendly approach as this county group to different policy issues. It is a pleasure to participate in this debate and to follow the hon. Member for Banbury (Victoria Prentis) and the hon. Member for Oxford West and Abingdon (Layla Moran), to whom I am very grateful for calling it.

In common with my colleagues, I receive a huge amount of case work from patients, members of the public and NHS staff who are concerned about the local NHS. I want to share one very recent example that offers some very telling lessons. A local nurse who came to one of my surgeries had talked to other nurses in her department and put a notice on the staffroom noticeboard asking for people to add their comments about issues that they wanted raised with their local MP. Low pay and understaffing came right at the top of that list. She was absolutely dedicated to helping her patients, but she felt under extreme pressure. She said to me that the recent negligence claim that was brought against a doctor, which many of us will have seen, could have happened anywhere in the NHS, and that she was enormously concerned. I was very impressed by her dedication and concern to make sure that these issues were dealt with at political level. She did not believe that they were being dealt with and I do not believe that they have been either.

The Library briefing rightly indicates that recruitment and retention are largely the responsibility of individual trusts, yet they are undertaken within a framework of national policy. This is a particular problem for the local NHS—colleagues have already mentioned that. The pay cap in particular is a big issue in Oxford—we have no uplift compared with London, which is a competitor in staffing terms—as is the large number of EU staff in the local NHS. I will briefly run through each of those three matters before turning to some of the positive moves that are ameliorating the situation but are being countered by those strong headwinds from national-level factors.

The seven-year pay cap has been a particular problem for NHS staff in Oxford because of the gap between wages and our high living costs. It is the No. 1 issue whenever I talk to NHS staff. Yes, there will be local concerns too, but so many staff say to me that they feel they are being forced either to leave the profession or to work as an agency or bank member of staff, because the pay is not keeping pace with the costs that they face. That is a much more expensive way of staffing the healthcare system, because it is much more expensive to fill those gaps through bank or agency staff than by using the permanent workforce. The hon. Member for Oxford West and Abingdon mentioned that the Government have maintained that they will lift the pay cap, but that is contingent upon an “Agenda for Change” process. A lot of the NHS staff I have talked to have said they are worried that that could be used as an excuse to screw down terms and conditions.

More than one nurse has said to me on the doorstep that they are concerned about the impact of the removal of the nurse training bursary and pointed out that nurses who are in training cannot do other jobs to keep themselves afloat. They are expected, in effect, to live on thin air. That might be possible at times in some low-cost areas, but it is just not possible in Oxford, and it leads to a lot of potential recruits abandoning their dream of entering nursing. That really is a dream for a lot of people, and they are very motivated to do it, but it is becoming very hard to achieve.

Colleagues have already referred to Oxfordshire's particular problems with mental healthcare. Mental healthcare funding generally is low in Oxfordshire compared with other clinical commissioning group areas, but that is compounded by the issues with recruitment. Again, there have been positive developments, such as the reinvigoration of the child and adolescent mental health service, but we still have many issues with recruitment.

That is of course compounded by the lack of Oxford weighting, which is a particular problem for us because we are so close to London. If we were not, we might be in a different situation, but there is a natural process whereby staff look to London and see what they would be able to afford there, where their housing costs would be the same, if not lower. Colleagues will know that local NHS staff began a petition calling for some kind of Oxford weighting to be introduced. That petition now has more than 7,000 signatures.

Such a weighting must not be used as an excuse to move away from collective bargaining. I am a bit disappointed that some Government Members have said to me, "Yes, this is why we need to abandon collective bargaining." That is not what NHS staff have told me they want. A weighting introduced specifically to cover housing costs—we could call it a levy, a special payment or whatever—could be part of a system that recognised the abnormally high costs in Oxford, which is the most expensive place in the UK to buy a home and one of the most expensive in which to rent.

We need to ensure that outsourced staff are covered by any uplift. I was appalled to hear that some outsourced staff have been living in a corridor in a shared house because they cannot afford a room. This is not about people being able to afford their own flat or house; it is much worse. I recently came across a couple living with their children in Blackbird Leys, which is a relatively low-cost area of Oxford, who both work in the NHS. They were unable to afford their rent and thought they would have to move out of the city. That is not uncommon.

I do not want to stress the point too much, but I do not think the answer is to stop Oxford's economy growing. Instead, we must ensure that we pay NHS staff properly. My party set out in our grey book how we would do that by removing the pay cap, which, given the issues with recruitment and retention, may end up saving the NHS money in the long run. NHS staff have told me that they believe it would save the NHS in particular on filling gaps with agency staff that are not filled by permanent staff.

The hon. Member for Oxford West and Abingdon mentioned the reliance of our local NHS on EU staff. Oxfordshire has about double the national average of EU staff. It does not give me any joy to say that—although I expressed concerns just before the referendum and afterwards about the danger that a new immigration

system for EU staff similar to that for non-EU staff would end up costing the NHS money and result in it losing staff—all those chickens seem to be coming home to roost. I have experienced the same kinds of issues as the hon. Member for Banbury, who mentioned NHS trusts' problems with recruiting staff from outside the EU, and particularly with getting them on to their books. It will be an enormous problem if we end up taking the same approach to staff from the EU, because the system is already very costly, bureaucratic and unclear.

Given those circumstances and all the problems, local measures can have only limited impact, but I will mention a few of them, because they demonstrate that solving the current problems with recruitment and retention requires national commitment. First, Members have already mentioned that one of the major problems for our local NHS is social care, which is under enormous pressure in Oxfordshire. Social care is the responsibility of Oxfordshire County Council, which has struggled to deliver adequate services since its budget was cut by about one third due to reductions in central Government grant. However, there are positive developments in Oxfordshire. The home assessment reablement team—HART—has brought together social care and NHS staff and delivered a big acceleration in the provision of the social care that people need when they are able to go home. That ultimately has not been enough, but it has helped.

Secondly, it has been good to see Oxford Brookes University develop its own nursing and midwifery school in an innovative attempt to bring together research, education and training, which does not happen anywhere else in the country, and to persuade local people that nursing and midwifery may be for them. Again, though, that is a big challenge, because people still have to be able to afford to live in Oxford while they undertake that world-class training.

Thirdly, we have spoken quite a bit about housing. Oxford's housing plans include a commitment from the city council to enable the NHS to meet employee needs by exempting staff housing schemes on land owned by the NHS from social rent requirements. However, it is important that we ensure that any housing that results from that exemption is permanently provided on a favourable basis, for affordable rent, to those who need it. If it is only later going to be sold and returned to the free market, it is not going to deal with the problems. Applying a 50% affordable housing requirement to new developments in Oxford will also help the situation. Constituents I speak to, including people who work in the NHS, say that schemes such as Help to Buy and the stamp duty holiday are not having an impact, because even contemplating buying a house is far too much of a jump. Genuinely affordable housing would help.

The removal of restrictions on land acquisition, new rules on viability and enabling local authorities to borrow to build would help improve the situation further, especially when it comes to the provision of key worker housing. In Oxford, that has to involve co-operation with neighbouring councils. I am pleased that we have had such co-operation on the Oxford to Cambridge corridor, but that needs to come to fruition. Independent assessments indicate that Oxford needs about 30,000 new homes, but there would be space for only about 8,000 within Oxford's boundaries even if occupancy levels in the city were intensified. The Oxford to Cambridge corridor

[Anneliese Dodds]

plan has to focus on delivering housing for key workers and people on low incomes; otherwise it will not deliver the change that we need.

The leader of the city council and I wrote to the Housing Minister last week to detail some of the areas where we desperately need change. Oxford probably has the biggest housing crisis of just about any city. Unfortunately, we see that right in front of us every day from the number of people on the streets, but there is also a hidden problem of people struggling in overcrowded or unsuitable accommodation.

The local NHS trust is working hard on recruitment and retention, and it has done some innovative things. The hon. Member for Oxford West and Abingdon mentioned the golden handshake people get when they start, which is obviously necessary. A lot of work has been done on advertising, recruitment fairs and so on, and there is an attractive on-the-job training offer, although we always need more funding for that. However, all that has been done in the context of the almost perfect storm of factors that affect us in Oxford—particularly the pay cap and uncertainty for EU staff.

There is an enormous amount that we, as Members who represent Oxfordshire constituencies, should be proud of, and I am sure that we all are. We have world-class services and incredible opportunities because of the proximity of Oxford University, Oxford Brookes University and other research centres, and the incredible diversity of innovative companies and others in our area. However, those world-class services are under pressure like never before. If we want to continue providing the kind of excellent care that I am grateful to have received when I gave birth to both my children in the John Radcliffe Hospital, we need to deal with these issues very quickly.

12.9 pm

John Howell (Henley) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate the hon. Member for Oxford West and Abingdon (Layla Moran) on securing this debate, and I echo her praise for NHS staff who do a fantastic job—indeed, only the other day I was approached in the street by a constituent who told me just how fantastic his NHS treatment had been.

The issue under discussion is not a new problem or something that started only in the past year. I have chaired a group of Oxfordshire MPs and the clinical commissioning group for a number of years, and this issue has been there from the beginning. If I can segment the NHS market a bit, perhaps we can consider how different elements of the NHS can play their part. First, however, let me say that the release of information to *The Times* by Churchill Hospital must be opposed. It created much stress among patients, and it bore no resemblance to the policies of that hospital. We should send a firm message to Churchill Hospital that the way it behaved was unacceptable.

Perhaps my constituency is very fortunate, but on several occasions I have been told by constituents that a surgery is full and can take no more people, and that that is all down to new housing. Each time I rang the GP surgery, however, I was assured that that is not the

case and it still had a tremendous amount of room to take more people. Nevertheless, that does not reflect the current problem with the GP practice system which, however we look at it, we must admit is in need of considerable reform. There are at least two reasons for that. First, we have the problem of young doctors who are unable or unwilling to take on the stress burden created by taking out the loans necessary to buy into the surgery. Secondly, there is a limitation on the ability of GP practices to do some of the minor operations that they have done in the past, and which allowed them to carry on the excellent work that they do for their communities. I urge the Minister to look at that, and perhaps to remove some of the restrictions that apply to the ability to operate in GP surgeries.

Of course GPs need to adapt to new ways of working, and they need to use the internet in a much better way. My own results from what is, I hasten to say, a minor health issue are dealt with by the internet. I email the information in on a regular basis, and the results come back on the internet—fortunately they come back clear each time. [Interruption.]

Mr Edward Vaizey (Wantage) (Con): We are all speculating now.

John Howell: I know, and I will leave that issue there.

Social care has been mentioned in terms of its competition with the retail sector in Oxford, which I think is a very real threat. Another issue goes back to one of the more substantial points in the Care Quality Commission report, which is that the joining up and interlinking of different aspects of social care in Oxfordshire leaves a lot to be desired. For example, the amount that was paid by the NHS health trust was different to the sum paid by the county council for the same number of people doing the same amount of work. Evening up that difference must be something to concentrate on, and I wish people success in doing that.

The income of the clinical commissioning group amounts to about £880 million. Staff costs are about 70% of that, at just over £600 million. A 1% pay increase means at least £6 million to £7 million as an unfunded pressure on the health care system, and that is not a very productive way forward. There is no getting away from the fact that the biggest problem with recruitment and retention is living costs in Oxfordshire. There are a number of ways that we can tackle that problem, such as by building more houses—the Oxford-Milton Keynes-Cambridge express way is a good joined-up process for dealing with that, and I hope it comes to fruition.

The second thing we can do, I am afraid to say, is change the housing policies in Oxford city. That goes back to conversations that I had ad nauseam with the predecessor of the hon. Member for Oxford East (Anneliese Dodds). We were known for our fighting over the green belt, and I am glad to infer from what the hon. Lady has said that Oxford is changing the way it deals with issues of planning and housing.

We are talking about a marginal increase across the board, and the uplift that that will bring will not have a big impact on retention and recruitment. It would be much better for us to focus any increase in funds on the issue itself. I ask the Minister, formally, to agree to a weighting for Oxfordshire that gives it some of the strength that London has. As we have already heard,

housing costs in Oxfordshire are at least as great as those in London, and that must be tackled. We need a specific weighting, not a marginal increase in pay, and since there will be only a limited pot of resources for increasing pay, it makes a lot of sense to concentrate the impact of that in those places with more intractable problems, such as the housing market and living costs in the city.

12.18 pm

Mr Edward Vaizey (Wantage) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone, and I thank you for saving the best till last. I congratulate my Oxfordshire colleague, the hon. Member for Oxford West and Abingdon (Layla Moran), on securing this important debate and on her extremely eloquent speech. I echo the way that she opened the debate by paying tribute to our colleagues who work in the NHS. When talking about the problems faced by our NHS locally, we should not lose sight of the fact that we are supremely well served by some extraordinary men and women in our hospitals and GP surgeries, who go well beyond what is required of them to provide first-class care. As Oxfordshire MPs we are also lucky to represent a population that, on the whole, is pretty healthy—indeed, the greatest health care challenge we face is the fact that a lot of our constituents, thankfully, live to a serious old age.

I also want to pay tribute to the hon. Member for Oxford East (Anneliese Dodds) and my two hon. Friends the Members for Henley (John Howell) and for Banbury (Victoria Prentis), for their fantastic speeches. It may be frustrating for the Front Bench that, although potentially there were plenty of goals to be scored, the debate was conducted as all Oxfordshire debates have been since I became a Member in 2005, in the spirit of doing the best for the county.

I want to mention particularly the work of my hon. Friend the Member for Banbury on the Horton General Hospital, which relates to the problem I want to focus on. She has worked tirelessly to maintain services there, and has made it clear to me that although the Horton is geographically well away from my constituency the services that it provides mean that my constituents benefit from choices. The pressures on the local NHS are spread further, enabling a better service to be provided for all. My hon. Friend has come up time and again, as she pointed out, against a culture of secrecy. There have even been court proceedings in which she has been involved. The mind boggles at how the local NHS goes about its business.

Perhaps when the Front Benchers speak we shall go back to playing the traditional national blame game. However, I want to play a bit of a blame game myself—but placing the blame squarely on local NHS management. I do not want to put words into my colleagues' mouths, but whenever I go to meetings with local NHS management—ably convened by my hon. Friend the Member for Henley—I find that they are passive, unimaginative and deeply bureaucratic. I find the local NHS system completely opaque, and mired in jargon, endless consultation—or non-consultation—and a woeful lack of action.

The CQC report well illustrates the inability of silos to come together for conversations for the greater good of healthcare in Oxfordshire. An example of that is provided by the biggest local issue for me and my

constituency: the closure, coming up for two years ago, of Wantage Community Hospital. It closed in April 2016, apparently for justifiable reasons. It is a very old building and its pipes are ageing. There were continual outbreaks of Legionnaire's disease, so it was closed for safety reasons; but one would have expected some rapid developments to solve that problem. We were promised a consultation that was going to happen in October 2016; that never happened. Then we got a consultation in January 2017, but because of the opaque bureaucracy that my local NHS enjoys that was a phase 1 consultation. Apparently the community hospital was going to be in phase 2, which of course—like the gold at the end of the rainbow—has not materialised.

I took it upon myself at the end of last year to convene a meeting—ultra vires, you might say—of local stakeholders, my local GPs and health managers. It was the first time they had all met together, convened by me, the local MP, not by the health authority. Again, there was complete passivity. I shall not bore my colleagues with the complexities of the attempts to untie the Gordian knot, but clearly one of the solutions for local healthcare in Wantage is the expansion of the local GP surgery. It is owned by a private landlord, Assura, but it seems to me a benign landlord that wants to do the best thing; it would be happy to expand the building. Of course it would receive increased rent as a result. We need, potentially, some financing from the Department of Health and Social Care, but at the very least we need some engagement from health management. I am the one who has effectively brought Assura to the table to discuss how we can develop the GP surgery, to put some proposals on the table and to search for a funding solution. That could involve all sorts of imaginative solutions. I think there will be a meeting at the end of the month to take things forward, but I find it deeply frustrating that I am the one having to drive the process, and not my local NHS management—not that I am complaining, as it is the only way we shall get results.

[Mr Nigel Evans *in the Chair*]

As to the quasi-national issues that have been raised, I echo much of what has been said. As a convinced remainer—although, sadly, the horse has bolted—may I get well behind the hon. Member for Oxford West and Abingdon and point out that we have, proportionately, twice as many EU citizens working in our local NHS as elsewhere? As the hon. Lady said, it is absolutely reasonable to say that the Government must do more to reassure our European colleagues who live and work here, who contribute their taxes and want nothing more than to be good citizens of our communities, that they are welcome here and that we have nothing against them. I am sure that now that we have Mr Nigel Evans in the Chair that sentiment will be echoed by him at the earliest opportunity.

