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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 20 March 2018

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH AND SOCIAL CARE

The Secretary of State was asked—

Life Sciences Industrial Strategy

1. **Alan Mak** (Havant) (Con): What progress his Department is making on implementing the Government's Life Sciences Industrial Strategy. [904459]

The Secretary of State for Health and Social Care (Mr Jeremy Hunt): The UK has a fantastic life sciences industry. As a result of the sector deal announced in December, a further £210 million is being invested in research and £162 million in medical manufacturing.

Alan Mak: Patient outcomes can be improved by sharing big datasets and integrating new technologies, such as artificial intelligence, across the NHS. Will my right hon. Friend update the House on the NHS's plans to digitise and adapt to the fourth industrial revolution?

Mr Hunt: I am looking forward to reading my hon. Friend's report into this topic in May. We are a bit of a curate's egg in this country. We have five of the world's top 10 medical research universities and more than double the number of Nobel prizes of France, so we do incredibly well on the research side, but some of our hospitals are still running on paper, which is totally inappropriate. That is why we are determined to implement the Wachter review.

Dr Paul Williams (Stockton South) (Lab): Co-operation in medical research, science and innovation with our European partners must not be hindered by a bad Brexit deal. What steps is the Secretary of State taking to ensure that UK patients are not left behind during the negotiations?

Mr Hunt: Let me reassure the hon. Gentleman—as a doctor, he is very conscious of such issues—that the absolute need to ensure that we have an uninterrupted supply of the most critical drugs is forefront in our minds. We are confident that we will be able to achieve that, but we also want great collaboration with European universities, which is why we have said that we would be happy to be an associate member of the European Medicines Agency.

Vicky Ford (Chelmsford) (Con): Part of the life sciences strategy is about ensuring that we have the skills for the future. May I thank the Secretary of State for the fantastic news about the five new medical schools opening in the country, including in Chelmsford?

Mr Hunt: I am most grateful for those thanks, and I am looking forward to many more doctors coming from Chelmsford.

Sir Vince Cable (Twickenham) (LD): The Secretary of State will be aware that one of the factors stifling innovation is the difficulty of rapid-growth companies in crossing the so-called valley of death. Since the establishment in the coalition Government years of the business growth fund, the biosciences fund and the British Business Bank, how far is the sector from crossing the valley of death?

Mr Hunt: I hope that we are crossing the valley into eternal life because we have a fantastic life sciences industry that is worth £61 billion and employs 250,000 people. The right hon. Gentleman is right—he was involved in this when he was Business Secretary—that part of that is about having close links with the key people who make decisions about where to invest their resources.

Jim Shannon (Strangford) (DUP): With companies such as UltraLinq raving about Belfast's ability to provide technology support and skills from local universities, will the Secretary of State confirm what steps he is taking to invest departmental moneys in universities to set up life sciences skill centres in co-operation with the Department for Education?

Mr Hunt: I reassure the hon. Gentleman that we are conscious of the importance of a good outcome to the Brexit talks for universities, including Queen's University Belfast, for precisely the reason raised by the hon. Member for Stockton South (Dr Williams) earlier. There are excellent research links with universities all over the world, but it is particularly important that we carry on working with European universities.

Sports Prostheses for Children

2. **Mr Mark Francois** (Rayleigh and Wickford) (Con): What support his Department is providing to children who need sports prostheses. [904460]

The Minister for Care (Caroline Dinenage): Since 2016, the Government have invested £750,000 to fund the provision of sports and activity prostheses for children and young people on the NHS. We have also invested a further £750,000 in a new National Institute for Health Research child prostheses research collaboration to drive improvements in technology. I can confirm that that funding will continue, and we will announce more details shortly.

Mr Francois: I thank the Minister for that reply. The centre at Headley Court provides world-class support for our servicemen who unfortunately lost limbs in Iraq or Afghanistan. It does incredible work. What lessons have we learned from Headley Court that we are able to transfer into the NHS?

Caroline Dinenage: My hon. Friend speaks about this with great knowledge. He was an outstanding Defence Minister and understands this subject better than almost anybody. He will be pleased to learn that, following the incredible progress that we have seen with adult prostheses through places such as Headley Court, we are now seeing the same technology in the development of children's sports and activity prostheses, using the same manufacturers. The research collaboration will also enable us to invest in future studies, including in the development of some exciting technologies, such as myoelectrical bionic upper-limb prostheses for children.

NHS Primary Care: Ageing Population

3. **Richard Graham** (Gloucester) (Con): What steps his Department is taking to ensure that NHS primary care infrastructure meets the demands of an ageing population. [904461]

The Secretary of State for Health and Social Care (Mr Jeremy Hunt): By 2020, investment in general practice will have risen by £2.4 billion, which is 14% in real terms, including an additional £680 million in infrastructure and premises in the last two years.

Richard Graham: The Health Secretary knows how hard staff have worked at the Gloucestershire Royal Hospital to ensure that this year—in fact, in January—it was rated 15th out of 137 hospitals for its A&E performance, despite the intensities of the winter. He knows from his recent visit that all staff, and their co-operation with health services, as well as within the A&E, have led to this, but will he also recognise and do all he can to let Public Health England know how important it is that new capital expenditure is available in order to increase beds and to serve the demographics of an ageing population?

Mr Hunt: I was pleased and privileged to see the brilliant work that staff are doing in Gloucester when I went on that visit. Deborah Lee and her team deserve enormous credit for getting a 10% improvement in performance year on year to February. A capital bid has been put in by my hon. Friend's sustainability and transformation partnership. It is a promising bid and I hope to be able to give him news on that soon. If it is successful, it will be in no small part thanks to lobbying by him and our colleague, my hon. Friend the Member for Cheltenham (Alex Chalk).

Helen Jones (Warrington North) (Lab): Research shows that access to GPs is now more difficult than it was five years ago, and in Warrington, we still have fewer GPs than the population would merit, putting more pressure on A&E. What is the Secretary of State doing to attract more GPs to areas such as this and to reduce the burdens on those already in the profession, so that they do not take early retirement, as many are planning to do?

Mr Hunt: The hon. Lady is absolutely right about how important is to increase the number of GPs. The most significant thing is what we announced this morning, which is five new medical colleges that are in parts of the country where it is particularly hard to recruit

doctors. Our intention is that half the medical school graduates should be moving into general practice because it is so important.

Sir Roger Gale (North Thanet) (Con): Thanet enjoys an ageing population and I am pleased to be a part of it. We will be delighted to know that one of the five new medical schools designated by the Secretary of State today is going to be based in east Kent: the bid from the University of Kent and Canterbury Christ Church University was successful. It will not have escaped my right hon. Friend's notice that the Christ Church campus is in close proximity to an A&E hospital—the Queen Elizabeth The Queen Mother Hospital—and we hope very much to see all the benefits very soon. Thank you.

Mr Speaker: May I just say to the hon. Gentleman that if memory serves me correctly, he was born on 20 August 1943, and therefore, he is really not very old at all?

Mr Hunt: I congratulate my hon. Friend on being born five years before the NHS was founded—a very short while ago. Kent is an area that, although it is the garden of England, has some profound challenges in its health economy. One of those challenges is attracting doctors to work in Kent and other more geographically remote areas, so I am very hopeful that this big new announcement for the University of Kent will be a big help.

Wes Streeting (Ilford North) (Lab): The GP-patient ratio in my constituency is unacceptably high, meaning that many people cannot get a GP appointment when they need it and they are turning up at the A&E—not only creating additional pressure but costing more in the process. What is the Secretary of State going to do to make sure that outer-London boroughs such as mine get the GP support that they need, because frankly, the assurances that he has already given are not manifesting themselves on the ground in terms of practical results for patients?

Mr Hunt: I appreciate that there are pressures in the hon. Gentleman's constituency. I think most hon. Members would say that there are pressures in their constituency when it comes to general practice, so what have we done so far? Let me put it that way. This year, 3,157 medical school graduates will go on to specialise in general practice, which is the highest ever, but we still have to do more to improve the retention of GPs who are approaching retirement.

Rebecca Pow (Taunton Deane) (Con): Forgive me, Mr Speaker, if first of all, I congratulate you on a marvellous event this morning, celebrating 10 years on from your acclaimed report on young children's speech and language and calling for a national strategy on that, which directly links into education and health. It was an excellent event, thank you. But of course, on to Taunton Deane. Tomorrow, I shall be very proud in this Chamber to be presenting my petition, which over 6,000 good people from Taunton Deane have signed, calling for a new surgical centre at Musgrove Park Hospital. They are not querying the quality of the healthcare given, but they are querying the facilities. I wonder whether my right hon. Friend would agree that this is a very deserving case for a new centre and for funding.

Mr Hunt: If these cases were decided on the persistence and strength of the lobbying of local Members, for sure my hon. Friend's would be at the very top of the list. I have been to the hospital and heard about the issues from staff—it was a very good visit. She has campaigned persistently on this and I very much hope that we can give her good news because I am aware of how urgent the need is.

Mr Speaker: Not only was the hon. Lady present in Speaker's House this morning, but her sister and distinguished speech and language therapist Rosalind Pow was present as well, so we had two doses of Pow in the course of a breakfast meeting. It was an unforgettable experience for all concerned.

Tim Farron (Westmorland and Lonsdale) (LD): I cannot compete with that, Mr Speaker. Back in November, I wrote to the Secretary of State about the increased service charges on GP practices. Ambleside surgery in my constituency, which serves an increasingly ageing population, faces a huge increase of £25,000—more than double—and the staff there fear they cannot keep the surgery going long term with that kind of increase. A ministerial written response in November did not mention Ambleside once, so will the Secretary of State commit now to intervening directly to guarantee that Ambleside will not have to pay this unjustified additional £25,000 a year?

Mr Hunt: I will re-look at the issue and the response that the hon. Gentleman was given. The issue is that there is unevenness and unfairness in the rates charged to GPs whose surgeries belong to NHS Property Services. We are trying to make this fair across the country, but we also want to make sure that no GP surgeries close.

Dr Philippa Whitford (Central Ayrshire) (SNP): With an ageing population, I, too, welcome the aim of integrating health and social care and developing population-based planning, as we have done in Scotland with health and social care partnerships, but the outsourcing of health service contracts to private providers in NHS England has led to more fragmentation rather than integration. Will the Secretary of State agree that we need to repeal section 75 of the Health and Social Care Act 2012 so that local commissioners can develop patient-centred services and not fear litigation if they do not put them out to tender?

Mr Hunt: We want to encourage the NHS to move towards more integrated services, and part of that is about contractual structures, but part of it is about funding, and I gently point out to the hon. Lady that 8% of the NHS budget in England goes to general practice and only 6.6% in Scotland, which is why there is an even bigger problem with GP surgeries closing in Scotland.

Dr Whitford: The many and varied new integrated care structures developing in NHS England have no statutory basis, yet in the future will control the entire health budget for a population. Does the Secretary of State accept that with another major NHS reorganisation we need debate and legislation in this place to get the structure and governance right?

Mr Hunt: In my first few years as Health Secretary, the message I heard loud and clear from the NHS was that it did not want a huge structural reorganisation, so we are very cautious about changing statutory structures. We want to encourage integration, but in time, if the NHS says it would like the statutory structure changed, we will of course listen.

NHS Trusts: Wholly Owned Subsidiary Companies

4. Eleanor Smith (Wolverhampton South West) (Lab): What estimate he has made of the number of NHS trusts that have established wholly owned subsidiary companies. [904463]

The Minister for Health (Stephen Barclay): NHS Improvement has informed the Department that 42 foundation trusts have reported consolidated subsidiaries, but there might be a few instances of subsidiaries being too small to be consolidated.

Eleanor Smith: What assessment has the Minister made of the impact on staff morale, retention and recruitment where trusts have set up wholly subsidiary companies and introduced a two-tier system whereby new staff terms and conditions are not part of the NHS "Agenda for Change" or the NHS pension scheme? Is this the back door to privatisation?

Stephen Barclay: Had the hon. Lady been able to attend the recent Westminster Hall debate on this issue, she would have heard that in the trust under discussion the staff survey showed an improvement in responses as a result of the subsidiary because many staff valued the flexibilities in the new contracts that the subsidiary could offer.

Justin Madders (Ellesmere Port and Neston) (Lab): The Minister may be in denial about privatisation, but is it not the case that the question-and-answer document from North Tees and Hartlepool Hospitals NHS Foundation Trust said that its subsidiary organisation could be taken over by a private company in the future? If the Minister wants to put these privatisation stories to bed, will he rule out the possibility of any of the subsidiary companies' being taken over by private organisations in the future?

Stephen Barclay: The party that is in denial is the Labour party, which, in 2006, passed the legislation through which subsidiaries could be offered. If the hon. Gentleman does not believe me, perhaps he should listen to NHS Providers, which says:

"It is...inaccurate and misleading to say that the establishment of wholly owned subsidiaries is a new phenomenon or being pursued to avoid VAT, privatise the NHS, or to reduce terms and conditions for NHS staff."

Labour Members should stop scaremongering over legislation that their party actually passed.

Social Care System

5. Dan Carden (Liverpool, Walton) (Lab): What recent assessment he has made of the level of public satisfaction with the social care system. [904464]

The Minister for Care (Caroline Dinenage): Over the last three years, about 65% of social care service users have been extremely or very satisfied with their care and support in England, and 81% of adult social care providers are rated good or outstanding.

Dan Carden: Since 2010, Government funding for Liverpool City Council has been cut by 64%, or £444 million in real terms and, given that 90% of properties are in bands A to C, our ability to raise money locally through council tax is at the bottom end of the UK average. We need integrated health and social care, but a departmental name change will not do it; we need the money locally. When will we see proper reform and proper funding to plug the gap in our most deprived areas?

Caroline Dinenage: The hon. Gentleman is right to say that the integration of health and social care is vital, and I think that the renaming of the Department is a symbol of how seriously the Government take our commitment to it. I am keen to talk to him about funding, given that the figures for Liverpool show that it is raising £7.4 million from the social care precept and has received approximately £21 million in grant from the Government.

Mr Mark Harper (Forest of Dean) (Con): I agree that the social care system needs more funds. In recent Budgets, the Chancellor of the Exchequer has found those funds and put them into the system. May I urge my hon. Friend, as she looks at the Government's proposals in the Green Paper, to ensure that the Dilnot proposals are included? Those proposals, for which we have already legislated, will give us the best chance of a sustainable system in the current Parliament.

Caroline Dinenage: The Secretary of State was with Andrew Dilnot yesterday, and we are looking carefully at his proposals. My right hon. Friend is right: although 81% of adult social care providers are registered as good or outstanding, it is unacceptable for levels of care to fall below the standards that we would expect, and in preparing the Green Paper, we will look closely at how we can improve the system.

19. [904480] **Mr Tanmanjeet Singh Dhesi (Slough) (Lab):** According to recent polling by the Alzheimer's Society, public concern about the social care system is growing, and it is clear that action is needed now to fix the crisis. Why will the Government not heed the will of Parliament and commit themselves to closing the social care funding gap, as agreed in the vote on our Opposition day motion last October?

Caroline Dinenage: I do not entirely agree with what the hon. Gentleman has said. We provided an extra £2 billion in last year's Budget to help councils to commission care services that are sustainable, high-quality and diverse. In the Green Paper, which will be published this summer, we will consider how we can future-proof the system.

Mr Philip Hollobone (Kettering) (Con): The Government inspector for Northamptonshire County Council has recommended that, because of misgovernance over the last five years, the council should be abolished. Will my hon. Friend and her colleagues work with the new successor authorities to ensure that a successful social care system is established in the county?

Caroline Dinenage: The Secretary of State has already had conversations with councillors about this matter, but my hon. Friend is absolutely right to raise it. The Care Act 2014 placed a duty on local authorities in England to promote diverse, sustainable, high-quality care, and it is important for them to continue to do that.

Barbara Keeley (Worsley and Eccles South) (Lab): The National Audit Office says that our care system is not "sustainably funded", the Care Quality Commission says that one quarter of care facilities are not safe enough, and care providers cherry-pick to whom they will give care places, and even evict people with advanced dementia on cost grounds. What is the Care Minister doing to address those issues and the sharp decline in public satisfaction with the social care system?

Caroline Dinenage: We know that the sector is under pressure because of the ageing population, but the Government have given councils access to £9.4 billion more dedicated funding over three years. The hon. Lady is right to emphasise the importance of putting power back in the hands of residents and their families, which is why we published a package of measures to ensure and protect consumer protections in the social care sector, and we will continue to look at that very closely.

Social Care Provision

6. **Huw Merriman (Bexhill and Battle) (Con):** What progress his Department is making on reforming the provision of social care. [904467]

The Secretary of State for Health and Social Care (Mr Jeremy Hunt): This afternoon I will make a speech setting out the principles with which we will approach the social care Green Paper, including a focus on the highest standards of care, integration of the health and social care system and developing a long-term sustainable funding solution.

Huw Merriman: Given that the arithmetic of this place is so tight, it is clear that there will need to be some form of cross-party consensus for any meaningful reform. Given that the Opposition appear to favour a wealth tax and our party has mooted the idea of individuals paying more for their own care, surely cross-party consensus is within reach; what is the Secretary of State's view on that?

Mr Hunt: My hon. Friend always speaks very thoughtfully on this matter, and it is important, because social care issues will continue for decades ahead unless we find a solution and both parties will have to deal with this issue in government. In truth, both parties have made things worse by politicking in the past, whether by discussion about a death tax in 2009 or a dementia tax in 2017.

Derek Twigg (Halton) (Lab): I have received a document from my local authority sent out by Cheshire and Merseyside NHS which tells it that it should be looking at there being a minimum of one choice of place for people coming out of hospital into a care home, and if that cannot be met it should be looking at transitional placements. So it will have to ask people who are frail and elderly to go into transitional placements, and that

will cost more money. How are people going to be able to cope with this? At the end of the day, the problem is simply this: there is not enough money; there is not enough money to pay for good quality staff; and there are not enough places. The Government should be ashamed of themselves.

Mr Hunt: It is the hon. Gentleman's party that should be ashamed of itself for leaving us with the financial crisis 10 years ago that has created such huge pressure in both the health and social care systems. Yes, in 2010 there were some cuts in the social care system, but that has changed now and over this Parliament the budget is going up, with £9.4 billion of additional resources, which is an 8.6% increase in real terms. We need to go further, however, which is why we have a Green Paper.

Damian Green (Ashford) (Con): May I add my thanks to those of my hon. Friends for the fact that one of the new medical schools will be placed in east Kent, which is an extremely welcome development for the health economy? On social care, the Secretary of State will be aware that the funding issue is one of the big long-term questions that need to be answered. Can he assure the House that the Green Paper will not only address that, however, but will place equal emphasis on the need for rising quality in social care across the board, because in the short run that is what many families feel most anxious about?