Housing is clearly an issue, and although I am sure that all our postbags are full of letters from people who do not want an increase in the amount of housing, we need to speak up for all the people for whom it is essential. They include the very people charged with keeping us healthy. I had not appreciated the issue of visas—that is why the debate is so important. I am driven mad by the lack of imagination on the part of the people running our local health service. That came up in what my hon. Friend the Member for Banbury said about the imaginative solutions that her community

[Mr Edward Vaizey]

came up with to secure a senior obstetrician. Shift patterns are an example of what I mean. Nurses leaving the John Radcliffe after 9 o'clock in the evening is something that needs to be looked at.

Parking at the JR is appalling. Surely it is possible for representatives of the local council and the JR to sit down and find a parking solution. An imaginative health authority and imaginative health leaders would look holistically, if I may put it in that way, at the entire working environment for nurses and doctors, particularly in hospitals: how do they get there, how much does that cost, how can parking arrangements be improved and how can permits be given to people who need them for their shift working pattern? That could make such a difference, above and beyond pay. It needs everyone to come to the table. It sounds incredibly boring to keep talking about getting people together for discussions; however, in my time as a Minister—and as a Back-Bench MP—I have often discovered, on bringing together people who I thought probably had regular conversations, that they never sit down to discuss the issues.

Victoria Prentis: My right hon. Friend is making the most marvellous speech I have ever heard him make, on a number of issues. I regret interrupting him, but I want to echo what he said and suggest that, as we despair slightly of anyone else taking the action in question, perhaps we as a group—with the Minister if he is willing to be involved—could take the baton and go forward. When I was in charge of fundraising as a volunteer at my local hospital, as I was for many years, I offered charitable funds to look at car parking. That was ridiculous, really, but it was an attempt to break through the bureaucratic impasse that we so often came up against. Let us take matters forward together.

Mr Vaizey: I am happy to work with my hon. Friend, particularly considering her back-handed compliment. She has heard hundreds of speeches from me, so for this to be the best she has heard—

Anneliese Dodds: I agree that it is a marvellous speech, and I thank the right hon. Gentleman for that. On the point he was making, we must be sanguine, of course, and I am sure that colleagues will be. There is a tension that I have discussed many times with the trust, and with others; it wants a green and pleasant environment for patients and staff, but intensifying car parking, as many want, might go against that. There could also be planning implications. To be fair, the trust is actively looking at the issues.

As to innovation, the new district heating system that has just been put in is pretty unique. We should give credit where it is due, sometimes: it will ultimately save the trust hundreds of thousands of pounds.

Mr Vaizey: I thank the hon. Lady for a course correction in my so-called brilliant speech. I have perhaps been too hard on the NHS management locally to make that point. I am sure that there are hundreds of examples of great innovations that they have introduced. I want to re-emphasise what I said at the beginning of my speech about my huge admiration for nurses, doctors, consultants, surgeons and indeed NHS managers, who do a difficult job. However, I hope that there is appreciation of the

frustration that I feel as Wantage Community Hospital's closure comes up to its second anniversary and there appears to have been no movement.

I do not have time to discuss pay but I noted what my hon. Friend the Member for Henley said. He is a bold and brave advocate for pay locally, and if he thinks that an Oxfordshire weighting is a good idea I am happy to support that, because of his venerable experience in the area. I would be delighted for us to get together as all the MPs of Oxfordshire and with key stakeholders. Personally, I would leave the Minister out of it, because the key message for me in this debate is that Oxfordshire has its issues, but a lot of them can be solved locally.

12.30 pm

Justin Madders (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate the hon. Member for Oxford West and Abingdon (Layla Moran) on securing the debate and on the powerful arguments she made about the recruitment and retention crisis affecting NHS services in her area and across the country.

As the hon. Lady said, the NHS has been a frequently raised issue in recent times, certainly since her election. I join her and the other right hon. and hon. Members who have spoken today in praise of the dedication and commitment of the staff who work in our health service. She said that we are close to a crisis in the NHS. I believe that only the dedication and commitment of staff prevent a crisis from turning into a complete catastrophe. She was also right to say that the good will of staff is propping up services at the moment. That is something that, I am sad to say, I have to keep repeating every time we have a debate: it is the good will of staff that keeps the show on the road.

I was concerned to hear that some staff had approached the hon. Lady to say that some of the levels of experience in particular wards were raising concerns about patient safety. She highlighted in particular the shortage of mental health specialists. She is right to say that the good intention to try to achieve parity of esteem will be extremely difficult to meet when there are so many shortages.

The hon. Lady diagnosed a number of issues that have contributed to causing the crisis. Uncertainty around Brexit has certainly accelerated some of the staffing challenges already in place. The abolition of the nursing bursary has also created issues, and I will come back to that later on. I agree with her that reliance on agency staff is unsustainable, and we can talk about that in a little more detail later. She mentioned the pay cap, as I think every hon. Member did; that is something else I will come back to later, but I remind her that when her party was in government it enacted that policy for a full five years.

The hon. Lady also mentioned staffing shortages in social care. It is sad to hear that those doing one of the most valuable jobs in society feel that they have a better prospect of earning a decent living in retail. That brings home the challenge we face. The issues she raised about training and professional development are also particularly relevant.

The hon. Lady was right to mention that behind all of that is the funding challenge we currently face. We are in the longest and most sustained financial squeeze in the history of the NHS, and it is inevitable that those

kinds of issues will come up until we reach a sustainable funding settlement. She also raised the question of housing and the cost of living in Oxfordshire. I think most hon. Members touched on that point. She said she was concerned that unless the issues are tackled in a comprehensive way, services will be rationed. I am afraid to say that services up and down the country are already being rationed, as we have discussed here on a number of occasions.

It was a pleasure, as always, to hear from the hon. Member for Banbury (Victoria Prentis). She always speaks strongly and passionately about NHS services in her area. She said that staffing issues were a major factor in the proposals to downgrade the maternity unit at Horton. It is a sad fact that half of all maternity units up and down the country have had to turn expectant mothers away at some point in the last year, often due to staffing shortages. We currently have a national shortage of about 3,500 midwives. It was interesting to hear some of the possible initiatives to attract new obstetricians in particular. Certainly, the prospect of free beer is something that works for me, but I do not know whether the hon. Lady can wait quite as long as it will take for me to train in that profession. I think we will have to do without my particular skills in that area.

The hon. Lady raised the issue of transparency and openness. It is disappointing to hear the difficulties she has had with her local trust on that issue, but it is clear from what she has said today that she has a lot to contribute to the wider health economy in her area. She is not alone on that issue. The Government have been pushing through policies on sustainability and transformation plans, accountable care organisations and the capital expenditure processes, which are all done under a veil of secrecy. There are wider issues in play there.

My hon. Friend the Member for Oxford East (Anneliese Dodds) described the current situation as a perfect storm—an apt description. I am impressed at the way in which she has engaged with staff in the health service in her constituency to get to the real meat and bones of the issues. It was sad to hear that staff feel they are forced to leave the profession and go to work for an agency; she was absolutely right to say that forcing staff to go and work for an agency to make ends meet costs us more in the long term. There are ways in which that could be a saving for us if the pay cap was lifted.

The problems with the nursing bursary were again highlighted, particularly how they are exacerbated in the Oxfordshire area by the cost of living. Has the Minister done any analysis of the cost of living in different parts of the country and the income streams available to those undertaking nursing degrees, who, because of the way the degree is structured, do not have the option of supplemental employment?

My hon. Friend explained very well how the proximity to London creates recruitment difficulties. The stark image of staff living in a corridor highlighted to me the impact of eight years of pay restraint. She also highlighted the bureaucratic nature of recruiting overseas staff. I know immigration policy is outside the Minister's remit, but I hope he is making representations to the Home Office about how we tackle those issues in future. My hon. Friend highlighted how, despite the Government's various initiatives for getting people on to the housing ladder, it is still too big a leap for many. We need much more genuinely affordable housing to be built.

We also heard from the hon. Member for Henley (John Howell). I agree with him that the problem did not start in the last year. He raised the question of challenges in GP practices, particularly younger GPs not feeling able to make the financial commitments to buy into practices, but also the restrictions on operations. He was right to mention that GPs need to move with the times on technology. A number of interesting initiatives are doing that up and down the country, although we have concerns about some of them and how they may exclude patients.

Finally, we heard from the right hon. Member for Wantage (Mr Vaizey). He painted an impressive picture of how healthy the Oxfordshire area is, but a report by the Oxfordshire clinical commissioning group shows a gap in life expectancy of nine years between different parts of the county—something about which the Opposition feel passionately.

It is fair to say, from the right hon. Gentleman's comments, that the local NHS leadership are not on his Christmas card list. He gave a pretty damning assessment of their ability to engage, but of course the structures we are currently working under were brought in under the Health and Social Care Act 2012, which led to the removal of the Secretary of State's responsibility for much of the system and to the fragmentation with which we are all grappling. I applaud the right hon. Gentleman for his efforts to try to bring everyone together, but he should consider whether the legislative framework we currently work under is fit for purpose. The way in which he has brought people in the NHS together is important and we should be doing more of that. In this particular area, that should be not just on the health economy, but on the wider issues, particularly those relating to cost of living and housing.

As we have heard, the potential impact of the recruitment and retention crisis was brought into stark focus by the issue that sparked the debate: the leaked email from the head of chemotherapy at the Oxford University Hospital's NHS Foundation Trust that found its way on to the front page of *The Times*. That memo confirmed to staff that the trust was down on nurses at the day treatment unit by approximately 40%, and as a consequence that the hospital was having to delay chemotherapy patients' starting times to four weeks. It also stated that there was no prospect of an improvement in the situation for 18 months to two years.

More worrying was a proposal to reduce the number of chemotherapy cycles available to dying patients, which is totally contrary to National Institute for Health and Care Excellence guidelines, as well as the national cancer strategy. We were therefore relieved to hear that the trust has now backed down from those suggestions.

Anneliese Dodds: To be clear, as other Members have mentioned, those were not live proposals. The problem was that the trust had to scope out the full range of potential action, given the challenge it was facing. However, the proposals were not something that it wanted to do—quite the opposite. I just wanted to underline that.

Justin Madders: I thank my hon. Friend for that point. I was not trying to imply that the proposals were live, but the fact they were being considered is of huge concern, which Members have rightly raised. It will be helpful if the Minister could look at what caused the

[Justin Madders]

proposals to even be discussed, because they are contrary to so many of the principles and guidelines that we want in our NHS. I hope he will be able to assure us that those kinds of dramatic measures are not being considered in other areas.

The impact of recruitment and retention issues at the trust extends far beyond chemotherapy. In January, 2,159 patients waited for longer than four hours to be seen in A&E, falling well below the 95% target—a measure that the Health Secretary described as “critical for patient safety”. Even more worryingly, since December eight cancer operations and 26 heart operations were cancelled either the day before or on the day itself. Although that is at the upper end of operation cancellations, it is sadly a story that we now hear up and down the country. Cancelling an appointment at short notice causes immense frustration. It is sometimes unavoidable, but we know that it can have devastating consequences and put patients at unnecessary risk, not to mention the emotional impact. On the practical side, cover has to be arranged, spouses and family members have to arrange their own time off, and sometimes even national or international travel is required.

Staffing shortages are not behind every cancellation, but they will be a factor in many, and the vacancy rate at the trust tells us that it is an increasing problem. As we heard, vacancies at the trust for nurses, midwives and nursing support workers have almost doubled in the past year, from 5.99% in October 2016 to 10.8% in October last year, leaving about 400 whole-time equivalent vacancies. As we have heard from hon. Members, local factors have undoubtedly contributed to that. A 2017 study by Lloyds bank listed Oxford as the most expensive city in the UK, with average house prices 10.7 times average annual earnings. As we have heard, there is some support for the introduction of an Oxford weighting-type arrangement.

There is also a national context to look at, with housing costs being exacerbated by the pay cap. It is clear that, although that is probably at the sharper end of the pressures, Oxford's issues are being repeated up and down the country. We now know that, after eight years of this Government, more nurses are leaving the NHS than joining. That position is particularly sharp in the Thames valley area, where there were 39% more leavers than joiners between September 2016 and September 2017.

While almost all trusts up and down the country have been unable to fill vacancies, Oxford's is probably one of the more acute situations. However, much of it was completely predictable. One of the first decisions the Government took in 2010 was to cut the number of nurse training places by 3,000, which has led to about 8,000 fewer nurses nationally. We then had the Health Secretary's farcical decision to take on the junior doctors, which has led to a demoralised workforce.

Then, to cap it all, as Members have said, came the decision to scrap nurse bursaries, which is possibly the most ill-conceived decision the Government have made—and there is plenty of competition for that particular award. We warned at the time that, far from providing more nursing places, the move would lead to a drop in the number of applications, with the biggest impact being on mature students, who bring a huge amount of experience from outside the profession.

As we have heard, statistics show that there was not only an 18% drop in applications in 2017, but a 2.6% decline in England in the number of students accepted on to courses. Among mature students, 13% fewer of those aged between 21 and 25 were accepted. That decision is discriminatory and stands in stark contrast to the Government's aims on social mobility. Those are not just my words—they are in the equality assessment undertaken by the Department for Education. However, instead of learning from that lesson, Ministers have decided to scrap NHS bursaries for postgraduate students as well.

Alongside that disastrous decision, we have had the counterproductive capping of pay, which has led to hard-working NHS staff losing money in real terms at the same time as their workload has increased. We have heard encouraging noises from the Government recently, but we have seen no firm action. Perhaps the Minister can provide some clarity when he responds. The *Nursing Times* reported this week that the Treasury apparently still needs convincing that a rise in wages should be “meaningful”. Will the Minister send his Treasury colleagues a transcript of the debate, to persuade them that a strong case is being made for an increase?

Across Oxfordshire and the whole of our NHS, a recruitment and retention crisis is exacerbating a situation that has already reached crisis point. The Government need to act, realise their mistakes and urgently give hard-working NHS staff the belief that their work is valued and the confidence that their concerns are being listened to.

12.46 pm

The Parliamentary Under-Secretary of State for Health (Steve Brine): It is a pleasure to see you in the Chair, Mr Evans. I congratulate the hon. Member for Oxford West and Abingdon (Layla Moran) on securing the debate. We have met a number of times and I have responded to a number of her written questions, so I know that she is working hard on this subject.

It is always great to hear Members speak personally about their experiences—maybe none more so than my hon. Friend the Member for Banbury (Victoria Prentis)—and how passionately they speak about the national health service. Members from the county of Oxfordshire have spoken well; I do not know how they play in private, but in public they seem like a very good team. That may not be the case in Hampshire; maybe there are too many of us on the Front Bench. We are only a two-party state in Hampshire; perhaps that is why.

The debate is not only important but timely. I had the pleasure of visiting the Churchill Hospital, which is part of the Oxford University Hospitals NHS Foundation Trust, last Tuesday during our half-term recess. I saw the superb and innovative cancer care provided by the dedicated staff—I obviously echo all the praise for the staff—and had the opportunity to discuss workforce issues for a little time with the chief executive, Dr Bruno Holthof, who is a very nice man, and his senior team. I therefore hope I can provide some well-informed replies to the hon. Member for Oxford West and Abingdon and Members from across the county. The NHS in Oxford is working hard to ensure it has the doctors and nurses to continue to provide excellent care to Members' constituents.

We met in Maggie's Oxford cancer centre. As Members will know, I am the cancer Minister—it is the thing that gets me out of bed in the morning—and I was blown away by Maggie's cancer centre. I know there are a lot of them across the country, but this was in a beautiful building, was brilliantly designed and had incredible, passionate staff. I met a number of patients who described Maggie's as a haven for them while they are going through their cancer treatment. It was great, as always, to talk to patients.

My hon. Friend the Member for Banbury spoke about the recent story in *The Times*—the front-page splash on changes to patient cancer treatment plans at the Churchill—which a number of hon. Members mentioned and which I suppose was the spur for the debate, although it seems to have broadened out into everything, covering about four different Government Departments. I, too, was obviously concerned when I saw the story. I called the chief executive of the trust, and he was very clear that, although it would have been a great story, there was only one small problem: it was not true.

The leaked emails—whoever leaked them can examine their own conscience and motives—set out hypothetical challenges and invited suggestions from clinical staff, ahead of a meeting taking place this month. There has been no change to formal policy on chemotherapy treatment at the trust, and any such decision would be a matter requiring clearance at board level anyway. As we discussed, the chief executive's first consideration was, rightly, the obvious and needless worry caused to cancer patients across Oxford and the wider area. I am pleased, although obviously disappointed it was necessary, that he quickly put in place plans to communicate to his patients that there were absolutely no changes, as the hon. Member for Oxford East (Anneliese Dodds) said, to chemotherapy treatment.

The trust continues to meet two of the three main cancer waiting time standards and is working hard to meet the third. We discussed that last week, too, and the trust should be very proud of it. I was able to congratulate some of the team personally last week. The trust is considering how best to deliver chemotherapy services going forward, and I am confident that it will do that in the correct way, through the correct channels, and of course in compliance with NICE guidance.

When I was on site at the Churchill, I was able to pop in to the ACE wave 2 pilot. ACE stands for accelerate, co-ordinate and evaluate—I know that my right hon. Friend the Member for Wantage (Mr Vaizey) enjoys these acronyms. I met Fergus Gleeson, Sara Bainbridge, Shelley Hayles, a local GP in Oxford who leads on cancer, and Julie-Ann Phillips, who is the navigator—a great title—and seems to make it all happen there. I, as a cancer Minister, and we as a Government are very excited about ACE. It is about taking patients with suspected cancer from the GP and into the accelerated diagnostic centre and getting them a diagnosis or clearance quickly. I met patients and saw how much it means to them.

I asked patients about stories on the front pages of national newspapers, which of course are trying to sell national newspapers. I noted, in relation to the story, which was gleefully run by the BBC that morning once it had read *The Times*, that by the end of the day the coverage had slightly changed as it realised that it had

been reporting fake news all day. I asked patients what they thought about seeing that sort of thing on the front page of *The Times* while they were receiving world-class cancer treatment in Oxford, and I will not repeat the exact words that they used, but they were very clear about how disappointed they were to see that, and that they did not feel that it represented the professionalism that constituents of hon. Members across this Chamber see. I think that hon. Members can get a sense of what I thought about that story, and I do not take *The Times* anyway.

Let me start with the global picture, and then I will localise. The dedicated men and women who work in our NHS are of course its greatest asset. The Government have backed the NHS. We have made significant investments in frontline services and are now taking bold steps to plan for future generations. We do, however, recognise the workforce challenges that the NHS faces in its 70th year. That is why the entire system embarked on a national conversation, with the publication by Health Education England in December of "Facing the Facts, Shaping the Future: A draft health and care workforce strategy for England to 2027", which is designed to stimulate debates such as the one that we are having today. I know that HEE will read the record of this debate.

The strategy sets out the current workforce supply and retention, and the challenges that we face, but also the significant achievements made from work already under way. It is the first step towards a proper plan that stretches beyond any electoral cycle—we must get away from working in that way—and secures the supply of staff for future generations in our health service. The strategy posed a number of questions that will inform a comprehensive strategy for the workforce over the next decade, to be published in July this year. We need to think innovatively about how we can make the NHS workforce fit for the future, and as always in debates about our NHS, we have heard a number of excellent suggestions today. I encourage hon. Members to engage with the consultation, and from what I have heard today, I do not doubt that they will.

We have heard a lot today about recruitment. Of course, that is not the only way to ensure that the NHS has the workforce that it needs to deliver the safe and high-quality care in which I, the Secretary of State and all hon. Members are so interested. We need to ensure that our excellent doctors and nurses want, and are supported, to stay in the national health service, and we have a clear plan to ensure that the NHS remains a rewarding and attractive place to work.

Let me list a few of the things that the plan covers. It includes arrangements for more flexible working—we know that many health professionals are married to other health professionals, and quality of life matters as much as quality of pay—and a system of staff banks for flexible workers across the NHS, increasing opportunities for staff to work on NHS terms and to reduce agency costs for employers. Something else that we discussed last week is a scheme to offer the right of first refusal to NHS employees on any affordable housing built on NHS land, to increase NHS workers' access to affordable housing, with an ambition of benefiting up to 3,000 families. When I got lost while trying to find Maggie's cancer centre on the Churchill site, I noticed that there is a lot of surplus NHS land on that site, and I know that it is

[Steve Brine]

looking at that. In addition, since September 2014, more than 2,700 nurses have successfully completed the nursing return to practice programme and are ready for employment.

Let me localise to the recruitment and retention of NHS staff in Oxford, which I also discussed last week. It is important to note from the outset that although there are workforce challenges, Oxford University Hospitals NHS Foundation Trust has 388 more hospital doctors and 591 more nurses than it did eight years ago. It is also successfully seeing 11,500 more patients—a 120% increase—with suspected cancers than it was in 2010. One of the key challenges that we discussed is that Oxford, much like London, is a very expensive area to live and work in, as hon. Members have mentioned, and unemployment is very low. Those conditions present a recruitment challenge that other, less affluent areas do not have.

The hon. Member for Oxford West and Abingdon mentioned continuous professional development, and I promised to mention that. It is a matter for employers; any agreements, such as for protected study time, would need to be negotiated between employer and employees. However, it is always in the best interests of employers to encourage and support the learning and development of their employees. HEE provides national funding to support development of the NHS workforce and invests up to £300 million every year in supporting NHS employees to achieve registered qualifications, and that will continue.

We are increasing the number of nurse training places by 25%. That means 5,000 additional nurse training places every year from September 2018. It is one of the biggest increases in NHS history, and I was glad that the hon. Lady welcomed that in her opening remarks. She also mentioned Brexit, as my right hon. Friend the Member for Wantage did. The Secretary of State and the Prime Minister could not have been clearer: the Government hugely value the contribution of EU staff working in our NHS and understand the need to give them certainty. The Secretary of State has made it clear that after Brexit, we will have an immigration system that means that the NHS is able to get the staff that it needs, not just from the EU but from all over the world.

The hon. Lady asked about career progression; I think that she was referring to scale points earned in the NHS and whether they would transfer. I will get back to her on that; I will get a note to her and copy it to other hon. Members in the debate, as I know they will be interested.

Pretty much everyone mentioned the idea of pay weighting for Oxford, as with London, given the proximity of the county. There are a number of mechanisms in the NHS funding and pay system to compensate for higher costs in particular areas. It is open to the independent NHS Pay Review Body to make recommendations on the future geographical coverage and value of such supplements. Additionally, there is flexibility for local NHS employers to award recruitment and retention premiums where recruitment is difficult at standard rates of pay, so when they are having their team get-together—

Anneliese Dodds: Will the Minister give way?

Steve Brine: I will not, because I need to give a minute to the hon. Member for Oxford West and Abingdon, who introduced the debate.

Pretty much everyone asked about the public sector pay cap. I am glad that everyone recognises and welcomes the fact that we have said that that will be lifted. The shadow Minister, the hon. Member for Ellesmere Port and Neston (Justin Madders), and the hon. Lady leading the debate asked about the timetable. I cannot give an exclusive in this Westminster Hall debate today, but I can say that talks between NHS Employers and the trade unions continue, and I know from my hon. Friend the Minister for Health that they are constructive.

So many other points were raised. They included the future of the Horton. I am told that the decision has been considered by the Independent Reconfiguration Panel and the Secretary of State will consider its advice and recommendations in the next few days. I have a funny feeling that when we have a vote tonight, my hon. Friend the Member for Banbury will seek out the Secretary of State.

My hon. Friend the Member for Henley (John Howell) left us hanging as to what he is transmitting via the internet with his GP. [Laughter.] Perhaps that is the wrong expression, but his point about primary care at scale and truly integrated services that can take pressure off the NHS was so well made and is exactly what we mean: sustainability and transformation partnerships are about one NHS and bringing NHS services together.

If I have not covered any of the points, I will write to hon. Members. The pressures on the health system are significant. I have talked about the sheer increase in the number of people coming forward needing cancer treatment in the area of the hon. Member for Oxford West and Abingdon, and that is true across the NHS. The demands are intense, but the workforce are responding brilliantly. We understand that there is a workforce challenge. That is why we launched the workforce consultation, with which I know hon. Members will want to engage. We look forward to the responses to the consultation exercise, so that collectively we can ensure that the NHS remains the best health system in the world, and the envy of the world, as it celebrates its birthday in June.

12.59 pm

Layla Moran: I end the debate by thanking all my fellow Oxfordshire MPs for their fantastic contributions. I am pleased to see that we are in violent agreement on most of the issues that we face. We also agree that the staff, above all, must be thanked for the work that they do; we cannot say that enough. I thank the shadow Minister, the hon. Member for Ellesmere Port and Neston (Justin Madders), for his remarks, and the Minister. I hope that he can see how passionate we all are about this matter and that we hunt as a pack, so this will not be the last time that he is contacted by us. I look forward to his note and to any answered questions that come back to us on this issue.

Mr Nigel Evans (in the Chair): Order.

Layla Moran: Finally, I would like to thank you, Mr Evans.

Mr Nigel Evans (in the Chair): I should not have stopped you there, should I?

Motion lapsed (Standing Order No. 10(6)).

Rail Services: Kettering

1 pm

Mr Philip Hollobone (Kettering) (Con): I beg to move,

That this House has considered rail services to and from Kettering.

It is a delight to serve under your chairmanship, Mr Evans, and I thank Mr Speaker for granting this debate. I welcome the rail Minister to his place. I want to place on record my thanks to the formidable Kettering rail users group and its two main advocates, Christopher Groome and Stuart Porter, who must be among the most able leading amateur rail enthusiasts and timetable experts in the country. Christopher is also chairman of the Leicestershire and Northamptonshire rail action committee. If an organisation could be more formidable than the Kettering rail users group, it would be that organisation. I also praise all the station staff at Kettering railway station. They must be among the nicest, most pleasant and hardest working railway staff anywhere on the system. They are forever courteous and helpful, and go out of their way to ensure the passenger experience is as smooth and trouble free as possible.

I want to make several points to the rail Minister on behalf of my constituents. Railway issues and timetables can get formidably complicated. I do not want to go down that route. I just want to highlight some key issues. The reason for this debate is that the rail franchise through Kettering—the east midlands franchise—is coming up for renewal, and it is important that we get the rail services to and from Kettering right in the next franchise. The first point the Minister needs to understand is that nowhere on the midlands main line is growing faster in housing development than Kettering, Wellingborough and Corby. They are among the fastest growing places in the whole country, and the railway line through those three constituencies is extremely important.

My second point is that about 10 years ago, when the branch line was reopened to Corby, the main line rail service to and from Kettering northwards was effectively downgraded from a half-hourly service to an hourly service. That was done by the last Labour Government and I am looking to this Conservative Government to right that wrong. They should be able to do that, if the Minister and his officials were to revisit the superb representation made in the franchise consultation by Christopher Groome and Stuart Porter. In their submission, they are not just arguing Kettering's corner. They are standing back, putting themselves in the rail Minister's shoes and asking, "How can we help the Minister to develop a new franchise arrangement that will facilitate a better service up and down the line?" The proposals that they advance would reintroduce that half-hourly service.

My third point is that rail fares to and from Kettering are relatively expensive, compared to other rail fares around the country. We effectively have inter-city rail fares, but an increasingly commuter-style service. I am frequently surprised, whenever I travel by rail to any other part of the country, by how cheap rail travel is compared to the expensive fares that passengers to and from Kettering have to pay.

Kettering is effectively at the apex of a Y-shape coming out of St Pancras station. The midland main line comes out of St Pancras in London and goes north.

The first junction is at Kettering, with the Corby branch line. Because Kettering is that junction, it makes sense to reintroduce the half-hourly services, because effectively Kettering is the hub, and that will help all the commuters from Wellingborough, Corby and Kettering to go north. It is important that the rail Minister bears that Y-shape in mind.

The central demand of the Kettering rail users group is for trains to call at Kettering every half an hour, because that will provide platform connections to Wellingborough, Bedford, Luton and Corby. Ideally one service should be from Sheffield and Derby, and one from Nottingham, and then run non-stop to St Pancras. That might be too ambitious in terms of non-stop to St Pancras—but it is the frequency of the service. Once it is less than every half an hour, passenger numbers start to drop off.

Cross-platform connectivity between trains happened very well at Leicester, which is a far bigger station than Kettering, until 2009. That led to a substantial growth in ridership. Since 2009, passenger growth has been suppressed because of the changes made then, particularly for Kettering journeys to Leicester, Birmingham and beyond. Kettering is the optimum hub for the towns in north Northamptonshire and their connectivity to Leicester and beyond.

Fares have been set at inter-city levels for many years to reflect the level of service and comfort. The rolling stock specification, journey times, comfort and capacity need to be of a high-enough standard to justify those inter-city fares and the premium charge, compared with, for example, Northampton to Euston or Huntingdon to King's Cross fares. Some passengers from Kettering will drive to Northampton or Huntingdon to take advantage of the cheaper fares.

I firmly believe, as does the Kettering rail users group, that we have an opportunity for strong rail growth by restoring Kettering's half-hourly off-peak service to Leicester. Before we lost that frequency 10 years ago, travel to both Derby and Nottingham was possible via an easy cross-platform connection at Leicester—effectively a half-hourly link to both, with equivalent connections to Birmingham. But train journeys from Kettering to Birmingham, Manchester and Leeds have become car journeys today, due to the reduced frequency to Leicester and beyond. Any delay to a connecting southbound service now leads to an hour's wait. The risk of that is too high for too many passengers. Corby passengers also suffer an hour's wait heading north, due to poor connections. When the Corby shuttle comes into Kettering, it is not timed to meet the hourly service going north from Kettering.

A mix of connections and through-services, as suggested by the Kettering rail users group in their submission to the Minister, from Leicester to Kettering, Corby, Wellingborough, Bedford and Luton, is needed to avoid future rail growth from Leicestershire, Nottingham and beyond being replaced by car journeys. It would be a tragedy if the new franchise on the midland main line ended up seeing an increase in car journeys in the east midlands, when we want to see the opposite.

I mentioned at the start that Kettering, Wellingborough and Corby are very fast-growing parts of the world, and that is exemplified by the crowding and overcrowding figures on East Midlands Trains. In May 2017, the East Midlands Trains website showed the following trains as

[Mr Philip Hollobone]

forecast to have over 90% of seats taken when leaving St Pancras: the 3.29 to Nottingham, the 4.01 to Corby, the 4.26 to Sheffield, the 4.29 to Nottingham, the 4.57 to Sheffield, the 5.01 to Corby, the 5.30 to Nottingham, the 5.57 to Sheffield, the 6 o'clock to Melton Mowbray, the 6.30 to Lincoln, the 7.15 to Nottingham, the 7.28 to Derby, the 8 o'clock to Corby and the 8.30 to Nottingham. Those are all at 90% of passenger capacity when they leave London. On other trains, 75% to 90% of seats are taken: the 2.58 to Sheffield, the 3.26 to Sheffield, the 3.58 to Sheffield, the 7 o'clock to Corby, the 7.32 to Leeds and the 8.15 to Nottingham. The system is already groaning at the seams, and that is why we need more seats and more services.

The Kettering rail users group has complained often about overcrowding and poor connectivity since the changes that were made about 10 years ago. The franchise is the chance to correct that mistake, to improve journey opportunities from Kettering to Birmingham, Manchester and Leeds and to provide a timetable that varies at peak times to avoid creating overcrowded services. The group's aims for 2020 and 2023 are better connectivity north and, if possible, quarter-hourly commuting frequency and two fast services to London each hour throughout the day.

Chapter 4 of the Department's consultation document on the new franchise claims that the line is full, but our experience is that many hourly freight paths are underused on the line. Freight paths should be allocated only at less of a speed differential to passenger paths. The Kettering rail users group believes that three minute or four minute scheduled headways should be more widely specified and that freight passing loops between Kettering and Wigston should be sought and funded to allow more, faster trains on that key section. An engineering solution could help to fit more passenger trains on the midland main line.