Mr Hunt: I thank my right hon. Friend for doing some incredibly important work when he was responsible for this area; he laid some really important foundations. My right hon. Friend is absolutely right: earlier my hon. Friend the Minister for Care talked about the fact that 81% of adult social care providers are good or outstanding, but that means that one in five is not, which means too many people are not getting adequate social care provision. We must put quality at the heart of this, and of course that does link to funding.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I hope the Secretary of State saw last night's "Panorama", which highlighted the link between the low pay of careworkers and the gender pay gap. We all know about the amazing work careworkers do, particularly in difficult circumstances such as when there is severe weather or where there are 15-minute appointments, so what is the Secretary of State going to do to ensure they are properly rewarded?

Mr Hunt: I am pleased that the hon. Lady mentioned that, because today is world social worker day. It is a day on which to celebrate the brilliant work done by people working in the social care system, often at low rates of pay. We should also celebrate the fact that, thanks to the national living wage, 900,000 workers have benefited, including through a raise of up to £2,000 a year in the take-home pay for the lowest paid workers.

NHS Dentists: Children's Access

7. Tracy Brabin (Batley and Spen) (Lab/Co-op): What steps he is taking to ensure that children have access to NHS dentists. [904468]

The Parliamentary Under-Secretary of State for Health (Steve Brine): Children's oral health is better than it has ever been, and 72% of five-year-olds in England are now decay free. Of course, that means that 28% are not, which is why our Starting Well programme aims to increase access for young children in 13 high-need areas. NHS England is also looking at making similar approaches available in the areas of greatest genuine local need.

Tracy Brabin: In Kirklees, 29% of under-five-year-olds have experience of tooth decay. Nationally, among five to nine-year-olds, tooth decay is the most common cause of hospital admission. Does the Minister agree that the system of penalising dentists for not hitting targets and not paying them when they exceed targets has led to a situation where there are virtually no NHS dentists available for my young constituents? What steps will he take to make more places available?

Steve Brine: We are testing the new prevention-focused dental contract, which the hon. Lady knows about, to improve access and outcomes for NHS dental treatment. We have also made great progress on children's oral health, as I have said. NHS England in her area is currently finalising arrangements for extra funding to support dentists in offering additional access and places. That funding will be available from 1 April, so she and other Members should stand by their phones.

Philip Davies (Shipley) (Con): The hon. Member for Batley and Spen (Tracy Brabin) is absolutely right about this particular issue. The Government have long acknowledged that there is a shortage of dentists in West Yorkshire, and in the Bradford district in particular, where the shortage is pretty chronic. Will the Minister set out what the Government are doing to ensure that there is an acceptable number of NHS dentists in the Bradford district?

Steve Brine: I will not pre-empt what the NHS in Yorkshire and the Humber will say to my hon. Friend or to the hon. Lady, because this is a local decision, but I will say that the 13 Starting Well areas—the programme was a manifesto commitment for us—were selected nationally based on overall need and using a wide range of data including access to NHS dental services.

Julie Cooper (Burnley) (Lab): The Minister seems to be in denial. The British Dental Association reports that almost half of all NHS dentists are not accepting new patients—either adults or children. In several regions right across the country, from Yorkshire to Salisbury, patients are having to rely on the third world dental charity, Dentaaid, with its now-famous wheelie bin dental surgeries. Does he think that that is an acceptable state of affairs? Will he outline what action he intends to take to improve access to NHS dentists?

Steve Brine: It is interesting that the hon. Lady should raise this; it is one of the things that we might be discussing shortly. According to the GP patient survey for January to March last year, whose results were published later last year, 59% of the adults questioned had tried to get an NHS dental appointment in the past two years, and of those, 95% were successful. Those are not bad figures.

Leaving the EU: health and Social Care

8. **Chris Law** (Dundee West) (SNP): Whether his Department has completed an impact assessment of the effect of the UK leaving the EU on the health and social care sector. [904469]

The Secretary of State for Health and Social Care (Mr Jeremy Hunt): All policy teams in my Department have conducted assessments of the implications of Brexit and continue to plan for all scenarios.

Chris Law: Well, I hope to hear some good news then. In my constituency, Dundee University and Ninewells Hospital are recognised centres of biomedical and clinical research, working closely with other European colleagues and institutions. That work is threatened if the UK is outside the European research network and excluded from data-sharing and the new clinical trial system. How does the Secretary of State plan specifically to protect the academic and clinical research excellence of Scottish and UK institutions post-Brexit?

Mr Hunt: We have made it clear that we want to integrate very closely with European structures when it comes to medicines research. I would gently say to the hon. Gentleman that great universities such as Dundee also collaborate with universities all over the world, and I think that this is a good opportunity for us to ensure that we strengthen our research networks internationally as well as using the tried and tested ones that we have with the EU.

David Tredinnick (Bosworth) (Con): Does my right hon. Friend agree that leaving the EU will be a good opportunity to build links with other countries' medical systems, particularly those of the Chinese, who have, for instance, integrated Chinese medicine and western medicine to reduce the demand for antibiotics?

Mr Hunt: My hon. Friend is right to draw attention to antimicrobial resistance because China is one of the big countries that can make a difference on that, and yes, we have had lots of discussion with Chinese Health Ministers about how we can work together on that.

Hand Gel Usage

9. **Nigel Mills** (Amber Valley) (Con): What progress Public Health England has made on implementing his Department's policy of publishing data on hand gel usage in NHS trusts as an indicator of hand hygiene compliance. [904470]

The Minister for Care (Caroline Dinanage): Patient safety, and particularly infection prevention, are among the Government's key priorities. Public Health England has carried out some initial analysis of available data. However, currently the data is incomplete and would not give a true reflection of the usage of hand gel. We are working with Public Health England to explore how we can improve that data.

Nigel Mills: I am sure the Minister will agree that it is a matter of real importance that all NHS staff wash their hands at all the required five moments of patient contact. Does she agree that it is disappointing that we

have not quite got that data published yet, and will she set a date when we will be able to see that data for each trust?

Caroline Dinanage: As I have said, we will continue to look at that, but, as my hon. Friend knows, the Department has a really strong track record of tackling infection. Incidents of MRSA are down 54% on 2010. We have published a revised code of practice on hand hygiene and we are working with partners across health and social care to ensure that this remains a focus.

Stephen Pound (Ealing North) (Lab): There has been some excellent work on extending hand gel usage throughout the NHS, and the decline in MRSA is, I think, indicative of that. However, there is a glaring prejudice, certainly in my part of the world, amongst people who think that these gels contain alcohol, and will not use them for that reason. Is it possible to instigate some form of signalling or marking to prove and to state that there is no alcohol within these hand gels, because we do not want to see people prevented from using them?

Caroline Dinanage: The hon. Gentleman makes an excellent point, and it is certainly something that we can look at more closely.

Theresa Villiers (Chipping Barnet) (Con): Will the Minister explain the work that the Government are doing with Public Health England to raise awareness of sepsis infections, and do urgent work to tackle that potential killer?

Caroline Dinanage: This is a massive priority for the Government, and we are about to start a public information campaign. Sepsis is a killer—one that deserves to be given the utmost importance, and one that we will be seeking to tackle in every way that we can.

Child and Adolescent Mental Health Services

10. **Anna Turley** (Redcar) (Lab/Co-op): What estimate he has made of the number of young people who have not had access to child and adolescent mental health services after a referral in the last 12 months. [904471]

22. **Vicky Foxcroft** (Lewisham, Deptford) (Lab): What estimate he has made of the number of young people who have not had access to child and adolescent mental health services after a referral in the last 12 months. [904483]

The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): We estimate that of the approximately 460,000 referrals made to children and young people's NHS mental health services per year, 200,000 children receive treatment and many are appropriately signposted to other help. Treatment within the NHS is determined by clinical need and it is vital for all to remember that specialist services are not always appropriate for those referred. That said, we are committed to treating 70,000 more children and young people each year by 2020-21.

Anna Turley: Around one in 10 children and young people in Redcar and Cleveland has a mental health disorder—a proportion that is higher than for the rest

of the north-east and higher than for England. Local services are becoming overwhelmed. Last year, Redcar charity The Link, which provides mental health support for children, experienced an increase in demand of 40%. It has a waiting list of over 140 children and planned waits of 11 weeks, but the charity is still having to make redundancies and staff have had their hours cut due to the funding crisis. Will the Minister commit to increasing and ring-fencing spending for child and adolescent mental health, and will she ensure that the role of third sector charities in delivery of such services is preserved?

Jackie Doyle-Price: Having looked at the performance of the hon. Lady's local trust, I can say that it is rising to the challenge extremely well, but that brings with it challenges. We are increasing the funding available for children and young people's mental health services. We are relying on local clinical commissioning groups to purchase those services, but I can tell the hon. Lady that NHS England will be keeping this area under scrutiny, to ensure that we are delivering that help to the frontline.

Vicky Foxcroft: Does the Minister accept that cuts to mental health services mean that too many young people who have suffered trauma are not getting the support that they desperately need? Has she measured the impact of that on young people, and looked, in particular, at any links to the tragic incidents of youth violence that we are now seeing daily?

Jackie Doyle-Price: I do not accept the allegation that there have been cuts. We have increased expenditure by 20%. We recognise that we need to invest significantly more in improving children and young people's mental health, and that is exactly what we will be doing.

Andrew Bridgen (North West Leicestershire) (Con): Mental health problems clearly have a wider societal cost. Does the Minister agree that treating mental health issues in children benefits not only the child, but the future of our society as a whole?