The Kettering rail users group has frequently pressed East Midlands Trains to restore the two trains an hour service between Leicester and Kettering, though with no success so far, and other stations have taken prior advantage of the line speed improvements that have been made. Recently the situation has got even worse than it was 10 years ago. The Sunday pattern was the old pattern until very recently, when East Midlands Trains switched Sunday afternoons over to the inconvenient weekday system in May last year. With growing demand, the hourly Nottingham service is now frequently full with passengers standing when it leaves Kettering going north, especially on Saturday mornings, in school holidays and at key times. Ironically, line speed improvements between Kettering and Corby mean that the hourly Corby southbound service arrives in Kettering just after the northbound hourly Nottingham service on the main line leaves, making a connection impossible if both trains are on time. The Corby passengers then have to wait an hour at Kettering before they go north. That situation cannot be right.

Kettering Borough Council, of which I am proud to be a member and therefore declare my interest, has a great opportunity to develop Kettering station. The redevelopment of Kettering's station quarter has been in the pipeline for several years. Additional investment could lead to increased car parking, enhanced passenger

facilities and an improved station gateway. Land west of the station could be developed as a business innovation centre. There would also be the opportunity to create access from the west, so that local passengers do not need to drive round the one-way system to the other side of the station before accessing trains. If the franchise is got right—if the train pattern in the new franchise encourages passenger growth—Kettering Borough Council is well placed to ensure that the infrastructure at Kettering station is upgraded to help.

Our other problem is that because of the Thameslink timetable changes, passengers from Kettering, Corby and Wellingborough who would take a peak service to Bedford or Luton will now have to do so by bus. That will lead to a dramatic decline in the number of passengers using this rail/bus service, and I urge the Minister to think of a physical rail infrastructure solution. Network Rail could extend the platform or platforms at Bedford to take a shuttle service from Kettering, Corby and Wellingborough while the Thameslink timetable settles down.

Mohammad Yasin (Bedford) (Lab): Does the hon. Gentleman agree that passengers from Kettering, Wellingborough, Luton and Bedford will be badly affected by those journeys and that the franchise should compensate them for their losses, because thousands of people moved to those areas so that they could easily commute to work?

Mr Hollobone: In effect, Thameslink is a very narrow tunnel that goes underneath London, and therefore all the trains that go in and out of it have to be timed exactly to fit on to the other train routes, including the midland main line. That is clearly leading to a bottleneck in our part of the world. I understand that problem, but I believe that there is an engineering solution. There is no doubt that East Midlands Trains will take a huge revenue hit with the loss of passengers using its service. I think East Midlands Trains is doing its best given the constraints placed on it, but the Minister needs to work with Network Rail to see if an engineering solution is possible at Bedford: the extension of a platform and the purchase of a shuttle train that can run backwards and forwards, so that passengers have at least a train service to Bedford instead of having to go on the bus.

It is welcome that electrification is coming to Kettering and Corby. I urge the Minister to consider extending electrification to Braybrooke, and then to Harborough or Wigston, because of the feeds from the national grid. An engineering solution would mean that that could be done at very low cost. Early procurement of bi-modes for the new franchise is needed, because part of the line will be electrified and part will be diesel. There are also easy stretches for upgrading and electrification further north. It would be a shame to break up the engineering teams installing electrification up to Kettering and Corby when, with a little bit of forward planning, they could be sensibly deployed to deal with stretches of the line that can be electrified fairly simply and at low cost. That would not be 100% electrification of the whole line, but other bits north of Kettering could be done at very low cost.

It has been a pleasure to have this debate under your benign guidance and chairmanship, Mr Evans, and I look forward to the Minister's response.

1.18 pm

The Minister of State, Department for Transport (Joseph Johnson): It is a pleasure to serve under your chairmanship, Mr Evans. I would like to start by thanking my hon. Friend the Member for Kettering (Mr Hollobone) for securing this debate. I congratulate him on that, and thank the hon. Member for Bedford (Mohammad Yasin) for contributing. It has been a helpful, if somewhat short, debate. I am keen to respond to the questions that my hon. Friend has put to me, which cover much of the ground that we covered in our very useful meeting with members of the Kettering rail users group and those from the hon. Gentleman's constituency in Bedford just a few days ago, on 7 February.

I am grateful for the considerable work undertaken by the Kettering rail users group on the complex areas that my hon. Friend mentioned. I hope he will be reassured by the fact that the Department has shared the group's proposals with Network Rail. Department for Transport officials are in discussions with Network Rail and the train operating companies that were present at the meeting that he and the hon. Gentleman attended—East Midlands Trains and Govia Thameslink Railway—to see whether it is possible to bring life to the proposed engineering solutions: the introduction of a shuttle service involving the extension of a platform at Bedford. A shuttle service between Kettering and Bedford would enable us to remove the bus service mentioned by the hon. Member for Bedford.

I also acknowledge the wider aspirations for rail services in Kettering, as mentioned by my hon. Friend. On the specific aspiration to reintroduce the half-hourly northbound service and occasional faster peak services, Department for Transport officials are giving careful consideration to what will be specified in the next franchise. However, ultimately, it will be a matter for consideration by the bidders for the new franchise. I encourage the Kettering rail users group to engage directly with the bidders to see whether its aspirations can be secured through those bids.

That said, I have listened carefully to the remarks made by my hon. Friend the Member for Kettering and the hon. Member for Bedford about their constituents' recent experiences and their concerns about the immediate plans for rail services through Kettering and affecting Bedford. It is clear that, to a great extent, their constituents have lost patience and confidence in the process, partly due to the lack of consultation—that theme came up in the meeting a couple of weeks ago—on the plans to introduce service changes. I will say more about that.

I apologise to hon. Members, their constituents, passengers and local businesses inconvenienced by the planned service alterations in May. The Department recognises the short-term pain that the changes will cause, and we regret it. I assure them that the Government, Network Rail and the train companies are doing everything possible to mitigate the impact of the changes, particularly on rush hour passengers. The hon. Member for Bedford asked about compensation. I bring to his attention an announcement by the Department offering a dedicated fare for season ticket holders who have to use the coach service; it will be 50% lower than the equivalent rail fare. In addition, there will be a 25% reduction on anytime fares affected by the change.

On a more positive note, I would like to be clear about two things. The enhancements that we will ultimately

deliver to Thameslink and the midland main line are essential to sustaining the long-term prosperity of Kettering and the east midlands in general. The passengers, businesses and communities that will have to cope with some service reductions in the shorter term are the very people who will benefit in the medium and long term from newer, faster trains, more services, more seats and more destinations.

[MR ALBERT OWEN *in the Chair*]

We are also dealing with challenges associated with success, not failure. I recognise that such statements will be of little comfort to hard-pressed commuters in Bedford and Kettering facing the short-term prospect of fewer trains, even if they will be more certain of a seat on those trains for their journey. However, that is the reality. Demand for rail travel quite simply exceeds supply. The Thameslink programme and the upgrade of the midland main line represent only two examples of the major investments that this Government are making across the country to give passengers the rail services that they demand. Last year, we announced our intention to commit some £48 billion to improving the reliability of the rail network between 2019 and 2024. However, the clear and unavoidable cost to passengers of delivering all those improvements is often, unfortunately, a short-term impact on current services.

Mr Hollobone: I appreciate that the Minister has a complicated job; he is playing with a huge train set across the country. The key thing for the midland main line and Kettering services in the long term is to have an eighth train pathway. The present ambition is to have six trains an hour from London; can he confirm that the long-term ambition is to have an eighth train pathway? It would make a lot of the problems go away.

Joseph Johnson: I understand that that is the aspiration. It is right that my hon. Friend is a powerful champion for rail users in his constituency. We are giving careful consideration to all the trade-offs involved in the development of the franchise, and we will be setting out specifications in due course.

I said that I would return to the question of consultation. May 2018 represents one of the largest timetable changes in recent rail history, affecting services across the south-east of England and beyond. The scale, complexity and late emergence of the impact of the planned changes were such that it was not possible for train operators to consult on the changes as they would have done in normal circumstances. I acknowledge that lack of consultation.

Mohammad Yasin: Surely the changes must have been planned months or years before coming into effect, but why was there no consultation? I am sure that the franchisees and the Government knew months and years before.

Joseph Johnson: The hon. Gentleman is entirely right: there was a regrettable lack of consultation, which the Government acknowledge and apologise for. It runs counter to the open and transparent approach to service planning and franchise design generally adopted in recent years, and the Government have no hesitation in offering their apologies to my hon. Friend and the

[Joseph Johnson]

hon. Gentleman for the inconvenience suffered by their constituents as a result and the frustration that they must feel at the lack of consultation on the development of the timetable changes.

In the case of Kettering, once the electrification of the midland main line is complete in 2020, passengers at Corby, Kettering, Wellingborough, Bedford, Luton and Luton Airport Parkway will benefit from a new, dedicated fast commuter service into London St Pancras. The electric trains will be longer, with more seats. In total, a 50% increase is planned in the number of seats into St Pancras during the peak by 2020, with further increases as new rolling stock is introduced on the inter-city services. With the introduction of the new timetable in December 2020, Kettering will become a key interchange between the inter-city services and the dedicated fast commuter service from Corby into London.

In the meantime, let us not forget that the £7 billion Thameslink programme was designed to transform the rail services that are so important to my hon. Friend's constituents, as is the planned upgrade of the midland main line. From May 2018 to 2020, while the upgrade is being delivered, Bedford and Luton will, as discussed, lose the direct connection from Kettering during the peak. However, the Department has agreed to fund East Midlands Trains to lease three additional high-speed trains to mitigate other adverse impacts.

In addition, as part of the timetable development work, East Midlands Trains has found a way to maintain its existing calls at Luton Airport Parkway in the peak, enabling airport passengers from north of Bedford to continue to enjoy a direct service. When completed, the Thameslink programme, along with the timetable enhancement in 2020, will also open up new connections for passengers with other GTR services from Bedford to Farringdon, as well as to London Bridge and further south. It is not all bad news. We will continue to work closely with my hon. Friend, the hon. Gentleman and their user groups to ensure that their views are taken carefully into account as we specify the work for the new franchise.

Mohammad Yasin: I appreciate what the Minister is saying about the new franchise from 2020, but between May 2018 and 2020, the changes will affect many people who moved to Bedford because they could easily commute from there to work in London and the north. Now, during those two years, they might lose their jobs or be unable to commute to work, so they might already be moving out of Bedford. The damage will be done by 2020. What does the Minister say about that?

Joseph Johnson: I would say that we are working hard to ensure that they get the train services that they need for the future, which will sustain the local economy and give them a viable basis for getting to work and going about their business.

Question put and agreed to.

Social Housing and Regeneration: Earl's Court and West Kensington

1.30 pm

Andy Slaughter (Hammersmith) (Lab): I beg to move,

That this House has considered social housing and regeneration in Earl's Court and West Kensington.

It is a pleasure to serve under your chairmanship, Mr Owen. Last Thursday, *Property Week* carried the story that Capital & Counties Properties plc, the promoter of the Earl's Court development, is about to sell the Empress State building to the Mayor's Office for Policing and Crime for around £240 million. Capco confirmed the leak. Indeed, using the "cui bono?" test, Capco was responsible for the leak, which gave a glimmer of good news to its shareholders, who have only had bad news in recent years, ahead of its full-year figures for 2017 being published later this week.

At over 30 storeys, Empress State was the tallest commercial building in London when it was built in the early 1960s. When it was vacated and sold by the Ministry of Defence, the Metropolitan police rented it from its new commercial owners. When Capco acquired the freehold in 2014, it gave notice to the Met and got consent from a complicit Conservative administration—with only weeks to spare before they lost control of Hammersmith and Fulham Council—to approve Empress State's redevelopment as 440 mainly luxury flats.

Why give up now on luxury residential development, which was previously seen as not just another licence to print money, but a way of integrating the key Empress State site into Capco's master plan for Earl's Court and West Kensington? The answer is that throwing in the towel on Empress State is the clearest sign yet that not just the master plan, but Capco itself is in serious trouble and is seeking to cut and run to save its own skin.

This is a story about arrogance and greed; about politicians who thought they could treat people as commodities, units of production and pieces on an electoral chessboard; about developers who could not believe their luck and then fell prey to changing political and market forces; about a vibrant part of London full of industry, commerce and entertainment that was ordered to be razed and replaced with monotonous high-rise blocks as safe deposit flats for the investment market; and about a proud community of 2,000 people who have stood firm for 10 years against the threat of their homes and community being demolished and dispersed.

Ten years ago, Capco conceived a master plan for 77 acres of land straddling the borders of Hammersmith and Fulham and Kensington and Chelsea. It was dubbed Earl's Court, although the majority of the land lay in the marginal North End ward of Hammersmith and Fulham. It was billed as the biggest urban development outside China, with an estimated built-out value of £12 billion.

The plan was audacious, because although designated as an opportunity area, this was no derelict, brownfield land. One third of the site comprised the Earl's Court exhibition centre, including its iconic 1930s entrance, which is now sadly demolished despite the UK having only a third of France's exhibition space and a quarter of Germany's. One third comprised the maintenance,

manufacture and stabling of a significant part of London Underground in the Lillie Bridge depot, which was a major employer of skilled labour. One third comprised two estates of predominantly council housing: Gibbs Green and West Kensington. Around 2,000 of my constituents live there in 760 good quality, spacious, affordable 1950s, 1970s and 1990s low or medium-rise homes.

In place of all that, Capco promised 7,500 high-rise flats, of which only 11% would be additional affordable homes that stretched that definition to its limits by, for the most part, offering nugatory discounts on extortionate market prices. Interestingly, now Capco is aching for a deal—any deal—to get out of the scheme, it does not say, as most developers do, “Look at our viability assessment. It is all that we could afford.” It says, “We did what Conservative politicians asked, and they wanted precious little affordable housing and not one new social rented home.”

At the start of the process in 2008, Capco told me with similar candour that it did not want to include the estates in the master plan. Developing the exhibition centre and depot meant negotiating with a single partner, Transport for London. Bringing in the estates meant not only a political minefield, but buying up the land interests of the hundreds of freeholders and leaseholders who had bought the desirable homes, flats and maisonettes on Gibbs Green and West Ken.

Why did Capco succumb? Because the ideologically driven council in Hammersmith and Fulham decided to attract the attention of its political masters in the Department for Communities and Local Government by showing that whole areas of social housing could be wiped and reconceived as luxury developments—they called it “sweating the asset”. For Capco, demolishing the estates was the price of the Tories’ co-operation with the scheme.

Capco drove a hard bargain. The inequality of arms between developers and local authorities is not unique to Hammersmith. The deal done with TfL on the exhibition sites was hugely preferential to Capco, despite TfL owning the freehold—perhaps the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) was also not trying too hard—but that looks like a master stroke compared with the deal that the Hammersmith Tories did for the estate land.

In 2013, Hammersmith and Fulham Council made a deal to receive £90 million for the estates, plus space in the new development to replace the homes lost. Uniquely in the experience of most planners and developers, however, that sum was not index-linked—as if property prices never rise in central London.

Moreover, the council needed to deliver vacant possession of the land. That meant buying out 171 leasehold and freehold homes, which is normally the developer’s task. The maximum needed to acquire the homes was budgeted as £60 million, although valuation experts assessed the true figure as between £150 million and £174 million. The council has already purchased 26 homes at an average price of £552,000, excluding compensation, which is well in excess of the estimated £350,000.

The true value of the land is not recorded, but reading across from the valuation of the exhibition centre site, which is, suggests that a more accurate figure is around £1 billion. By accepting no more than 10% of

the land’s value and by underestimating the costs of acquiring vacant possession, the council could now be left with a zero receipt and a maximum of 672 replacement homes for residents of the estates, having sold 88 homes to cover its shortfall. That will also not guarantee a home for all residents in the new scheme.

For reasons of time, I must return another day to what I regard as one of local government’s great financial scandals: how not just prime land, but whole communities were sold for a song to serve an extreme political agenda of gerrymandering and social engineering. Most of the guilty men of the previous Conservative administration—and they were all men—have taken their poisonous philosophy elsewhere, but Capco still squats on Earl’s Court and West Ken like a toad.

Capco is represented by its chairman, Ian Hawksworth, who is now most famous for being on the guest list for the President’s Club dinner, and Gary Yardley, its managing director, who is quick to pick up lavish bonuses for the granting of planning consents with negligible community benefit and huge community loss. Its development partners are even less savoury. They include Hong Kong-based mega-developers Kwok Family Interests. One of the family, Thomas Kwok, is currently serving a five-year sentence for bribery.