Jackie Doyle-Price: I could not have put it better myself, and this is exactly why we have brought forward the proposals in the Green Paper. We recognise that early intervention is the best way of protecting people's mental health, so we will be encouraging all schools to appoint a designated mental health lead. We will be rolling out mental health support teams to support schools and we will be trialling a four-week waiting time standard. This will lead to a material improvement in children's mental health.

Paula Sherriff (Dewsbury) (Lab): The Care Quality Commission has reported that young people are waiting up to 18 months to receive vital treatment. The Royal College of Psychiatrists says that some health trusts are spending less than £10 per child on mental health services and that spending today is less than it was in 2012. So will the Minister tell us exactly what she is doing to fix what many health professionals say is a broken child and adolescent mental health services system?

Jackie Doyle-Price: I welcome the hon. Lady to her place on the Front Bench. I believe this is the first time we have had exchanges, and I am sure it will not be the

last. We invested an additional £100 million last year. We know that more than half of providers have an average waiting time of fewer than 12 weeks and 4% of providers have a waiting time of fewer than four weeks. She is right in that six trusts are outliers and they are receiving significant attention from NHS England. We are having targeted work with them to address what might be the issues there. As I said earlier, as part of the Green Paper we will be trialling a four-week waiting time standard, and we are determined to achieve improvement in this area.

Major Trauma Centres: Youth Intervention Workers

11. **Sarah Jones** (Croydon Central) (Lab): If he will make an assessment of the potential merits of employing youth intervention workers at major trauma centres. [904472]

The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): I fully support the role that youth workers play in supporting vulnerable young people. We are working with the Home Office, which supports the charity Redthread to develop its work embedding youth workers in hospital emergency departments to intervene with young victims of violence. Redthread currently operates in London's four major trauma centres, and will be launching in Nottingham and Birmingham this year. Redthread is also working with academics to assess the impact of its youth violence intervention programme.

Sarah Jones: Knife crime continues to soar, and Members from across this House believe that we need a new approach. Having youth workers in hospital A&Es is proven to work, and, as the Minister says, Redthread is in some of our hospitals around the country. It would cost as little as £6 million a year to put youth workers into all our major trauma centres, so will she find the funding?

Jackie Doyle-Price: First, I commend the hon. Lady for the work she does on tackling knife crime and I know it is an issue close to her heart. The work with Redthread is being co-ordinated with the Home Office, and I would not want to allocate its expenditure, any more than it should be allocating mine.

Dementia Awareness Week

12. **Edward Argar** (Charnwood) (Con): What steps the Government are taking to support Dementia Awareness Week. [904473]

The Minister for Care (Caroline Dinenage): Dementia Awareness Week runs from 21 to 27 May, and the Department of Health and Social Care is expecting to participate fully in a range of activities that week, working with partner organisations and the voluntary sector.

Edward Argar: Alongside the work of Governments of both parties to improve dementia research, care and awareness—Dementia Awareness Week is a key part of that—the role of voluntary organisations and dedicated volunteers around the country is vital. Will the Minister join me in paying tribute to the fantastic work of

specialist dementia care Admiral Nurses and in backing Leicestershire Dementia UK volunteers in their campaign, which is well on track, to raise the £50,000 needed for an Admiral Nurse for our county?

Caroline Dineneage: First, I pay tribute to my hon. Friend for the sterling work he does as co-chair of the all-party group on dementia. He is absolutely right to say that Admiral Nurses do fantastic work in many parts of the country, helping people with dementia to maintain their independence, and improve their quality of life and that of their families. I very much support all the fundraising activities going on in his local area.

Satellite Radiotherapy Unit in Stevenage

13. **Stephen McPartland** (Stevenage) (Con): Whether he has plans to establish a satellite radiotherapy unit in Stevenage. [904474]

The Parliamentary Under-Secretary of State for Health (Steve Brine): NHS England is working with the East and North Hertfordshire NHS Trust to determine the best way to deliver radiotherapy services to patients in Stevenage. This is part of a system-wide NHS England review of the way in which radiotherapy services are delivered.

Stephen McPartland: Hertfordshire has more than 1 million people and no radiotherapy provision. My constituents have to travel more than 80 miles for every treatment, which means thousands of miles during the course of their treatment—there is no public transport. My right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald) and I have run this campaign for a number of years, and we have all the agreements from every part of the NHS. We are meeting the board of the trust on Friday, so will the Minister give them a direction to get on with building the facility?

Steve Brine: All trusts have been directed to get on with the review. The NHS England specialised commissioning team is in discussions with my hon. Friend's local trust as it develops its five-year strategic plan for the cancer pathways. It is working with his local cancer alliance, including radiotherapy services. It is recognised that a more radical approach and a broader review of the radiotherapy options may be required in future. As my hon. Friend says, he and my right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald) have that meeting later this week, and I hope the discussions are productive. I feel sure that my hon. Friend will come back to me if they are not.

Mr Speaker: Let us hear from the neighbour. I call Sir Oliver Heald.

Sir Oliver Heald (North East Hertfordshire) (Con): Would my hon. Friend be prepared to highlight to the review team just how dreadful it is for somebody to have to travel day after day, for an hour and a half in each direction, to London for radiotherapy when they are already ill? I hope it might be possible for some action to be taken to resolve this issue in our area.

Steve Brine: Obviously my right hon. and learned Friend is right to speak up for services in his area. The review is not about cutting those services, but about making sure that they are in the right places. We have to be mindful that sometimes the services have to be centralised to be in the right place to deliver the right outcomes for cancer patients.

Mr Speaker: I will take the next question on condition that Members are exceptionally brief, as time is constrained.

GP Services

14. **Royston Smith** (Southampton, Itchen) (Con): What steps he is taking to increase the capacity and availability of GP services. [904475]

16. **Steve Double** (St Austell and Newquay) (Con): What steps he is taking to increase the capacity and availability of GP services. [904477]

21. **Craig Tracey** (North Warwickshire) (Con): What steps he is taking to increase the capacity and availability of GP services. [904482]

The Parliamentary Under-Secretary of State for Health (Steve Brine): We of course recognise the shortages in general practice, which is why we remain committed to delivering an additional 5,000 doctors working in general practice by 2020 compared with 2015.

Royston Smith: Like many other places throughout the country, Southampton is struggling to recruit and retain GPs. There are many reasons for that, but perhaps one is the practice of discouraging medical students from going into general practice while encouraging them to become specialist consultants. Is my hon. Friend aware of that and of how widespread is it? What is he doing to encourage more people into general practice?

Steve Brine: The Secretary of State has already outlined the plans for the new medical schools and the record 3,157 GP training places that were filled. I am aware of the practice that my hon. Friend mentions, and that is why we are working with the profession on a range of measures to boost recruitment into general practice. The existing professionals also have a role to play, and the superb chair of the Royal College of General Practitioners, Helen Stokes-Lampard, is really leading from the front in that respect.

Steve Double: Does the Minister agree that part of the way to address some of the pressures that GPs face is to enhance the role of community pharmacies? Will he update the House on what steps he has taken to support pharmacies and further integrate them with general practice?

Steve Brine: We know that there are benefits to be had from the better integration of community pharmacies with sustainability and transformation partnerships. Through the pharmacy integration fund, we are integrating pharmacists into primary care. I hear good reports about how that is going and we will have 2,000 of them in general practice by 2020. Community pharmacies themselves should also be integrated, through STPs, because it is one NHS.

Craig Tracey: It is great to see that record numbers of medical students are going into general practice this year, but far too many GPs are choosing to retire and leave the NHS when they are in their 50s because of tax penalties on their pension scheme. Does the Minister agree that we need to address that situation so that experienced GPs are not penalised for staying in the NHS?

Steve Brine: Along with concerns about workload and, for example, indemnities, pensions are an issue that older GPs often bring up with me. Ultimately, it is a matter for Her Majesty's Treasury. My hon. Friend the Member for South West Bedfordshire (Andrew Selous) raised a similar issue at Prime Minister's Question Time last week, and the Chancellor was on the Bench to hear it. I am sure he will read the report of these exchanges, too.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): In Stoke-on-Trent we have some fabulous GPs, not least the wife of the hon. Member for Stafford (Jeremy Lefroy), but too many people present to A&E because their primary carer is not up to dealing with the workload. That means that the A&E is over-logged so fines are levied on the hospital. What is the Secretary of State going to do to make sure that when hospitals pick up the slack from GPs, they are not subsequently fined by clinical commissioning groups for missing targets?

Steve Brine: We are going to integrate primary and secondary care properly through the new models of care—for instance, extended access is important in that. The new multidisciplinary teams—for example, I have talked about pharmacists working in primary care—are not only about providing the plaster when the cut happens, but about preventing the cut in the first place. The prevention agenda is very important.

Chris Bryant (Rhondda) (Lab): Do we not need more salaried GPs?

Steve Brine: We need more GPs, which is why today's announcement is very important. I am sure that the hon. Gentleman welcomes them.

Mr Speaker: Well, if there are to be more GPs, they will have to be paid.

Bill Esterson (Sefton Central) (Lab): Patients at Hightown GP surgery were promised that their surgery would stay open, but, out of the blue, they were written to and told that the surgery would close on 8 June. The Government are belatedly taking action on the shortage of GPs, but will the Minister intervene to make sure that Hightown surgery is kept open and that a promise is kept to patients?

Steve Brine: I will look at Hightown surgery, and if the hon. Gentleman wants to talk to me about it, he is welcome to do so. Of course it is the responsibility of his clinical commissioning group and NHS England in his area to provide primary care services for the patients who are his constituents, but if wants to talk to me further, I am very happy to do so.