Although I have referred, and will continue to refer, to Capco as the developer, in fact the estates were purchased through an obscure entity called EC Properties LP. The sole partner capital contributed to EC Properties LP is £2 paid in cash by Jersey-registered EC Properties LP Ltd. These and further labyrinthine arrangements appear designed to put Capco in control while shielding it from liability and allowing it to take advantage of offshore tax arrangements.

Before being tempted by the prospect of rich pickings in Earl’s Court, Capco’s business was commercial and retail estate management, specifically through its ownership of Covent Garden. It has no experience as a major land developer, and it shows. It does not have control of the master plan site; it has no option on Lillie Bridge depot, which is owned by TfL; the estate residents, through their lawyers, dispute that the conditional land sale agreement for the estates is enforceable; and now the deliverability of its scheme has been further undermined by the sale of the Empress State building.

Capco’s scheme, the value of which fell by 20% in 2016, includes £1.8 billion of enabling infrastructure costs. At £148 per square foot, that is more than three times the cost of larger development schemes in London. Other residential developers have commented on Capco’s extreme construction costs, which are thought to be 30% to 45% above the market rate.

Capco’s assumptions for residential value, which are significantly higher than the local market and schemes elsewhere in London, have not been realised. Sales are slower than expected: flats have been selling at a rate of less than one a week. At one point it was selling one flat a fortnight, at which rate it would take more than 150 years to sell the entire scheme, yet the business plan relies on a high sales rate of 480 private homes a year. Unsurprisingly, Capco has tried in recent months to sell some or all of the site to overseas investors in America, South Africa, Japan, China and Saudi Arabia, but it has had no takers. Frankly, any developer, however much of a gambler, would be beyond reckless to take any of the Earl’s Court site off Capco’s hands.

[*Andy Slaughter*]

With no money in the scheme and none from outside, Capco's only other option is to return to planning and come up with a new master plan with increased heights and density. Sadly for Capco, that option also looks like a dead end. With Eric Pickles at the Department for Communities and Local Government, the right hon. Member for Uxbridge and South Ruislip as Mayor in City Hall, and Stephen Greenhalgh in Hammersmith Town Hall, anything was possible, but the political weather has changed. Now Sadiq Khan is Mayor and has very different ideas about what constitutes affordable and sustainable development. He has also made a strong commitment to tenants' ballots and said that he wants "to make sure people living on social housing estates...are at the heart of any decisions"

involving demolition. Stephen Cowan, the Labour leader of Hammersmith and Fulham Council, has described the Earl's Court scheme as "unviable" and "undeliverable" and called on Capco to return the estates to the council. He has the full support of the North End ward Labour candidates, Councillor Larry Culhane, Councillor Daryl Brown and Zarar Qayyum. It appears that he also has the support of the deputy leader of Kensington and Chelsea, Councillor Kim Taylor-Smith, who spoke about the scheme at a meeting of the full council on 24 January.

On Monday, I wrote to the chief executive of EC Properties, whose parent company is Capco, to seek a meeting to consider the site's future. I told him that on 14 June the facts on the ground in Kensington had changed. I wrote:

"I want to make it very clear that I do not believe the continuation of this development under the current terms is right. And, as a minimum, if this is to continue I want to see more social and more truly affordable housing included in this scheme."

I am pleased to see my hon. Friend the Member for Kensington (Emma Dent Coad) present, because part of the site is in her constituency. As she knows, my reference to 14 June was to the Grenfell Tower fire.

So what happens now? It is too late for the exhibition centres that were demolished in an act of vandalism, but it is not too late to build an acceptable replacement on the site. It is far from too late for the Lillie Bridge depot, which is still owned by TfL, to undergo sympathetic redevelopment to preserve necessary infrastructure for the tube and new affordable homes. If hon. Members will forgive me, however, I will turn my focus to the estates, or rather to the people who live there.

I first got to know West Ken and Gibbs Green in 1985 as the newly selected council candidate for Gibbs Green ward. The first campaign that I had to fight was to stop the then Tory council putting a relief road through the West Ken estate. It has been a pleasure to represent the area as a councillor and MP for 28 of the past 32 years. Although on aggregate it is a low-income community, it includes people from every walk of life, ethnicity, nationality and profession.

Residents reacted with horror to the prospect of demolition of their homes. At first, there was no guarantee of rehousing in the area—only the statutory requirement to rehouse secure tenants in suitable alternative accommodation. Even when residents were told that homes would be available on the site, there were strings attached. Homeowners, private tenants and households who moved into the estates after the land sale agreement

was signed in 2013 have no guarantee of finding a replacement home in the area on eviction. Secure council tenants who move into the first phase of replacement homes could see their service charges triple to between £2,500 and £3,500 a year on top of rent. Having been initially promised like-for-like replacement homes, residents who currently have spacious flats and houses built in the 1960s and 1970s, some of which have gardens and off-street parking, have now been told simply that replacement homes will meet the legal minimum size standard. Even if the developer had the finances and political support to begin evicting residents tomorrow, redevelopment of the estates would still take at least 20 years to complete.

Residents have done everything they can to make it very clear what they do not want: demolition. In December 2009, a year after learning of the possible demolition of their homes, residents from 83% of households on the West Kensington and Gibbs Green estates signed a petition to oppose it. In March 2012, 80% of residents who responded to the council's consultation on the scheme said no to demolition.

Residents have also been very clear about what they want instead: community ownership. In March 2011, they formed West Ken Gibbs Green Community Homes, a community-controlled not-for-profit organisation with membership from more than two thirds of households on the estates. It was set up with the intention of exercising council tenants' right to transfer.

Ms Karen Buck (Westminster North) (Lab): I congratulate my hon. Friend on his powerful speech. Does he agree that residents could do a lot worse than learn from the community ownership experience in a neighbouring estate? Walthamton and Elgin Community Homes was set up in the face of a threat from Westminster City Council in the late 1980s. It has proved to be one of the most successful and popular models for social housing in the country. Does he agree that that experience shows exactly the approach we should take when estates are threatened?

Andy Slaughter: It is a pleasure to see my hon. Friend in the Chamber. I am not surprised to hear her champion one of the most successful community-held developments in the country. I will say a little more about that development before I conclude my speech.

The right to transfer allows council tenants to choose a different landlord for their area. The objective of West Ken Gibbs Green Community Homes is to become the community-controlled landlord for its members' homes. For four years, it lobbied the Government to implement the necessary legislation to enable it to use the right to transfer under the Housing Act 1985, as amended by the Housing and Regeneration Act 2008. The necessary regulations came into force in December 2013, and in March 2015 members voted 100:1 to serve a right-to-transfer proposal notice. That is a comfort to those whose priority is simply to remain in their homes. Some residents have lived on the estates with friends and neighbours for 30, 40 or even 50 years and dread the disruption of redevelopment and forced transfer.

Estates are home to people who are the lifeblood of our towns and cities. Many residents are people on minimum wage or zero-hours contracts, who feel the rising costs of living the most. Demolishing and

marginalising social housing will not work; more importantly, it dehumanises an entire category of people. Certain councils and developers generalise about social housing tenants. They assume they know better than the tenants what is good for them, and they tell them to be grateful when their homes are under threat. That is what the Conservatives did before agreeing the sale to Capco, describing estates as “not decent neighbourhoods”, “barracks for the poor” and “ghettoes of multiple deprivation”. Is it any wonder that communities such as West Kensington and Gibbs Green are bidding to take control and ownership for themselves?

So residents came up with the people's plan, which shows the professionals how new development ought to be done. At the outset, Community Homes brought more than 100 residents into workshops and site visits with architects. Residents and architects together identified space for up to 327 new homes and devised plans for improvements to their homes, streets and community spaces. The plans were costed and valued, and residents were able to show that they could help to pay for improvements and subsidise the building of new homes at social rent levels through sales. Residents from 65% of households provided written feedback on these proposals, and 90% of respondents said that the plans were “excellent” or “good”, and “better” or “far better” than the Capco scheme. Here is some of their feedback:

“Everybody is trying to save our homes from these rich people. What do you want to destroy people's lives for? For money?”

“I like that there is a plan to build new homes but I can keep my home. I don't understand why they are going to demolish decent homes.”

“The most important thing is that we get to stay. I love it here. We know each other and look out for each other.”

I have two final things to say. First, I thank everybody in the community at West Kensington and Gibbs Green, and their supporters and advisers, for the struggle of the last 10 years. It has been gruelling, and 2,000 people have had their lives on hold, unable to move on with everything from modernising their home to planning their family's future. However, it has created a fantastic community spirit and inspired people to create their own vision for the future.

Even before the political climate began to thaw, I knew that we would win, because I have known people such as Sally Taylor and Diana Belshaw, the chairs of the West Ken and Gibbs Green residents' associations, and Keith Drew, the chair of West Ken Gibbs Green Community Homes Limited, for 20 years and more. They are strong Fulham people who are standing up for their communities, and they are not daunted by the dirty tricks of the developer and its political cipher.

I am delighted that so many residents have been able to attend this debate. I apologise if I cannot name them all, but they stand for the hundreds and thousands of people on the estates who have fought for their homes and their livelihoods over many, many years. That battle is not over, but there is at least some light at the end of the tunnel.

As I say, there are too many people for me to name, but I cannot leave out Jonathan Rosenberg, the community organiser for these 10 years, who brought not only his absolute focus and determination to an often exhausting David and Goliath battle, but 30 years of experience of community housing. As my hon. Friend the Member for Westminster North (Ms Buck) knows, Jonathan is

the chair of Walthamton and Elgin Community Homes, which is in her constituency. He is a slayer of Shirley Porter and a champion of tenants' rights. Jonathan has been ably assisted by a number of professional advisers—accountants, architects and planners—and by community activists across both boroughs, and indeed by residents who have turned up, often when everything looked hopeless and bleak, time and again to assert the identity of their community.

I must also mention Dave Hill, the former *Guardian* journalist who now runs—I will give it a blatant plug—the “On London” website, which he is crowdfunding for. Dave has written dozens and dozens of articles to expose what has gone on in West Ken and Gibbs Green over the last 10 years. I do not always agree with everything that he says—he is a good, independent journalist—but he has chronicled what I am afraid to say lazier and more partisan journalists would have otherwise missed. It is good that we have it all on the record.

In conclusion, I have only a couple of simple requests to put to the Minister. I know that, new as he is to his post, he will have listened attentively. From my time holding the justice brief, I know that he is serious and has intellectual weight, and I hope that he will give me good news today. First, will he please determine the Community Homes application for the right to transfer, which his Department has been waiting to determine for more than two years? When he does so, can he please heed the residents' call for him to uphold their legal right to take back control—a phrase I am sure he is keen to hear in this Chamber—of their community, so that they can deliver the homes that we need?

Secondly and more broadly, I ask the Minister to get the Government, including his Department, to work with the residents, the boroughs and the Greater London Authority—they are all now of one mind, a very different mind from the one of 10 years ago—to provide decent, genuinely affordable homes across the Earl's Court site for families? That perhaps includes families from Grenfell, and thousands of others who are in overcrowded, unfit and unaffordable accommodation in two of London's most expensive boroughs.

This situation should not be seen as a tragedy but as an opportunity. If there is going to be redevelopment, it should be sympathetic and sustainable, and in the interests of the people who need it most. They are the people who need social and affordable housing in Hammersmith and Fulham, and in Kensington and Chelsea.

1.54 pm

Emma Dent Coad (Kensington) (Lab): Like many Kensingtonians, I have a long history with Earl's Court exhibition centre. As a child, I visited the Bertram Mills circus, when they had performing animals; it was the “olden days”. I also attended the Royal Tournament, countless Ideal Home exhibitions, and—of course—some of those amazing concerts. However, the site is not just part of my story. It was, and could be again, a thriving and well-used commercial centre, comprising a third of our country's exhibition space, and providing jobs and customers all year round for our local hotels, restaurants, shops and pubs—remember pubs?

According to the Greater London Authority, Earl's Court exhibition centre generated £1 billion of business a year. Now, however, it has been flattened and all that

[*Emma Dent Coad*]

business has gone elsewhere. I remember those crazy days eight years ago when Hammersmith and Fulham Council was under a different administration, and the then director of housing and homelessness was exposed for vile racist views, including, in the context of the estates, expressing a wish to “bulldoze the ghettos”.

Enter Capco, the social cleanser's friend. Its plans, promoted as being “sensitive” to local context and character, put on the Kensington side a forest of lumpen, bland, blocky chunks of real estate with brick cladding, where no one would ever live; shopping streets where no one would ever shop; and a “river park” without a river or, indeed, anything like a park, and where, despite the optimistic visuals, small blonde children would not play with red balloons.

Facing Warwick Road, in place of our beautiful and now demolished art deco facade, would be a bizarre pair of supposedly landmark buildings that I am sorry to say are reminiscent of Italian fascist architecture. Put simply, world-renowned architect Terry Farrell, whose work I have known for many years, had apparently transported a piece of one of his Chinese cities into our beloved borough. It was a cut and paste job, and was very disappointing.

In May 2015, I had the pleasure of speaking at a seminar at South Bank University, called—enticingly—“Politics with Planning”, which is my favourite combination. I was up against the chief executive of Capco, Gary Yardley. I expressed my misgivings about the proposals for Earl's Court. How he sneered, because he was reimagining a chunk of our heritage. Who was I to question him? After all, the 14% social housing on offer, or 10% based on floor space, was all that the poor thing could offer, because he had consultants. And this is what Section 106 Consultants says to its developer clients,

“if a Section 106 viability report cannot entirely extinguish your liability to provide Section 106 affordable housing”,

then all is not lost. It says that much may yet be achieved, either

“through delivering...affordable housing of a type...that is more valuable to you”—

that is, to the developer—

“or identifying and prioritising those types of contribution that are most important to the Local Planning Department.”

Let us hope that the days of cosy relationships between developers and planning departments are well and truly over.

How the world has changed. Three years on, Capco is on the ropes, its share value plummeting due to the local luxury housing over-provision, and the heat has been taken out of the market, by, among other factors, fears over Brexit. Capco's recent half-hearted attempt to intensify the provision of units at Earl's Court—to provide more small housing units that it thought it could sell, rather than the huge and unwanted super-prime units of its dreams—seems to have hit a brick-clad wall.

Politically, culturally and in terms of local need, the scene has changed dramatically. The international appetite for buying flats to park money—sometimes dodgy money—has waned, and it seems that even Capco has accepted that. It had hoped its desire to intensify Earl's Court could be agreed within the current planning permission, but that is not happening.

Let us not compound the litany of errors and developer greed with yet another round of international online poker, using our neighbourhoods as chips, to sell the site abroad. Local house prices are plummeting—or what the estate agents call “softening”—and there is no longer any taste for these super-luxury developments that have turned parts of London into ghost towns. The current plan is undeliverable; we need to start again. We need to curtail the developers' rampage through our neighbourhoods and look to a future at Earl's Court that does not offer empty units for international investors but instead satisfies local needs and provides homes for existing residents.

After the atrocity of the fire at Grenfell Tower, we have seen a dramatic change of heart at Kensington and Chelsea Council, which we need to consolidate and compound with a completely new approach to the development at Earl's Court. We need to listen to our constituents, who are the experts on what is needed, now, at Earl's Court. The Save Earl's Court campaigners are relentless, intelligent and forward-thinking and have good and achievable ideas.

The UK is desperate for exhibition space and London lags dangerously behind in its offer to those who need large exhibition centres. Earl's Court is struggling, with local shops and restaurants closing and hotels clinging on by their fingernails, ironically propped up by the council using them as temporary accommodation. The heart has been ripped out of Earl's Court and we need to put it back.

The deputy leader of Kensington and Chelsea Council has stated that communities must take the lead in future developments. Let us trust them, and listen to the knowledgeable and conscientious Save Earl's Court campaigners, all our local residents and Councillor Wade. They have been working on proposals for an environmentally sustainable and very green exhibition centre with social rented housing on site, offering a green lung in an area of terrible air quality and with jobs on the doorstep. Demolishing estates of social housing is not the answer to deprivation; working with communities is the way forward. We must set the current undeliverable plans aside and start again.

The world has changed since the repellent comments were made by the former Hammersmith and Fulham director of homelessness; we are better than that now. The world has also changed since 14 June 2017, when the result of poor maintenance, lack of care and absence of social conscience was exposed to the world with the Grenfell Tower fire. Let us show that change now by finding ways to realise our constituents' ambitions. Let us leave the 2,000 residents of my hon. Friend the Member for Hammersmith (Andy Slaughter) in peace to enjoy and manage the homes built with conscience and care over the past 50 years. On my side, at Earl's Court, let us support a struggling area that has been decimated by developer greed, by working closely with the London Mayor and the Government to repeal the current planning permission where possible and work with the people of Earl's Court to provide socially rented and truly affordable housing for those who need it, cleaner air, and a fantastic modern exhibition centre that will provide jobs and return vital business. Let us get them out of those hotels.

Albert Owen (in the Chair): If there are no other Back-Bench speeches, I call the Front-Bench spokespeople.

Tony Lloyd, usually you would have five minutes. I am sure that you will use your discretion and allow the Minister enough time to respond to the matters.

2.2 pm

Tony Lloyd (Rochdale) (Lab): Thank you, Mr Owen. I congratulate my hon. Friend the Member for Hammersmith (Andy Slaughter). He made a powerful speech that was clearly embedded in the needs of the people he represents, some of whom have come here today to hear the debate and others of whom will want to know the outcome. I say kindly to the Minister that there is a real expectation that today we begin to move the long-running saga of Capco's plan forward in a way that is acceptable to the local residents.

If I may, I will set the debate in a wider context, going back to before the Grenfell fire. It has been recognised that the policy of owner occupation being the only viable form of tenancy, which was driven during the bulk of the Conservative-Lib Dem coalition and in the early days of the present Government, had to change, in the face of the reality of what modern Britain is all about. It is worth putting on record some of the national statistics that are part of the process faced by people in this part of London. Since 2010, there has been a 50% increase in the number of people who are unintentionally homeless and are deemed to be a priority, people who desperately need rehousing and regarding whom our local authorities have a duty to respond. The local authorities find that extremely difficult of course, because of the lack of available properties.

Those who present themselves to local authorities as unintentionally homeless are only part of the picture. Many families and individuals are in inadequate, overcrowded housing, perhaps living with parents or other relatives. We know that the need for affordable social homes is massively greater than that illustrated by the unintentionally homeless figures. It is a scandal that some 120,000 children nationwide are in temporary accommodation—and the number is growing. In London in particular, in recent years there has been a tripling in the number of people described as rough sleepers, people who have been abandoned by our society in many ways.

That is all part of the background. So why is this? It is because policies dictated to take out social housing—affordable housing for people who need it—have been massively detrimental. That is what the ideologues my hon. Friend the Member for Hammersmith talked about earlier wanted to achieve. Since 2010, we have seen a 174,000 reduction in the number of council properties nationwide. According to the Chartered Institute of Housing, 150,000 social housing units have been lost, and it is predicted that a further 80,000 will go between now and 2020. At the same time, in 2010 there were 40,000 social housing starts and in the most recent year the figure was down to 1,000. Frankly, this is a crisis that has been made at political policy level, because of incompetence and the unacceptability of developers taking control of our planning process.

Something has gone drastically wrong, and the situation in Earl's Court and West Kensington fits into that national pattern. My hon. Friend the Member for Hammersmith made the point forcefully that there is something fundamentally wrong when developers can sweat assets that are people's homes, land on which

perfectly adequate estates and communities make their lives. That is not sweating assets; it is prostituting national resources in the interests of developer profit and it cannot be acceptable. Nor can it be acceptable that simply because the market is turning and Capco no longer sees the development as viable we now have the possibility of a change of policy. The policy should never have been allowed in the first place, putting, as it does, people's lives and homes at risk.

Everything I know of the situation my hon. Friend the Member for Hammersmith has talked about says that this is a collection of viable estates of popular homes. I understand there are very few voids, empty properties—I think my hon. Friend the Member for Hammersmith confirms that—and that they are properties that are not so old and not really in enormous need of repair. With that background, the idea of destroying those homes simply to allow the sweating of assets—in fact, to allow people to make enormous amounts of money—does not fit in with the social values we ought to espouse. Even the Government have now begun to espouse those values, as they talk in a slightly more nuanced language about the need to develop more affordable social housing.

My hon. Friend the Member for Hammersmith made some important points about the situation that would be unacceptable anywhere. "Like for like" should be the minimum requirement of any transfer for individuals. It is not like for like when we know that people who have substantial properties will be offered properties with minimum space standards—whatever that means. In fact, it increasingly means much reduced standards and therefore a lower quality of life. My hon. Friend talked about people possibly seeing a tripling of service charges to £3,500 a year, and that is not a small amount of money. It would have a significant impact on people's incomes, and it simply is not sustainable. Given that background, there is something fundamentally wrong with the model. Residents are rightly looking not only to the local authority—it now has a different political complexion and a different view of the situation—but to central Government to see what they can do to alter the situation.

My hon. Friend asked for specific things from the Minister. The Minister should look at the capacity of the right to transfer. If that issue has been on his predecessor's desk for two years, it needs to be brought to a conclusion. I hope today he can begin to move that process on. My hon. Friend also talked about the need for the provision of affordable housing. There is something fundamentally wrong in the design of a new area that is supposed to have some 7,500 properties when the number of affordable homes would be less than the number being taken out. In the world in which we now live, the proportion of affordable homes should be significantly in excess of replacement. It should make some real impact on the dire need for social homes—affordable social homes at that—in London in particular. I hope the Minister will comment on what that means for future developments such as this and what the Government can do to begin to bring pressure to bear on Capco.

In conclusion, my hon. Friend has brought a shocking story to the House. The support that my hon. Friends the Members for Kensington (Emma Dent Coad) and for Westminster North (Ms Buck) have brought is important. I congratulate the residents of the area.

[Tony Lloyd]

Their 10-year fight is not yet over, but had they not been prepared to stand up to Capco and the developers, the issue most certainly would have been finished long ago with them in massively inferior conditions to what they now have. I hope that where we are today promises something better for the future.

We look to the Minister for a credible response. The saga is complicated because a lot of the control rests with the developer, but the developer is now on the ropes. I hope he accepts that it should not depend on changing market conditions for us to have a more rational housing policy that says that the rights of existing viable communities should not be wiped out simply to sweat those assets to make more money. The Government's changing attitude says that that is the wrong situation for us to be in, and I hope the Minister will confirm that.

Albert Owen (in the Chair): I know that in responding to the debate the Minister will allow a couple of minutes for Mr Slaughter to wind up.

2.13 pm

The Minister for Housing (Dominic Raab): It is a privilege to serve under your chairmanship, Mr Owen. As is the custom, I congratulate the hon. Member for Hammersmith (Andy Slaughter) on securing this debate. We have sparred many times on justice matters, and I look forward to an equally rigorous friendship on housing issues. He takes a close interest in those issues and I know how tenaciously he makes his case for his constituents and on matters of principle. I pay tribute to the residents who have come to listen to him and to hear the different views on this important matter.

I take note of all the hon. Gentleman's points regarding the merits or otherwise of the development of the Earl's Court and West Kensington area. He will know that the Secretary of State for Housing, Communities and Local Government has been asked to make a decision on two specific matters submitted for his determination. The determination requests are currently being considered in the Department. The hon. Gentleman made some specific requests that I want to address clearly. As a lawyer and an assiduous local MP, he will know that that process precludes me, for legal and propriety reasons, from commenting specifically on the regeneration proposals for the Earl's Court and Kensington area. As he knows, to do so would prejudice the very decision making he is calling for. Notwithstanding those limits, in his usual deft way he has highlighted his concerns over the Earl's Court project while also raising—the shadow Minister did this, too—wider issues relating to social housing and the place for regeneration within that. I will say as much as I conceivably can.

Members will know that social housing is a priority for this Government. Last year we announced a review to examine the issues affecting social housing. To help inform the Green Paper we have spoken directly with 1,000 people who live in social housing, as well as with more than 7,000 people through online surveys. Notwithstanding the fact I have only been in this post for a short time, I have been to two workshops this year in Basingstoke and for Lancaster West residents in north Kensington. I hope that reassures the hon. Member

for Kensington (Emma Dent Coad). Those workshops and the wider feedback have made a profound impression on me. We have an important opportunity to look afresh at the sector. A lot of the wider points that Members have made will feed into, touch on and resonate with some of the issues we will be grappling with. We will publish the Green Paper this year for consultation, and I look forward to engaging with all Members at that point on those wider policy issues as we strive to get the best out of the social housing sector.

More broadly, the Government are increasing the supply of homes and implementing policies that help people to access housing, whether they are renting or looking to buy in whichever sector, private or social. In 2016-17, which is the last year for which we have full figures, nearly 220,000 net additional homes were delivered. There were more than 41,000 affordable housing completions, which was up 27% on the previous year. We saw nearly 145,000 completions on the Help to Buy equity loan scheme by the end of September 2017.

Building affordable homes is a top priority for this Government. Since 2010, we have delivered more than 357,000 new affordable homes. In relation to the specific issues raised by the hon. Member for Hammersmith, about one quarter of those homes have been delivered in London. The Prime Minister recently announced an additional £2 billion of funding for affordable housing. That will increase the affordable homes programme budget to more than £9 billion. The new funding will support councils and housing associations to build more affordable homes where they are needed most: where families are struggling with rental costs and some may be at risk of homelessness.

The shadow Minister raised the issue of affordable housing in the wider context, and the hon. Member for Hammersmith made a number of political points. I hope both will forgive me for pointing out a few basic undeniable facts about affordable homes in Hammersmith and Fulham. Affordable home delivery in Hammersmith and Fulham in 2016-17 was 28% of the level of the last year of the previous Conservative administration. In the same year, Hammersmith and Fulham delivered 15% of the affordable housing that Wandsworth delivered. I note that as a matter of balance with the account of the borough given today by Members. It is worth putting it in some perspective. Nevertheless, across the political aisles and across the country—the issue is most acute in relation to London, where there is a serious housing shortage and high demand—I think we all are clear about our ambition and restlessness to go much further.

At the autumn statement in 2016, we agreed a record-breaking £3.15 billion package of funding for affordable housing in London to deliver at least 90,000 new affordable homes by March 2021. In addition, London will also get a share of the extra £3.4 billion investment in the affordable homes programme announced recently. Since 2010, we have delivered more than 357,000 new affordable homes, and about one quarter of them have been in the capital.

As London struggles to build enough homes to keep pace with demand, attention is naturally turning to the broader options regarding the regeneration of housing estates. Estate regeneration done the right way can create new improved homes and communities for the people who live there. It can increase the supply and quality of homes through densification and design.

Those two can be viewed as a win-win, rather than a zero-sum game. Savills has estimated that in London there is capacity to provide more than 54,000 additional homes using a street-based model. The Government published a new estate regeneration national strategy in December 2016, which supports local partners to improve how they do estate regeneration in partnership with residents to drive better quality housing, local growth and wider opportunities for the residents of local communities.

To give some examples of good practice, in the north Solihull area of Birmingham, a focus on education with the local community infrastructure amenities has led to an increase in educational standards. The regeneration set out to change the lives of 40,000 people by building new homes of mixed tenure, developing new state-of-the-art schools and creating new village centres with improved health and enterprise facilities. The best estate regeneration schemes make the community central to the project.

The Spirit Quarters redevelopment in Coventry is a resident-led scheme. They have set up three social enterprises: a community café, a neighbourhood centre and a business centre. In addition to the physical transformation, there have been improvements in many social and economic outcomes. Overall, reported crime in the area is down by almost 20% and the number of residents claiming jobseeker's allowance has reduced by 44%. The percentage of students leaving school with five or more GCSEs at grades A* to C has increased from 5% to 33%. Those are all incredibly positive outcomes.

The issue of tenant participation has been raised by hon. Members. Residents are clearly key partners in any regeneration scheme. They should have opportunities to participate from the start, developing the vision, design, partner procurement and delivery. Working with residents can help to build trust and consensus on regeneration. I have said this numerous times since taking on this portfolio: we need to build more homes, but we also need to build up stronger communities, too.

It is particularly important that residents have the opportunity to express their views on the final options for regeneration, whether as individuals or through the democratic process more generally. The way that is done should be agreed locally. That is the template for the national policy that we put out. The regeneration should have the support of a majority of the residents whose lives will be directly affected. At the Wornington Green estate in north Kensington, support for the regeneration was helped by early and ongoing conversations with residents. It included a resident steering group, regular outreach, independent advice and advocacy, regular public meetings, and training for residents.

It is important to set out a clear set of commitments about how the regeneration process will work and what housing options are available. Providing security and confidence through a charter early on is one option for helping to establish trust and foster positive discussions about the scheme. All existing council and housing association tenants, whether on a lifetime or fixed-term tenancy, should have the option to return to the estate. It is a legal requirement for leaseholders to be compensated if their home is demolished. However, we expect that schemes will go further and offer leaseholders a package that enables them to stay on the estate or at least close by.

It is important that home purchase options are made available. Residents should be given the opportunity to change tenure if they so wish. Regeneration can help first-time buyers get a foot on the housing ladder and provide opportunities for tenants to own their homes. Shared ownership has an important role to play in helping those who aspire to home ownership but cannot afford to buy. For example, residents of the Rayners Lane estate in Harrow have been guaranteed the right to remain in affordable housing on the estate, with the extra 260-plus homes creating a vibrant mixed-tenure community through the introduction of outright sale and shared ownership. All of that requires strong leadership from local authorities.

Our strategy highlights the importance of devolution and the leadership role of local authorities working with their communities to support estate regeneration. We have seen good examples of that type of strategic leadership and co-operation. Notwithstanding the criticisms that have been made, I hope we will not throw the baby out with the bathwater and lose sight of the good examples and the positives.

Andy Slaughter: Will the hon. Gentleman give way?

Dominic Raab: I will make a little more progress and the hon. Gentleman can comment at the end.

Combined authorities in the Tees valley, the west midlands and Greater Manchester are now tackling housing and regeneration alongside transport, infrastructure and skills as they take a more holistic approach. Strategic regeneration plans can act as the catalyst for delivering place-based services and infrastructure through, for example, new community hubs and schools that service the areas being regenerated.

Opposition Members have sometimes accused me of focusing too much on London and the capital. However, the regeneration of Anfield in north Liverpool has focused not only on housing, but on the place as a whole, including the commercial offer and the wider infrastructure. Your Housing association, Liverpool football club and Liverpool City Council created a partnership that enabled them to consider the needs of the community across the whole Anfield area. That was important and is a good example of the strong joint partnership and long-term community engagement that has transformed Anfield into a place where people want to live.

Andy Slaughter: I appreciate the tone of the Minister's speech and what he said about not giving a view on the regeneration scheme. However, may I press him a little on two points? First, if he cannot say what his position is, can he indicate—this is not unreasonable after two years—when there is likely to be a decision on the right to transfer? Secondly, there are many regeneration schemes, but so many of them involve a reduction in the number of social rented homes. When we have a new deal for Earl's Court and West Kensington, will he agree to work with the other players there to ensure that we preserve and enhance the existing community?

Dominic Raab: The hon. Gentleman has made his point in a constructive and reasonable way. I appreciate his frustration on the time issue. After the length of time and all the issues that have been churned over, no one will say this has been done in a rushed way, but we

[Dominic Raab]

need to take the time required to get the decision right. I cannot give him a specific timeframe, but we will move as expeditiously as we can. I certainly will take back to the Department the point that he has made.

On the wider question, we have an opportunity through the social housing Green Paper. We will collate the extraordinarily wide range of feedback we have had. We will put that into the proposals through a Green Paper for consultation. I look forward to working with the hon. Gentleman and hearing from him at that stage.

In conclusion, I want to make sure this debate does not lose sight of the fact that local regeneration can offer enormous scope to build more homes and at the same time build up our local communities, which, whatever side of the political argument we sit on, is the shared objective. It requires ambition from local authorities, which many are providing. It also requires that residents have a strong voice in the process to shape the local plan, and support from central Government, which London and many other communities are receiving, not least with the recent homes infrastructure funding that has been made available. It also requires strong leadership to carry local communities with us.

2.27 pm

Andy Slaughter: I am glad we had a civilised debate, but that does not detract from the fact that what has happened, particularly to the tenants and residents of the West Kensington and Gibbs Green estates over the past 10 years, has been an outrage. It would not have been tolerated were this not an area of social housing. Threatening to demolish 750 private homes in the same way simply would not happen. All we ask is that similar standards are adopted. That is why I am delighted with the Mayor's new guidelines and his wish to use his own power and economic clout to ensure that tenants are fully consulted in future.