Topical Questions

T1. [904484] **Andrew Lewer** (Northampton South) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health and Social Care (Mr Jeremy Hunt): Following the Government's commitment to expand medical school places by 25%—one of the biggest expansions in the history of the NHS—I am pleased to announce to the House the results of the competition to set up five new medical schools. They were chosen following a rigorous and independent bidding process, which prioritised attracting doctors to harder-to-recruit areas and increasing the number of GPs and psychiatrists. Many congratulations to the winners, which are: the University of Sunderland; Edge Hill University in Lancashire; Anglia Ruskin University in Chelmsford; the University of Lincoln working in collaboration with Nottingham University; and Canterbury Christ Church University.

Andrew Lewer: With the death of Professor Stephen Hawking in all of our thoughts, can the Minister tell us what steps his Department will take to support research to develop a cure for motor neurone disease?

Mr Hunt: Professor Hawking was an inspiration not just because of his scientific thinking, but because, to many people with motor neurone disease, he was an absolute exemplar: he was given two years to live at the age of 21 and ended up living until he was 76. This disease is a big area of priority for us. In the last year for which we have full-year figures, £52 million was invested into it, and we are currently recruiting for 24 clinical trials.

Several hon. Members rose—

Mr Speaker: Order. I am about to call the shadow Secretary of State, but I say very gently to him that he needs to be brief because there is a lot of pressure on time. He would not want a situation in which those on the Front Bench dominated at the expense of those on the Back Benches, because that would be absolutely wrong, and the hon. Gentleman is always opposed to that which is wrong.

Jonathan Ashworth (Leicester South) (Lab/Co-op): Thank you for your instructions, Mr Speaker. We have heard today more warnings that the winter crisis will stretch beyond Easter. We have seen the worst winter crisis for years. The Secretary of State will blame the flu and the weather, but patients are blaming years of underfunding, blaming years of social care cuts, and blaming years of cuts to acute beds, so will he now apologise for telling us that the NHS was better prepared than ever before this winter?

Mr Hunt: The NHS did prepare extremely thoroughly for this winter, but the hon. Gentleman is right to talk about funding because of course it matters. He will be interested in these figures, which are for the last five-year period for which we can get all the numbers: in Wales, funding for the NHS went up 7.2%; in Scotland, it went up 11.5%; and in England, it went up 17.3%.

Jonathan Ashworth: This Government are moving into their eighth year, not their fifth year, and yet, after eight years, life expectancy is going backwards in the poorest parts of the country and infant mortality is rising. New research shows that, in the first 49 days of 2018, an additional person died every seven minutes.

That is shameful. Is it not time that we had a full national inquiry into widening health inequalities? In the 70th year of the NHS, will this Government now bring an end to the underfunding, cuts, austerity and privatisation of our health services?

Mr Hunt: Really, the hon. Gentleman can do better than that. The truth is that the NHS has had its most difficult winter in living memory, which is why last year, in preparation, we invested £1 billion in the social care system; invested £100 million in A&E capital; and gave the flu jab to 1 million more people. He still has not explained why, for every additional pound that we have put in per patient in the NHS in England, the Labour Government in Wales put in only 57p; that is underfunding.

T5. [904488] **Mr Ranil Jayawardena** (North East Hampshire) (Con): Although my younger daughter, being at the discerning age of one, is a particularly fussy eater, childhood obesity is becoming one of the most quickly rising and important issues of our time. Does my right hon. Friend recognise that it is something that we really need to tackle, and quickly?

The Parliamentary Under-Secretary of State for Health (Steve Brine): We are already delivering an ambitious plan to address childhood obesity, including taxing sugary drinks and helping children to exercise more, but we need to keep a close watch on this. We have taken the first few steps in a long race, and we are always looking to learn from successful initiatives elsewhere. Last week I was in Amsterdam looking at the system-wide approach there, which has led to very impressive reductions in child obesity. We should be listening and we are.

T2. [904485] **Ruth George** (High Peak) (Lab): Headteachers in my constituency tell me that they are asked by the child and adolescent mental health services to prove that children have tried to commit suicide before CAMHS is prepared to accept a referral. The Minister has just admitted that less than half of children who are referred are treated, and that under the new plans less than two thirds will get treatment. There is so much rationing going on. Will the Secretary of State please commit to improving the amount of ring-fenced funding now?

Mr Hunt: That is totally unacceptable, which is why we announced a £300 million expansion of CAMHS in the autumn. CAMHS funding went up by 20% last year. We are specifically trying to end precisely the situation that the hon. Lady mentioned, whereby people are told that they are not yet ill enough to get treatment. We have to put a stop to that.

T8. [904491] **Sir Henry Bellingham** (North West Norfolk) (Con): Will the Secretary of State join me in paying tribute to all the staff of my local Queen Elizabeth Hospital, which he knows very well? Indeed, the Minister—my hon. Friend and neighbour the Member for North East Cambridgeshire (Stephen Barclay)—also knows the hospital very well because it serves his constituency. Does he agree that the hospital has done a superb job this winter, and that assurances and clarity on the current nurses' pay negotiations will help with both recruitment and retention in the future?

The Minister for Health (Stephen Barclay): My neighbour is correct that I know the hospital, not least because my son was born there, and he is absolutely right to highlight the importance of the work done at King's Lynn and of the staff there. In the Budget the Chancellor signalled his additional commitment for the "Agenda for Change" staff, and those discussions are ongoing.

T3. [904486] **Liz McInnes** (Heywood and Middleton) (Lab): My constituent, Rebecca, is a podiatrist. Last week she told me that the care that she provides is having to be rationed because of a combination of insufficient funding and staff shortages. What assessment has the Minister made of the impact of the removal of the NHS bursary on the training of future podiatrists, and what action will he take to address the funding shortage?

Stephen Barclay: The reality is that the number of places is increasing, even if the number of applications is lower. The Government have signalled their commitment on pay. We have more clinicians, doctors and nurses, and we are treating more people. That is part of the success of the NHS under this Government.

T9. [904492] **Mr Philip Hollobone** (Kettering) (Con): I thank the Secretary of State for visiting Kettering General Hospital recently. In his opinion, on what main issues does the hospital need to concentrate in order to get itself out of special measures?

Mr Hunt: I was very inspired by how hard the staff there are working. My hon. Friend always champions them in this House, but it was a great privilege to see that for myself. There is new leadership coming into that hospital, and I am confident that that leadership will put in place some simple changes that will enable the hospital to get out of special measures, hopefully quickly.

T4. [904487] **Ronnie Cowan** (Inverclyde) (SNP): This morning I met the family of Alfie Dingley and members of the End Our Pain campaign. Alfie's case, along with those of Murray Gray and Billy Caldwell—and many, many more—highlight the case for medical cannabis. Will the Minister liaise with the Home Office to introduce medical cannabis for the thousands of people who would benefit, but who do not want to be branded as criminals?

Steve Brine: Obviously, everybody in the House is aware of this case, and our thoughts are with Alfie and his family. The policing Minister has met Alfie's family and discussed options that may assist him. No decisions have been made, and any proposal would need to be led by Alfie's clinicians using sufficient and rigorous evidence.

Maria Caulfield (Lewes) (Con): Despite not hearing it from Opposition Members, I am sure that all Members in this House welcome the five new medical schools announced today. Will the Minister also welcome the extra medical school places in Brighton and Sussex Universities, supporting my constituents, and the launch last week of the new nursing apprenticeship scheme by the University of Brighton, which will enable more nurses to enter the profession?

Stephen Barclay: My hon. Friend always, quite rightly, champions the work of nurses. She is also right to signal the importance of the nursing apprenticeships, which offer a new route, particularly for many healthcare assistants, to progress within the NHS. It is right that we increase the number of pathways for nurses in order to deliver the excellent care that they provide.

T6. [904489] **Dr Paul Williams** (Stockton South) (Lab): During the first seven weeks of 2018, 10,375 more people died in hospital than in the same weeks in the previous five years—one extra death every seven minutes. It was not colder than usual and deaths from flu were not up, but our hospitals were under unprecedented pressure. Why did all these extra deaths occur?

Mr Hunt: As the hon. Gentleman will know, these figures cover England and Wales. He will also know that they do not take account of changes in population or changes in demography, so we use the age-standardised mortality rate, which, according to Public Health England, has remained broadly stable over recent years.

Bim Afolami (Hitchin and Harpenden) (Con): Does my right hon. Friend the Secretary of State recognise the strong business case for the merger between Luton and Dunstable University Hospital and Bedford Hospital in terms of delivering value for money for our local health economy?

Stephen Barclay: My hon. Friend has been assiduous, as have his neighbours, in lobbying the case for Luton and Dunstable and Bedford. He will be aware that the ongoing business case is being reviewed as part of that, but ultimately this is about the £3.9 billion of additional capital investment that the Government have funded. That is why these cases are being reviewed.

T7. [904490] **Alan Brown** (Kilmarnock and Loudoun) (SNP): Over a third of children in the UK are either overweight or obese. The Royal College of Paediatrics and Child Health has warned that a trade deal with the US could lead to an influx of junk food with high fat, sugar and salt content. Will the Health Secretary make sure that health is put above trade going forward?

Steve Brine: As I have said, we are concerned about child obesity, which is probably the big public health challenge, not least in the impact that it can have on diabetes, heart disease and cancer. That is why I so welcome Cancer Research UK moving into this space. We have one of the most ambitious plans in the world. We have already said that it is the start of a conversation, not the end, and if we need to go further, we will.

Helen Whately (Faversham and Mid Kent) (Con): May I welcome today's announcement on a new medical school for Kent? In an area that struggles to attract doctors, this will make a huge difference: it is genuinely a game changer. Will my right hon. Friend congratulate the University of Kent and Canterbury Christ Church University on their successful bid?

Mr Hunt: I absolutely congratulate them, but I also congratulate my hon. Friend, because I know that she worked incredibly hard on this bid. Thanks to that, I am sure, they are among the successful bidders today.

T10. [904493] **Thelma Walker** (Colne Valley) (Lab): The Independent Reconfiguration Panel's report on the downgrading of Huddersfield Royal Infirmary is sitting on the Secretary of State's desk, and I have been told that it will be made public "in due course". May we now have the exact date on which it will be published?

Stephen Barclay: I am aware of the issues raised by Kirklees Council, and I understand that local campaigners have referred this to judicial review. Given the imminent legal proceedings, it would not be appropriate to comment further at this stage. A decision on the referral to me by the local council will be made in due course.

Alex Chalk (Cheltenham) (Con): Cheltenham General is a wonderful hospital, but it needs investment in theatres and wards. May I take this opportunity to commend the application for over £30 million of capital funding, which would make a huge difference to my constituents?

Mr Hunt: I have met the management team for my hon. Friend's trust and he has talked to me on many, many occasions about that. I hope that he will have a positive answer, and if it is, that will be in no small part thanks to his campaigning.

Stephen Lloyd (Eastbourne) (LD): Bowel cancer remains a major killer in the UK. The National Institute for Health and Care Excellence recognises the new FIT—faecal immunochemical test—to be a far more effective bowel screening process, but there remains a lack of clarity about when it is going to be rolled out nationally. Will the Minister provide that clarity today so that people can be saved down the line?

Steve Brine: The UK National Screening Committee has recommended that FIT be the primary screening test for bowel cancer, and NHS England remains absolutely committed to implementing it in 2018-19. We expect to make a decision very shortly on when that will be.

Sir Edward Leigh (Gainsborough) (Con): You wanted short, Mr Speaker. I thank the Secretary of State for our new medical school at Lincoln.

Mr Hunt: Gratefully accepted.

Mr Speaker: Very wise.

Frank Field (Birkenhead) (Lab): May I thank the Minister for his concern about what is going on at Arrowe Park Hospital? Will he meet Wirral Members shortly so that we can be assured that the existing governance is very short-term and that the issues of bullying and the way the hospital cripples primary care are dealt with effectively?

Stephen Barclay: The right hon. Gentleman is right to raise that serious issue. There needs to be a culture change in Wirral, and I am happy to continue to meet him and other Wirral Members to discuss that. He will be aware of the NHS Improvement report on that issue on 5 March.

Kevin Hollinrake (Thirsk and Malton) (Con): According to Lord O'Neill, diagnostics prior to prescription of antibiotics is the most important of the 10 commandments in the O'Neill review on antimicrobial resistance. Will the Minister update the House on progress towards that very important goal?

Mr Hunt: My hon. Friend is absolutely right. We are totally committed to the O'Neill recommendations and are working internationally to bring them about.

Judith Cummins (Bradford South) (Lab): My local paper, the *Bradford Telegraph and Argus*, has recently launched its "Stop the Rot" campaign, as children in Bradford have some of the worst dental health outcomes of anywhere in the country. Does the Minister agree that prevention is key to improving children's dental health? Can he tell us what steps the Government are taking to ensure that prevention is a key element of any new dental contract?

Steve Brine: I think that would be the brilliant Bradford *Telegraph and Argus*. As I said, 75 dental practices are continuing to test the preventive focus clinical approach alongside the new remuneration system, which supports an increased focus on prevention through the dental contract. I know it is taking time, but I want to get it right.

Mary Robinson (Cheadle) (Con): We know that early diagnosis of cancer is crucial for successful treatment outcomes, but for many cancers, such as pancreatic and ovarian cancer, early symptoms can be vague and the chance to diagnose early easily missed. What are the Government doing to ensure that hard-to-detect cancers are diagnosed early?

Steve Brine: That is an excellent question. We are testing the new Accelerate, Co-ordinate, Evaluate programme—ACE—which I visited recently at the Churchill Hospital in Oxford. Patients with vague symptoms can be referred for multiple tests and often receive a diagnosis or an all-clear on the same day. I do not get excited very easily, but that promises great excitement.

Mr Speaker: It is a delight to see the Minister in a state of high excitement. We hope to see it repeated on innumerable occasions.

James Frith (Bury North) (Lab): Seventy MPs from across the House in yesterday's Westminster Hall debate all agreed that we need Orkambi on the NHS now. Can the Minister tell me what he will be doing differently for sufferers of cystic fibrosis and when we will hear news of a breakthrough? Sufferers of cystic fibrosis are slowly drowning in their disease without access to Orkambi.

Steve Brine: It was a very good debate, and the hon. Gentleman spoke very well in it on behalf of his constituents. We have made a counter-offer to Vertex. I call on Vertex to be reasonable, and I call on Vertex and NHS England to get back round the table and get this sorted.

Several hon. Members *rose*—

Mr Speaker: Order. In Question Time, as in the health service under all Governments, demand tends invariably to exceed supply. We have time only for two more—we do not really have time, but I am creating it.

Henry Smith (Crawley) (Con): I would like to thank the Under-Secretary of State for Health, the hon. Member for Winchester (Steve Brine), for his response to the all-party parliamentary group on blood cancer report. Will he continue to ensure that cancer alliances and GPs are diagnosing early?

Steve Brine: That is an easy one—absolutely, yes.

John Grogan (Keighley) (Lab): With a significant amount of public money at stake, should not NHS trusts that are proposing to set up subsidiary companies publish their full business cases?

Stephen Barclay: The point is that trusts are 100% owned by the NHS, so any benefit accrued from the subsidiary goes to the NHS, because it is fully owned by the public sector.

Leaving the EU: Fisheries Management

12.39 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD) (*Urgent Question*): To ask the Secretary of State for Environment, Food and Rural Affairs if he will make a statement on the progress of negotiations relating to future fisheries management arrangements after the United Kingdom leaves the European Union.

Thank you, Mr Speaker, for allowing this urgent question and for giving our fishing communities a voice in the Chamber today.

The Secretary of State for Environment, Food and Rural Affairs (Michael Gove): Thank you, Mr Speaker, for this opportunity to update the House. I begin by paying tribute to the hard work of the Ministers and especially the civil servants in our country's negotiating team, who this weekend concluded an agreement on the nature and length of the implementation period, which will help us to prepare for life after Brexit. Taskforce 50, on behalf of the EU, and our own team of dedicated civil servants secured an agreed text, which will now go to the March Council of the European Union at the end of this week, and after that the Prime Minister will update the House on Monday.

The House will be aware that there are important legal and technical questions relating to fisheries management, which means that it occupies a special position in these negotiations. Both the EU and our own negotiators were always clear that specific arrangements would have to be agreed for fisheries.

Our proposal to the EU was that, during the implementation period, we would sit alongside other coastal states as a third country and equal partner in annual quota negotiations. We made that case after full consultation with the representatives of the fisheries industry. We pressed hard during negotiations to secure this outcome, and we are disappointed that the EU was not willing to move on this.

However, thanks to the hard work of our negotiating team, the text was amended from the original proposal, and the Commission has agreed amendments to the text that provide additional reassurance. The revised text clarifies that the UK's share of quotas will not change during the implementation period, and that the UK can attend international negotiations. Furthermore, the agreement includes an obligation on both sides to act in good faith throughout the implementation period. Any attempts by the EU to operate in a way that harmed the UK fishing industry would breach that obligation.

These arrangements will of course only apply to negotiations in December 2019. We are at the table as a full member state for negotiations in December 2018 and, critically, in December 2020 we will be negotiating fishing opportunities as a third country and independent coastal state—deciding who can access our waters and on what terms for the first time in over 40 years.

It is important that we use this transition period to ensure that we can negotiate as a third country and independent coastal state in 2020 to maximise the benefits for our coastal communities, ensure that we can control who accesses our waters and on what terms, and ensure that we manage our marine resources sustainably. We are already looking at a range of data to support

consideration of future fishing opportunities, including the nature of catches and zonal attachment of stocks in the UK exclusive economic zone.

There is a significant prize at the end of the implementation period, and it is important that all of us in every area accept that the implementation period is a necessary step towards securing that prize. For our coastal communities, it is an opportunity to revive economically. For our marine environment, it is an opportunity to be managed sustainably. It is critical that all of us, in the interests of the whole nation, keep our eyes on that prize.

Mr Carmichael: I thank the Secretary of State for that answer. The problem he has, of course, is that as recently as two weeks ago, the Prime Minister did not see this as a necessary step. I have to tell him—if he does not already know it—that the mood in fishing communities today is one of palpable anger. This is not what they were promised. The basic question that the Secretary of State has to answer today is: if the Government can let us down like this on the deal for the transitional period, how do we know they will not do it again when it comes to the final deal? When it comes to it, will they trade away access to waters for access to markets or anything else?

The House also needs to hear today how this bizarre arrangement is going to work in practice. The EU deal with Norway and the Faroes on mackerel is due to expire at the end of this year. We had thought that it would be rolled over for 12 months. Will that still be the case, and what barrier will there be to the EU Commission agreeing another bad deal for our pelagic fleet? With regard to the operation of a discard ban, the Secretary of State should know that British boats have a particular problem with hake as a choke species. That is a problem for our fleet and for nobody else. Does he really expect that the other 27 member countries are going to come up with a solution to something that is a problem only for us and not for them?

It is reported that the Government Chief Whip told his Back Benchers yesterday that

“it's not like the fishermen are going to vote Labour”.