I want to make two or three quick points. I accept that local authorities can always do more and that it is very difficult to build genuinely affordable housing in London, where land values are high, but it is not impossible. I do not want to dwell on the political past, but I will give one statistic: in the past three years of Conservative control in Hammersmith and Fulham, the number of social rented homes actually fell. It is the only borough in London where that happened. I would be willing to draw a line under the past and to accept at face value what the Government say and what some Conservative councils now say about a new commitment to social rented homes. I suspect the new settlement will not be until after the local elections because Capco, like all desperate gamblers, will want one more throw of the dice to see if it can get a more sympathetic administration. I suspect it will be unlucky on this occasion, not only in Hammersmith but in Kensington. I invite the Minister to work with all players after that time to ensure that we begin to build the homes that Londoners need and can afford.

I end where I began by thanking everybody who has taken part in the debate, particularly my hon. Friends the Members for Rochdale (Tony Lloyd), for Kensington (Emma Dent Coad), and for Westminster North (Ms Buck), who are passionate about these issues, as I am. Most of all I thank the tenants and residents not only for giving up their day and being here—they have given up so many days—but for everything they have done for their community. By resisting the demolition that was due in the area, they have prevented it from happening to other communities in Hammersmith and elsewhere. For that we all owe them an undying debt of gratitude.

Question put and agreed to.

Resolved,

That this House has considered social housing and regeneration in Earl's Court and West Kensington.

2.29 pm

Sitting adjourned.

Written Statements

Tuesday 20 February 2018

TREASURY

ECOFIN

The Chancellor of the Exchequer (Mr Philip Hammond):

A meeting of The Economic and Financial Affairs Council (ECOFIN) will be held in Brussels on 20 February 2018. The UK will be represented by Mark Bowman (Director General, International and EU, HM Treasury). European Union Finance Ministers will discuss the following:

Early Morning Session

The Eurogroup President will brief Ministers on the outcomes of the 19 February meeting of the Eurogroup, and the European Commission will provide an update on the current economic situation in the EU.

Financial services legislation

The Bulgarian presidency will present information on current financial services legislative proposals, followed by an exchange of views.

Sustainable finance

The Council will hold an exchange of views on the recommendations of the High-Level Expert Group on sustainable finance.

Discharge of the 2016 EU Budget

Ministers will be asked to approve a Council recommendation to discharge to the European Commission in respect of the 2016 EU Budget.

EU Budget guidelines for 2019

Ministers will be asked to approve Council conclusions on the EU Budget guidelines for 2019.

Public procurement and strategic investment

The European Commission will present information on the public procurement strategy it adopted on 3 October 2017.

[HCWS468]

EVEL Analysis

The Financial Secretary to the Treasury (Mel Stride):

I have today published a written submission outlining the Government's analysis of how the English votes for English laws principle relates to all Government amendments tabled for Report stage of the Finance (No.2) Bill.

The Department's assessment is that the amendments do not change the territorial application of the Bill. The analysis holds if all the Government amendments be accepted.

I have deposited a copy of the submission in the Library of the House.

[HCWS470]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Bovine TB

The Secretary of State for Environment, Food and Rural Affairs (Michael Gove): Five years into the current bTB strategy, drafted in 2013 and published a year later,

the time is right to review progress on the various elements of the strategy. I envisage further reviews will take place at five-yearly intervals in the future.

The purpose of the review is to consider progress made to date and what further actions might need to be prioritised now in order to ensure we maintain progress towards our target of becoming officially TB free after 25 years.

Bovine TB is a slow-moving insidious disease which presents major challenges. It can be difficult to detect; it can be harboured in the wildlife population; no vaccine is fully effective and none of our diagnostic tests are perfect. The review will be forward looking. Its aim is to identify what actions we could take now to ensure that other elements of the strategy, such as cattle vaccination or improved genetic resistance, are ready to deploy at later phases of the strategy.

We now have over 20 cull zones that are operational and we envisage additional ones for 2018. Although it is too early to make definitive conclusions, early analysis suggests that the first two cull zones are seeing the anticipated impact in terms of reduced incidence of the disease. However, we do need to consider what further steps or actions should follow the conclusion of each four-year cull. After all, none of us wants to be culling badgers forever. The review will therefore also consider such issues.

The review will be led and overseen by an external chair and I am delighted that Professor Sir Charles Godfray has agreed to take on this role. Professor Godfray is a population biologist with interests including ecology and epidemiology, currently based at the University of Oxford where he is director of the Oxford Martin School. He is also a fellow of the Royal Society. He chaired the independent scientific review of the randomised badger control trial, and is chair of DEFRA's Science Advisory Council.

The chair will be supported by a small working group, membership of which will be confirmed in due course. The chief veterinary officer and the director of animal and plant health will provide oversight within the Department.

The review is expected to commence in March and to be completed by the end of September 2018. The findings will be submitted to DEFRA Ministers for consideration with a final report published in due course.

As well as this work, DEFRA has launched a consultation on the principle of allowing badger control in the low-risk area to enable rapid action to tackle outbreaks at the local level where there is evidence of infection in badgers linked with infection in cattle, and to help preserve the area's low disease incidence. Any decision on whether or not to implement badger control in the low-risk area will be taken by the Secretary of State following the consultation, once all the responses have been considered alongside relevant scientific evidence and veterinary advice.

The terms of reference for the review and the consultation have been published on the gov.uk website and placed in the Libraries of both Houses.

[HCWS466]

HEALTH AND SOCIAL CARE

Fixed Recoverable Costs in Lower-value Clinical Negligence Claims

The Minister for Health (Stephen Barclay): My hon. Friend the Under-Secretary of State for Health (Lord O'Shaughnessy) has made the following statement:

Today I am publishing a document summarising the responses we received to our consultation 'Introducing fixed recoverable costs in lower value clinical negligence claims'.

Following the end of the consultation in May 2017, the right hon. Lord Justice Jackson published a report "Review of Civil Litigation Costs: Supplemental Report Fixed Recoverable Costs", which included a recommendation that The Civil Justice Council should, in conjunction with the Department of Health and Social Care, set up a working party with both claimant and defendant representatives to develop a bespoke process for clinical negligence claims initially up to £25,000 together with a grid of fixed recoverable costs for such cases.

Ministers at the Department of Health and Social Care and the Ministry of Justice have accepted this recommendation and I would like to inform Parliament that work has commenced in setting up the working party with both claimant and defendant representatives.

The document I am publishing today sets out a summary of what we heard in our consultation, and points to The Civil Justice Council working group as the next step in developing the fixed recoverable costs policy and the report into fixed cost proposals by Professor Paul Fenn.

It is also available online at: <http://www.parliament.uk/writtenstatements>.

[HCWS472]

HOME DEPARTMENT

Rights of EU Citizens Resident in the UK

The Minister for Immigration (Caroline Nokes): The Government have been clear since the start of negotiations with the EU that protecting the rights of EU citizens in the UK, together with the rights of UK nationals living in EU countries, was their first priority.

Since the opposition day debate on 29 November 2017 secured by the hon. Member for North East Fife (Stephen Gethins) on the vital issue of safeguarding citizens' rights, we have delivered on that commitment and reached an agreement with our EU partners on citizens' rights. The agreement was set out as part of a joint report issued on 8 December 2017, and provides more than three million EU citizens living in the UK with certainty about their future rights and, most importantly, allows them and their families to stay in the UK.

The agreement will protect EU citizens who have been exercising free movement rights in the UK at the time of the UK's withdrawal from the EU. Family members, including those from outside the EU, living lawfully in the UK with a qualifying EU citizen at this point are also protected.

As part of our citizens' rights agreement, we have agreed with the EU that we will introduce a new settled status scheme under UK law for EU citizens and their family members who are covered by the agreement. Those who have already had five years of continuous residence in the UK will be eligible to apply for settled

status. Others will be able to remain in the UK to build up their five years' residence.

We have agreed with the EU that the eligibility criteria for UK settled status will be the same as, or more favourable than, those set out in the EU Directive 2004/38/EC for acquiring permanent residence. In line with this, we have already committed to setting the evidence requirements to suit the demands of this unique situation and have taken a unilateral decision to introduce more favourable provisions to ensure that everyone lawfully in the UK on exit day will be able to stay. For example, we will not require evidence that economically inactive EU citizens have previously held comprehensive sickness insurance or apply a "genuine and effective" work test. We are engaging closely with representative bodies for EU citizens in the UK to understand all the different circumstances under which they have built their lives in the UK so as to tailor evidential requirements appropriately.

Those who obtain settled status under the agreement on citizens' rights will be granted indefinite leave to remain in UK law. This status will provide the holder with the same access to benefits, education and healthcare as those who have obtained permanent residence under EU law.

In addition, those granted indefinite leave to remain in line with this agreement will also benefit from certain more favourable entitlements than those with permanent residence under EU law. For example, their status will not lapse unless they have been continuously absent from the UK for over five years, as opposed to two years.

Importantly, our agreement on citizens' rights has also opened the door for us to finalise work on the development and delivery of the new system for settled status applications.

The scheme, which will open for applications by the end of 2018, will be streamlined, user-friendly and will draw on existing Government data to minimise the burden on applicants to provide evidence.

The Home Office will work with applicants to ensure that their application is not refused on minor technicalities, and caseworkers considering applications will exercise discretion in favour of the applicant where appropriate. As a result, we expect the vast majority of cases to be granted.

To ensure all EU citizens and their families have enough time to apply for UK status, the scheme will remain open for applications for at least two years after the UK leaves the EU. During this period, they will enjoy the rights conferred by the agreement. The application fee will not exceed the cost charged to British citizens for a UK passport, and for those who already have a valid permanent residence document there will be a simple process to exchange this for a new settled status document which will be free of charge.

The agreement reached in December will now be converted into the legal text of the Withdrawal agreement. The withdrawal agreement and implementation Bill will incorporate the contents of the withdrawal agreement, including the agreement on citizens' rights, into UK law by primary legislation. This will mean that the agreement on citizens' rights will have direct effect in UK law and EU citizens can rely directly on it.

We are pleased with the progress we have made on citizens' rights. Reaching an agreement with the EU on this and other separation issues is an important step on our journey towards a new relationship with our European partners.

The Government hugely value the contributions that EU citizens and their families make to the economic, social and cultural fabric of this country, and we have been clear from the start that we want them to stay. The agreement we have reached with the EU will allow EU citizens to do this and continue living their lives as they do now.

[HCWS471]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Housing Market

The Secretary of State for Housing, Communities and Local Government (Sajid Javid): The Government believe that consumers should have swift, effective routes to complain and to access resolution when things go wrong with their home—whether they are a tenant, or a homeowner.

We are concerned that the current redress landscape is confusing and does not always support this. There are multiple redress providers, each operating different practices. Even this array of schemes does not provide for every eventuality. Some people have no option but to take a grievance through the courts.

On Sunday 18 February the Government launched a public consultation on strengthening redress in housing. The consultation is open to consumers, providers of housing services, and existing redress schemes, and asks how we can make the system simpler and more effective for consumers.

It asks about consumers' experiences of redress, and how to improve "in-house" complaint processes to ensure that issues get resolved as quickly as possible.

It considers the practices that redress schemes should adopt in terms of timeliness, accessibility and transparency; and it considers the powers that schemes require to operate effectively.

It also considers gaps in redress, and how these could be filled. This includes consideration of how to implement our commitment to require that all private landlords join a redress scheme, as well as improving access to redress for buyers of new-build homes.

Finally, the consultation also seeks views on whether redress should be consolidated into a single housing ombudsman service and, if so, what form this might take.

The policy proposals primarily relate to England. The UK Government will be discussing these issues with devolved Administrations where existing legislation also has scope outside England.

The consultation will run for eight weeks and ends on 16 April 2018.

Copies of the consultation document will be placed in the House Library and are available on the Government's website here:

<https://www.gov.uk/government/consultations/strengthening-consumer-redress-in-housing>.

[HCWS467]

JUSTICE

UN Convention Against Torture

The Secretary of State for Justice and Lord Chancellor (Mr David Gauke): The OPCAT, which the UK ratified in December 2003, requires states parties to establish a "National Preventive Mechanism" (NPM) to carry out visits to places of detention to prevent torture and other cruel, inhuman or degrading treatment or punishment.

The Government established the independent UK NPM in March 2009, and extended its membership in December 2013, and in January 2017. The UK NPM is currently composed of 21 scrutiny bodies covering the whole of the UK, and prepares annual reports on its activities. It also has an independent website at: www.nationalpreventivemechanism.org.uk.

Following previous practice, I have presented to Parliament the eight NPM annual report (Command Paper 9563). This report covers the period from 1 April 2016 to 31 March 2017. I commend the important work that the NPM has carried out over this period and the NPM's independent role in safeguarding the human rights of detainees across the UK. I also note the NPM's observations around prisons, children in detention, police and court custody, immigration detention, and health and social care detentions.

[HCWS469]

Petitions

Tuesday 20 February 2018

OBSERVATIONS

DIGITAL, CULTURE, MEDIA AND SPORT

Oundle Library

The petition of residents of the United Kingdom,
Declares that Oundle Library should remain open.

The petitioners therefore request that the House of Commons urges the Government to compel Northamptonshire County Council to provide adequate funding to allow Oundle Library to remain open.

And the petitioners remain, etc.—[Presented by Tom Pursglove, *Official Report*, 12 December 2017; Vol. 633, c. 366.]

[P002090]

Observations from the Secretary of State for Digital, Culture, Media and Sport (Matt Hancock):

The Public Libraries and Museums Act 1964 (the Act) requires all local authorities in England to provide a comprehensive and efficient library service. In considering how to deliver this statutory duty, each local authority is responsible for determining, through consultation, the local needs to deliver a modern and efficient library service that meets the requirements of their communities within available resources.

The Act requires the Secretary of State to superintend, and promote the improvement of, the public library service provided by local authorities in England, and to secure the proper discharge by local authorities of the functions in relation to libraries as conferred on them as library authorities. The Department therefore monitors library service changes to support the Secretary of State in the discharge of these functions, and the Act provides the Secretary of State with powers to order a local inquiry if, after careful consideration, there is serious doubt that a local authority is carrying out its statutory duty.

The Government recognise the importance and value of public libraries for all members of the public. Libraries support the transformation of individuals, communities and society as a whole. They provide access to books, opportunities for people to learn and improve, and bring communities together to support integration and tackle loneliness. In addition, they provide practical help and guidance, including for digital skills, literacy, health and wellbeing, and business development.

The Government are therefore committed to helping public libraries in England prosper, including through the support of the development agency for libraries, Arts Council England. In addition, the Government, with the Local Government Association, established the Libraries Taskforce in 2015 to provide leadership and support to public library services in England. The Taskforce has published a range of information and guidance, including toolkits and case studies to assist local authorities and their library service.

In December 2016, the Taskforce published “Libraries Deliver: Ambition for Public Libraries in England 2016-2021” that sets out the Taskforce’s vision for public libraries in England. This is endorsed by central and local government and describes how library services in England support and add value to a range of local and national policy priorities, providing practical examples of existing good practice.

The Government recognise that local authorities are seeking to modernise and innovate library services to ensure they remain relevant and meet the changing demands of their communities. Local authorities are encouraged to work with Government and local people to consider the range of options available to deliver a comprehensive and efficient library service and to ensure that it is sustainable for the long term.

NCC’s Libraries and Information Service seeks to provide a range of community services to local people, including through 36 static libraries, a mobile library service, and other digital services and resources. From 20 October 2017 to 13 January 2018, NCC consulted on three options for the future of its Library and Information Service. The Government understands that NCC has since analysed the consultation responses and recommendations have been proposed for consideration at NCC cabinet meeting on 13 February and final decision at a full council meeting, as part of its budget-setting process, on 22 February.

Under these recommendations, NCC proposes to retain eight large and seven medium libraries (including Oundle library) in its library service, totalling 15 static libraries, and to develop these as community hubs. NCC also intends to investigate the potential future library service provision for a further location in the Corby area. In addition, the mobile library service would close and, to support library users who find it difficult to access a static library, NCC intends to extend its outreach “Library to You” service.

In relation to the communities served by the remaining 21 libraries currently in its statutory library service but not covered by the above proposals, NCC notes that it will seek to develop a community-managed library model by working with communities to develop business plans for local groups to take over the running of these libraries. To enable a transition to develop such community-managed libraries, NCC proposes to provide continued financial support during 2018-19, and in 2019-20 to pay the rental costs for these libraries. In the event that business plans are not feasible for any library, NCC expects to decide to decommission that library, which is likely to mean it closing.