If that is true, it betrays a certain attitude. The Secretary of State should not be complacent: he should not take it for granted in the future that they will be voting Tory either.

Michael Gove: I am very grateful to the right hon. Gentleman for his very fair and detailed comments. The first thing I will happily acknowledge is that there is disappointment in fishing communities. As someone whose father was a fish merchant and whose grandparents went to sea to fish, I completely understand how fishing communities feel about the situation at the moment, and I share their disappointment.

Secondly, the right hon. Gentleman asked about future negotiations and the role that we will play. There is a unique 12-month period, leading up to the December Council at the end of 2019, when the EU will argue on the UK's behalf, but the UK will be there, as part of the delegation and consulted, in order to ensure that all the legitimate interests that the right hon. Gentleman raises are fairly represented.

[Michael Gove]

The right hon. Gentleman also raised the whole question of the discard ban and choke species. The truth is that every single fishing nation is affected by the discard ban and choke species, and that we operate collectively with our neighbours to ensure that we have the correct means of marine conservation, because unless we have a system that involves choke species and a discard ban, we can have the overfishing that in the past has sadly led to an unhappy outcome for fishing communities.

The final point I would make is that of course no one takes anyone's votes for granted—certainly not the votes of those who work so hard to ensure that we have food on our plates—but I would say one thing. The only party in this House actually committed to leaving the common fisheries policy is the Conservative party—I should say in fairness that our colleagues in the Democratic Unionist party share that position as well. It is critically important that we all ensure that leaving the common fisheries policy at the end of 2020 enables us all to ensure that the communities the right hon. Gentleman represents in Orkney and Shetland, and the communities we all have the honour of representing, benefit from the new freedoms that that will bring.

Neil Parish (Tiverton and Honiton) (Con): I know that the Secretary of State knows that 45 years ago the fishermen felt they had a very bad deal. They want their fishing rights back. Can he reassure me that, as we have this interim deal, we can register ourselves as an independent coastal state, so that on 1 January 2021 we have complete control of our waters?

Michael Gove: Yes, my hon. Friend, the Chairman of the Select Committee on Environment, Food and Rural Affairs, is absolutely right. One of the critical things we can do is make sure, not just from 1 January 2021 but in December 2020, that we are negotiating as an independent coastal state. We will be able to join the regional fisheries management organisations in advance of the December 2020 negotiations—organisations that any independent coastal state has to be part of to secure fishing opportunities and ensure that the marine environment is adequately protected.

Holly Lynch (Halifax) (Lab): I am grateful to the right hon. Member for Orkney and Shetland (Mr Carmichael) for securing this urgent question and to the Secretary of State for his response. However, I am afraid I still have several questions.

The Secretary of State, alongside the Fisheries Minister, has asserted time and time again that the UK would take back absolute control of our waters from day one of leaving both the European Union and the 1964 London fisheries convention. However, following announcements made in the last 48 hours, we now know that the rest of the Government has been having very different conversations with the EU27. The announcement made by the Secretary of State for Exiting the European Union and the EU's chief negotiator Michel Barnier, ahead of formal phase two negotiations, made it clear that the UK would continue to be part of the common fisheries policy for the duration of a 21-month post-Brexit transition period, extending up to 2020.

The announcement that Britain's share of the total allowable catch will remain unchanged during the transition period contradicts all other previous Government statements in relation to post-Brexit fisheries, and it is understandable that many coastal MPs and fishing communities feel so angry and let down. The Government's failure to meet their previously stated aims through negotiations is one that now requires greater explanation and examination on the Floor of the House. The Government must be absolutely clear about who is leading the negotiations on fishing and what their position is. Have the Government failed to secure their desired position, as advocated by the Secretary of State and the Fisheries Minister, or was that never the position of our negotiating team and the rest of the Cabinet? If that red line has moved, can the Secretary of State tell the House whether there has been an exchange, and if so, what was secured instead?

Less than a month ago, in a Westminster Hall debate on the UK's fisheries policy secured by the hon. Member for North Cornwall (Scott Mann), I asked the Fisheries Minister whether he had seen the draft proposals from the European Parliament's Committee on Fisheries—the PECH Committee—and what the Government's response was. He informed me that

“at the end of the day, it does not really matter what the European Union asks for, but what we are prepared to grant it.”—[*Official Report*, 27 February 2018; Vol. 636, c. 314WH.]

With that in mind, can the Secretary of State now be explicit in outlining what the Government are prepared to grant the EU in relation to fisheries? Can he also inform the House what the transition arrangement with the EU will mean for the London convention?

The Secretary of State will have seen the comments from the less-than-satisfied representative fishing organisations and the bold statements—and actions—of his own Back Benchers. Any post-Brexit fisheries policy must be rebalanced to work for our coastal communities and have a sustainable approach at its very core. What we need now from the Government is a move away from the chaotic approach we have seen this week and, instead, honesty and clarity about their negotiating position and exactly what that means for the fishing industry.

Michael Gove: I am grateful to the hon. Lady for her questions. The first thing to make clear is that we are leaving the London fisheries convention, and we will be fully out of the convention, as we will be out of the common fisheries policy, by the time the implementation period ends.

However, it is also important to recognise, as the hon. Lady mentioned, that our share of the total allowable catch during the implementation period, including 2019, will not be altered. That is a protection for all those who want to make sure that we have the stability required to prepare for the additional opportunities that will come at the end of the implementation period.

The critical point remains that the dividing line—I hesitate to say it is a red line—between the Government and their supporters and the Government's critics is that we believe that, when we leave the European Union, we should leave the common fisheries policy. It is not the position of any other political party in this House that we should leave the common fisheries policy and take advantage of the opportunities that accrue. In that

regard, the comments of my hon. Friend the Minister for Agriculture, Fisheries and Food about the capacity of the UK to say what it will and will not accept refer clearly and unambiguously to what will occur after the implementation period ends and we are an independent coastal state outside the European Union.

Douglas Ross (Moray) (Con): Thank you, Mr Speaker, for granting this urgent question, which is in a very similar vein to the one I submitted. That shows the level of interest in this subject on both sides of the House.

The Secretary of State will understand that there is no way I can sell this deal in the transitional period as anything like a success to fishing communities in Moray, Scotland or the UK. However, will he confirm that, when we leave the common fisheries policy in 2020, we will have full control over fish stocks and vessel access, because fishing communities that feel let down and angered by the Government at the moment need that guarantee?

Michael Gove: I entirely understand my hon. Friend's point. I think people not just in Buckie and Portsoy but across the north-east of Scotland—indeed, across the United Kingdom—will be disappointed that the proposal we sought to ensure would apply for 2019 does not apply for that year. However, it is important to recognise that this is a 12-month additional extension to the maintenance of the EU *acquis* and that we accept that the greater prize, which my hon. Friend is quite right to remind the House of, is available only if we ensure that we leave the common fisheries policy, take back control and make it absolutely clear to other countries that access and quotas will be in our hands.

Stephen Gethins (North East Fife) (SNP): It is a big concern with the Conservatives that it is always somebody else's fault. When the Conservatives took us into the common fisheries policy, Scotland's fishermen were described as expendable, so they are used to Scottish Tory sell-outs. But, given the matter of days involved here, even Scotland's fishermen will be surprised at how quickly this one was turned around.

Will the Minister tell me at what point our fishermen became a bargaining chip, or has that been the case all along? Does he agree that we are now in the worst of all worlds, because we are in the common fisheries policy but we have no say? Will he tell me why, over the years, when the SNP has proposed changes to bring greater control over fishing policies, those have been rejected? Does he agree that that is because fishing is a big industry in Scotland and important to the Scottish Government, but it means nothing at Westminster?

Michael Gove: Psychologists have a phenomenon called projection. It means that when someone describes someone else, they are really talking about themselves. It is very interesting that the Scottish National party spokesman should talk about people always blaming somebody else and things always being somebody else's fault. As members of a party that has raised grievance to an art form, SNP Members have a damn cheek making that case. They have a particular cheek in this case, because it is the stated policy of the Scottish National party to stay in the European Union, to stay in the single market, to stay in the customs union and to stay in the common

fisheries policy. The ones who are committed to giving Scottish fishermen, and indeed all fishermen across the United Kingdom, a brighter future by leaving the CFP are the Conservative party and this Government. I think that the 90 seconds of concentrated—I do not know what the word is, but it is probably unparliamentary, Mr Speaker—cant that we have just heard from the hon. Gentleman will be met with the derision it deserves.

Mr Speaker: In fact, I think it was 56 seconds. The right hon. Gentleman has indulged in a bit of statistical rounding.

John Redwood (Wokingham) (Con): Will the Government go to the Council this week and say that this deal from the EU is unacceptable and that we voted to take back control of our fish, our money, our borders and our laws? We have accepted a two-year, nine-month transitional period, so will the Government just get on with this?

Michael Gove: I completely understand my right hon. Friend's feelings on this matter. I just want to reassure him that our negotiating team negotiated hard, in good faith and armed with the support of our fisheries industry to try to get the best possible deal. We did not get everything we wanted, but it is the view of this Government and, I think, the majority of people in this House that we need to make sure that this implementation period succeeds so that we can grab the greater prize that Brexit provides at the end of it.

Melanie Onn (Great Grimsby) (Lab): I congratulate the right hon. Member for Orkney and Shetland (Mr Carmichael) on securing this urgent question, on the same subject I also submitted one this morning.