The Department continues to closely monitor NCC consideration of its libraries proposals. If, following NCC’s final decision about its library service provision, the Department receives a complaint under section 10(1)(a) of the Act raising concerns that NCC will fail to provide a comprehensive and efficient library service, the Department will carefully consider the complaint on its merits to decide whether an inquiry is required to determine if the council is meeting its statutory duty.

It should also be noted that the Secretary of State for Housing, Communities and Local Government announced on 9 January 2018 the appointment of an independent inspector to better understand whether NCC is complying with its “best value” duty—a legal requirement to ensure good governance and effective management of resources. The inspection is due to report by 16 March 2018.

HEALTH AND SOCIAL CARE

Urgent treatment centre, Westmorland General Hospital

The petition of residents of the United Kingdom,

Declares that many people in South Lakes have to endure long journeys to the Accident and Emergency units at Royal Lancaster Infirmary in Lancaster and Furness General Hospital in Barrow as the Westmorland General Hospital in Kendal does not have the necessary facilities to cope with the majority of Accident and Emergency cases.

The petitioners therefore request that the House of Commons urges the Government to bring an Urgent Treatment Centre to Westmorland General Hospital, not only to provide urgent care closer to home for South Lakes residents, but to also help relieve pressure on the Accident and Emergency units at the Royal Lancaster Infirmary and Furness General Hospital and ensure ambulances are not stuck waiting there in long queues.

And the petitioners remain, etc.—[Presented by Tim Farron, *Official Report*, 20 December 2017; Vol. 633, c. 1242.]

[P002094]

Observations from the Minister for Health (Stephen Barclay):

Any potential service change is a matter for the local NHS. It is right that these decisions are led by local clinicians, who best understand the healthcare needs of their local population, and in consultation with local people.

All proposed service changes should be based on clear evidence that they will deliver better outcomes for patients.

They should also meet the four tests for service change:

- They should have support from GP commissioners;
- be based on clinical evidence;
- demonstrate public and patient engagement; and
- consider patient choice.

Morecambe Bay Clinical Commissioning Group (CCG) has been working closely with NHS England since September 2017, identifying key sites and delivering the operational roll-out for urgent treatment centres across the Morecambe Bay area. The CCG confirms that an urgent treatment centre is planned for the site at Westmorland General Hospital where the Primary Care Assessment Service (PCAS) is currently located. The CCG is working with NHSE on an implementation plan. It is expected that the centre will be operational in Spring 2018.

TRANSPORT

Sudbury Bypass

The petition of residents of the UK,

Declares that the town of Sudbury, Suffolk, has suffered from heavy congestion for too long, hampering the development of the town, causing dangerous levels of pollution and reducing the living standards of its residents; further that the Department for Transport should recognise the strong business case, the support of the Suffolk County Council, the New Anglia Local

Enterprise Partnership and the Haven Gateway Partnership; and further the Government should provide support for the construction of a Sudbury bypass, including any necessary funding, to improve the future of the town and surrounding areas; and further that a local paper petition and online petition on this matter received 3,711 signatures.

The petitioners therefore request that the House of Commons urges the Department of Transport to support the construction of a Sudbury bypass.

And the petitioners remain, etc.—[Presented by James Cartlidge, *Official Report*, 31 January 2018; Vol. 635, c. 940.]

[P002106]

Observations from the Parliamentary Under-Secretary of State for Transport (Jesse Norman):

The Government have an ambitious strategy for tackling congestion across the country. This includes significant new investment in both the strategic and local road networks, as well as encouragement for more sustainable transport including buses, walking and cycling.

The Department for Transport understands traffic congestion can be experienced at certain times in the centre of Sudbury, along with air quality issues in the town. The Department would urge all local partners to work together in looking for viable transport solutions to these issues.

Any new bypass at Sudbury would be a local transport project and therefore a matter for the local highway authority, Suffolk County Council, to take forward including setting out how they plan to fund the scheme. Government funding for such schemes on the local highways network is currently provided through the Local Growth Fund (LGF). In line with the Government's commitment to devolution, all LGF funding up to March 2021 has been devolved to Local Enterprise Partnerships (LEPs) to administer in line with locally identified priorities. If Suffolk County Council wish to seek LGF funding for a new bypass they should therefore look to the New Anglia LEP. The future of such funding after 2021 is still under discussion.

The A134 through Sudbury is on the Government's proposed Major Road Network (MRN) which is out for consultation until 19 March 2018. Should it be designated as part of the MRN then this scheme could be eligible for MRN funding in the future.

Toft Hill Bypass

The petition of residents of Toft Hill,

Declares that the A68 that runs through Toft Hill is unsuitable and unsafe for the volume and nature of vehicles, especially HGV Lorries; and further that the proximity of the primary school and proposed future development in the village would make this stretch of road more dangerous to local residents.

The petitioners therefore request that the House of Commons urges the Department for Transport to priorities a new relief road to alleviate the problems faced by residents of Toft Hill.

And the petitioners remain, etc.—[Presented by Helen Goodman, *Official Report*, 23 January 2018; Vol. 635, c. 238.]

[P002098]

Observations from the Parliamentary Under-Secretary of State for Transport (Jesse Norman):

The Government have provided significant amounts of funding for local road improvements, including the Department for Transport's £475 million Large Local Major Schemes Fund and the £12 billion Local Growth Fund available to Local Enterprise Partnerships. Both of these funds can be accessed by local authorities for road improvements such as bypasses, but before applying the local authorities are expected to undertake the initial development of a business case to show the scheme is feasible and offers value for money.

The A68 through Toft Hill forms part of the local road network, which in this location is the responsibility of Durham County Council. As such, it would be for Durham County Council to decide if the road is unsuitable and unsafe for the volume of traffic it carries and whether a business case should be developed.

The Department for Transport intends to create a Major Road Network to tackle bottlenecks and traffic jams on the country's busiest "A" roads. This will see up to £100 million available for individual enhancement schemes on the new network. Improvements on the Major Road Network will be funded from the National Roads Fund, which from 2020 will be paid for by Vehicle Excise Duty.

A consultation on the creation of this Major Road Network is currently under way and closes on 19 March 2018. The consultation sets out proposals for defining the new network, how investments will be planned, and how proposed investments will be assessed. The A68 through Toft Hill is not included in the indicative Major Road Network, which was published alongside the consultation, as it does not meet the proposed criteria for Major Roads. However, the purpose of the consultation is to gather views on the Department's proposals and, if stakeholders feel there be made for the A68, they should respond to the consultation.

TREASURY

Closure of RBS branches in East Kilbride, Strathaven and Lesmahagow

The petition of residents of East Kilbride, Strathaven and Lesmahagow,

Declares that closure of the RBS branches in Lesmahagow and Strathaven, and indeed many other rural branches across Scotland, unfairly affects rural communities that will have to travel further to withdraw their own money or seek monetary advice from their own bank; further that RBS is 72%-owned by taxpayer and rural taxpayers have been unfairly targeted in the closures; further that it could be of serious detriment to our local rural economies; and further that the closure of these local branches will have the biggest negative impact on the most vulnerable people in our community such as the elderly and the disabled.

The petitioners therefore request that the House of Commons urges the Government, as a major shareholder in RBS, to undertake a full review into the decision by the bank to close a third of its branches in Scotland; further that the government acknowledges the targeted impact this will have on rural communities; and further that the Government will urge RBS to rethink its list of proposed branch closures.

And the petitioners remain, etc.—[Presented by Dr Lisa Cameron, *Official Report*, 20 December 2017; Vol. 633, c. 1242.]

[P002093]

Observations from the Economic Secretary to the Treasury (John Glen):

The Government thank Lisa Cameron MP for her petition on the closure of the RBS branches in Lesmahagow and Strathaven.

The Government are sorry to hear about the disappointment of the residents of East Kilbride, Strathaven and Lesmahagow at the closure of the RBS branches.

As with other banking service providers, RBS Group will need to balance customer interests, market competition, and other commercial factors when considering its strategy. Decisions on opening and closing branches and agencies are taken by the management team of each bank on a commercial basis. The Government's stake in RBS is managed at arm's length by UK Financial Investments (UKFI). UKFI is wholly owned by the Government and is responsible for managing the Government's stake in the assets acquired during the financial crisis. UKFI is not responsible, however, for managing the assets themselves. RBS retains its own board, which is responsible for strategic and management decisions and decisions relating to branch closures are solely within the remit of the bank.

However, the Government do believe that banks should act in the best interests of their customers and are committed to increasing competition to deliver better financial products and services for all bank customers. The Government continue to engage actively with the banking industry and consumer groups on these issues on an ongoing basis.

In May 2017, the major high street banks signed up to the Access to Banking Standard, committing to work with customers and communities to minimise the impact of branch closures and put in place alternative banking services. The Standard commits banks to ensure customers are well informed about branch closures, the bank's reasons for closure and options for continued access to banking services. These options should include specialist assistance for customers who need more help. The operation of the Standard is monitored and enforced by the independent Lending Standards Board, ensuring that banks are held accountable for the way they treat their customers when a branch closes.

In addition, in January 2017, the Post Office announced that it had reached an agreement with the banks that will allow more banking customers to access a wider range of services at the Post Office than ever before. The new arrangement allows individual and small business customers to withdraw money, deposit cash and cheques and check balances at more than 11,600 Post Office branches in the UK. While the range of services offered by the Post Office may be more limited than that offered in a traditional bank branch, the services provided through the Post Office's extensive network ensures that essential banking facilities remain available in as many communities as possible. The Post Office estimates that 99% of personal and 95% of business customers will be able to carry out their day-to-day banking at a Post Office as a result of the new agreement.

Both initiatives have the Government's full support, and banks are aware that the Government expect their involvement to be genuine and unqualified.

Should the residents of East Kilbride, Strathaven and Lesmahagow decide to switch banks, the Government have made it easier than ever before using the Current Account Switch Service (CASS). The switch service is free to use, comes with a guarantee to protect customers from financial loss if something goes wrong, and redirects any payments mistakenly sent to the old account, providing further assurance for customers. This means that customers are more able than ever to hold their banks to account

by voting with their feet, and that banks are incentivised to work hard to retain their existing customers and attract new ones. More information about CASS is available at: www.currentaccountswitch.co.uk

The Government cannot reverse the changes in the market and in customer behaviour; nor can it determine firms' commercial strategies in response to those changes.

However, the Government will continue to take positive action to maintain access to vital banking services and ensure that banks support communities across the UK when their local branches close.

Ministerial Corrections

Tuesday 20 February 2018

EDUCATION

Autism: Educational Outcomes

The following is an extract from the Adjournment debate on Autism: Educational Outcomes on 6 February 2018:

Melanie Onn: Can the Minister tell us how long it takes between a school identifying that a child has an issue and that child receiving the intervention and support that they require? In too many areas throughout the country, it is taking far too long.

Nadhim Zahawi: I am grateful to the hon. Lady for her question. In my speech, I will go on to address some of the issues—not just the Prime Minister’s review, but the Lenehan review and the Bercow work as well. We are looking very seriously at this matter, and the impetus from the Prime Minister and No.10 is only helping us to focus even more **resources** on making sure that we get this review right. [*Official Report, 6 February 2018, Vol. 635, c. 1471.*]

Letter of correction from Nadhim Zahawi:

An error has been identified in the response I gave to the hon. Member for Great Grimsby (Melanie Onn).

The correct response should have been:

Nadhim Zahawi: I am grateful to the hon. Lady for her question. In my speech, I will go on to address some of the issues—not just the Prime Minister’s review, but

the Lenehan review and the Bercow work as well. We are looking very seriously at this matter, and the impetus from the Prime Minister and No.10 is only helping us **to focus even more on making sure** that we get this review right.

TREASURY

Local Government Finance Act 1998 (Non-Domestic Rating Multipliers) (England) Order 2017

The following is an extract from the First Delegated Legislation Committee debate on the Local Government Finance Act 1998 (Non-Domestic Rating Multipliers) (England) Order 2017:

Mel Stride: I thank the hon. Member for Oxford East for her contribution and for welcoming the measures, albeit that she did caveat her remarks fairly heavily. She asserted that the Government are not doing enough, but bringing forward the change to the **revaluation** approach by two years is a £2.3 billion move. [*Official Report, 29 January 2018, First Delegated Legislation Committee, c. 6.*]

Letter of correction from Mel Stride:

An error has been identified in my response to the debate.

The correct wording should have been:

Mel Stride: I thank the hon. Member for Oxford East for her contribution and for welcoming the measures, albeit that she did caveat her remarks fairly heavily. She asserted that the Government are not doing enough, but bringing forward the change to the **indexation** approach by two years is a £2.3 billion move.

ORAL ANSWERS

Tuesday 20 February 2018

	<i>Col. No.</i>		<i>Col. No.</i>
FOREIGN AND COMMONWEALTH OFFICE	1	FOREIGN AND COMMONWEALTH OFFICE—	
British Council.....	14	<i>continued</i>	
Girls' Education.....	3	Leaving the EU: Diplomatic Co-operation	14
Global Ocean Conservation.....	13	Middle East	11
Illegal Wildlife Trade.....	7	New Channel Link.....	5
Institute for Free Trade: Launch Cost.....	12	Syria: Chemical Weapons.....	10
International Peacekeeping	16	Topical Questions	16
Iraqi Elections.....	8	Turkey (Afrin).....	1

WRITTEN STATEMENTS

Tuesday 20 February 2018

	<i>Col. No.</i>		<i>Col. No.</i>
ENVIRONMENT, FOOD AND RURAL AFFAIRS.	1WS	HOUSING, COMMUNITIES AND LOCAL	
Bovine TB.....	1WS	GOVERNMENT	5WS
		Housing Market.....	5WS
HEALTH AND SOCIAL CARE	3WS	JUSTICE	6WS
Fixed Recoverable Costs in Lower-value Clinical		UN Convention Against Torture	6WS
Negligence Claims	3WS		
HOME DEPARTMENT	3WS	TREASURY	1WS
Rights of EU Citizens Resident in the UK	3WS	ECOFIN.....	1WS
		EVEL Analysis	1WS

PETITIONS

Tuesday 20 February 2018

	<i>Col. No.</i>		<i>Col. No.</i>
DIGITAL, CULTURE, MEDIA AND SPORT	1P	TRANSPORT	3P
Oundle Library	1P	Sudbury Bypass	3P
		Toft Hill Bypass	4P
HEALTH AND SOCIAL CARE	3P	TREASURY	5P
Urgent treatment centre, Westmorland General		Closure of RBS branches in East Kilbride,	
Hospital.....	3P	Strathaven and Lesmahagow	5P

MINISTERIAL CORRECTIONS

Tuesday 20 February 2018

	<i>Col. No.</i>
EDUCATION	1MC
Autism: Educational Outcomes.....	1MC
TREASURY	2MC
Local Government Finance Act 1998 (Non-Domestic Rating Multipliers) (England) Order 2017	2MC

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**not later than
Tuesday 27 February 2018**

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CONTENTS

Tuesday 20 February 2018

List of Government and Principal Officers of the House

Oral Answers to Questions [Col. 1] [see index inside back page]
Secretary of State for Foreign and Commonwealth Affairs

Medical Cannabis [Col. 23]
Answer to urgent question—(Mr Nick Hurd)

Northern Ireland [Col. 32]
Statement—(Karen Bradley)

Aid Sector: Safeguarding [Col. 45]
Statement—(Penny Mordaunt)

Post-18 Education [Col. 59]
Statement—(Damian Hinds)

Postal Voting [Col. 72]
*Motion for leave to bring in Bill—(Damien Moore)—agreed to
Bill presented, and read the First time*

Sanctions and Anti-Money Laundering Bill [Lords] [Col. 77]
Motion for Second Reading—(Boris Johnson)—agreed to

Petitions [Col. 131]

Arts Council England Funding: Coalfield Communities [Col. 132]
Debate on motion for Adjournment

Westminster Hall
UK Basketball [Col. 1WH]
PACE Trial: People with ME [Col. 28WH]
NHS Staff: Oxfordshire [Col. 37WH]
Rail Services: Kettering [Col. 61WH]
Social Housing and Regeneration: Earl's Court and West Kensington [Col. 68WH]
General Debates

Written Statements [Col. 1WS]

Petitions [Col. 1P]
Observations

Ministerial Corrections [Col. 1MC]

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