The truth is that the Tories are treating this industry as expendable. The Secretary of State talked about revival, but the industry cannot revive based on the status quo that the Government have delivered on the CFP. Does he understand why my constituents will see this as a total sell-out, with us not even having a say at the negotiating table for the next two years?

Michael Gove: It is certainly not the case that anyone on the Government side of the House regards fishing communities or the fishing industry as expendable. That is why we are investing more in the Centre for Environment, Fisheries and Aquaculture Science—our top-level marine scientific advisory body. It is why we are investing more in the Marine Management Organisation, which will be responsible for making sure that our fisheries industry is effective. It is why we are investing more in fisheries protection vessels to ensure that the sea of opportunity that comes outside the CFP can be properly taken advantage of.

The idea that we do not care about fisheries and that we are not investing in their future is, I am afraid, simply not true. The hon. Lady may express disappointment, and I express disappointment that we did not secure everything we wanted in these negotiations, but it is vital that we all focus on the bigger prize ahead of us. I completely understand why some people in the House—I exempt the hon. Lady—want to make partisan points, but, honestly, the future of our fishing industry is bigger than that.

Sir Christopher Chope (Christchurch) (Con): Why will my right hon. Friend not specifically answer the question raised by my hon. Friend the Member for Moray (Douglas Ross)? Why can he not give a guarantee that, in 2020, we will actually take back control over our fishing and our waters?

Michael Gove: I believed—and I must apologise to the House if I did not make this clear—that I had made it clear in my original statement that, even before the transition period ends in December 2020, we will be negotiating as an independent coastal state. I hope that is a sufficient guarantee and reassurance to my hon. Friend and to my hon. Friend the Member for Moray (Douglas Ross).

Mr Alan Campbell (Tynemouth) (Lab): Given that we export such a large proportion of our prawns and other shellfish to Europe, should we not have the freest possible trade with Europe?

Michael Gove: Yes.

Mr Jacob Rees-Mogg (North East Somerset) (Con): I am slightly concerned by my right hon. Friend's tone in relation to the negotiations, which suggests that the European Commission would not allow us something. In a negotiation, it is surely a question of what importance we put on something as to whether we get it. Therefore, I ask my right hon. Friend, what did we get in return?

Michael Gove: The big prize that we have secured is an implementation period that allows us as a country to prepare for all the benefits that Brexit will bring. I campaigned with my hon. Friend to ensure that Britain can leave the European Union, and it is important that we do so in good order. This transition period allows us the time and space to do just that.

Hilary Benn (Leeds Central) (Lab): As the Secretary of State well knows, meetings of the Fisheries Council tend to go on into the early hours, when they reach decisions on quota and catch. Will he clarify whether, under the terms of the transitional agreement, Britain will have the possibility of being in the room when those decisions are made, or does article 125 of the draft agreement mean that we will only be able to provide comments? If we can only provide comments, what impact does he expect those comments to have when final decisions are taken in the meeting itself?

Michael Gove: It is clear that we will be consulted, and not just in a perfunctory way. The scientific advice and evidence that our top-level marine scientists generate will shape and frame the negotiations. I should say that it is only for one year—in December 2019—that we will be in that position. The principle of the European Union operating in good faith towards the UK is one that I take seriously, because if the European Union were to act in a way in that one year that demonstrated bad faith, then, apart from the mechanisms that police the withdrawal agreement and the implementation period, it would also be the case that Britain, having taken back control of its waters, might be in a position to be less generous than the EU would want us to be.

Martin Vickers (Cleethorpes) (Con): The economies of Cleethorpes and the adjoining town of Great Grimsby have never fully recovered from what local people see as

a betrayal in the original negotiations to enter the EU. Since then, successive Governments have not given sufficient attention to coastal communities. Will the Secretary of State assure me that his and other Departments will give greater support to such communities, particularly now that they have to wait that little bit longer before the benefits of leaving the CFP become fully evident?

Michael Gove: My hon. Friend is exactly right in two areas. First, we are waiting a little longer before we can properly take advantage of being outside the common fisheries policy. Secondly, there has been an historical neglect not just of the fishing industry, but of coastal communities. This Government have sought to reverse that trend through the coastal communities fund and the investment that I mentioned earlier. It is vital that we recognise that the challenges that coastal communities face—the decline of fishing has been one of them—require intervention from all Departments to ensure that the people whom my hon. Friend represents so well have a brighter future.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I must declare an interest. My daughter, Lisa Roberts, and her partner, Shaun Williams, bought a fishing vessel last year, and they are ambitious and excited at the start of their business venture. However, what the Minister proposes means that they now face a maelstrom of perishable foodstuffs held up at customs, continued pressure on seafood species and no say over quotas for alternative catches. In what way has he not used the fishermen and women of Wales as Brexit bait?

Michael Gove: I wish the hon. Lady's family all the very best in taking to sea. Coming from a family with a fishing heritage, as I mentioned earlier, I know both the risks and the rewards that come from pursuing fishing opportunities. In her admittedly eloquent question, she conflated a variety of issues relating to customs, total allowable catch, quotas and trading opportunities. Let me make it clear that when it comes to the future negotiations, negotiations over trade should be entirely separate from negotiations over fishing access and opportunities.

Sir Desmond Swayne (New Forest West) (Con): It is just as well that the implementation period is shorter than was sought, isn't it?

Michael Gove: As ever, my right hon. Friend sums up my thoughts with more pith and elegance than I can ever aspire to.

Frank Field (Birkenhead) (Lab): The Minister is sometimes so able that he beguiles the House and we are unsure of what he believes. Following the example that he has just given, will he offer two yesses to these questions? First, when we leave, will we totally control our fishing waters? Secondly, will he please offer every fishing port free port status?

Michael Gove: I can say yes to the first question, but the second question is above my pay grade. As for knowing what I believe, the best guide has always been the right hon. Gentleman's capacity to get to the heart of the matter, as he does so effectively on this issue.

Dr Sarah Wollaston (Totnes) (Con): Brixham in my constituency lands the most valuable catch in England. Will the Secretary of State visit Brixham to meet all parts of the sector to discuss their serious concerns that the terms of the transition could end up being reflected in the final deal?

Michael Gove: My hon. Friend has privately been a persistent, effective lobbyist on the behalf of the fishermen of Brixham and all those associated with the industry, and I thank her for her work. The industry in Brixham has a highly effective and able advocate, and I will of course visit the fishermen in her constituency to explain to them how we intend to ensure that the opportunities available to them will be theirs to enjoy after the implementation period.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): When will the Secretary of State explain article 157 of the draft agreement that was discussed between the Secretary of State for Exiting the European Union and Michel Barnier? It sets out a new joint committee between the EU and the UK for deciding all matters relating to the transition period, including fisheries and citizens' rights—absolutely everything—but gives Parliament no power whatsoever to have any say on any of those issues. Having heard about the Secretary of State's decision today, how can Parliament have a voice during the transition period?

Michael Gove: The hon. Gentleman takes his duties as a scrutineer of the Executive very seriously. The one thing that I would say is that the draft agreement covers a wide variety of issues, and he alludes to an important one. Obviously, I am here to answer questions relating specifically to fishing. I hope that the draft agreement will be agreed at the March Council, and with your permission, Mr Speaker, the Prime Minister will be here on Monday to make a statement. The hon. Gentleman will have the chance to get his question fully answered then.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): Like many fishermen across Scotland, I feel badly let down by this deal, because we are not going to be taking control of our waters as quickly as we had hoped. Will my right hon. Friend give me the guarantee that the Scottish Fishermen's Federation seeks, which is that we will take control of our vessels and waters after we finally come out of the transition period as we leave the European Union?

Michael Gove: I thank my hon. Friend for raising the role of the Scottish Fishermen's Federation. Its chief executive, Bertie Armstrong, has been an extremely effective advocate on the industry's behalf, and his response today, balancing the disappointment felt by many with the determination to ensure that we get absolutely the right deal at the end of the process, was constructive. That approach was reflected in my hon. Friend's question, and it is absolutely the case that we will seek to secure the opportunities that the Scottish Fishermen's Federation and other bodies want to secure.

Pete Wishart (Perth and North Perthshire) (SNP): What a load of codswallop from a Secretary of State who is all out at sea on this issue. The Government will

never, ever again be trusted by Scottish fishermen. He drew a red line with the leader of the Scottish Conservatives, but that red line has gone—hook, line and sinker. Will he save us some time and tell us about the next betrayal that Scottish fishermen can expect from his Government?

Michael Gove: I have enormous respect and affection for the right hon. Gentleman—[*Interruption.*] The fact that he is not right honourable does not diminish the respect or affection that I have for him. My point is that it is the Scottish National party's policy to remain in the single market and the common fisheries policy. As a result, his capacity to criticise any other party in this House for seeking to secure additional opportunities for fishermen in Scotland or elsewhere is undermined by the fact that he does not believe in giving those opportunities to anyone.

Derek Thomas (St Ives) (Con): I thank the Secretary of State for his statement, but he will remember his visit to Newlyn, where he heard of significant multimillion-pound plans to invest in the harbour to make it ready for this new dawn of fishing. I hate to prolong the point, but will he categorically confirm that who fishes in UK waters from 2021 will be our decision? Will he confirm that we will regain that control? Will the Government announce a fund to improve and enhance our vessels, our ports and our processing plants to prepare for that day?

Michael Gove: I enjoyed my visit to Newlyn, and I am grateful to my hon. Friend for his work on the behalf of his constituents—he is untiring. The first paragraph of article 125 of the draft agreement makes it clear that we will fix fishing opportunities for the duration of the implementation period. Given that the implementation period ends in December 2020, the December 2020 Council and negotiations that fix fishing opportunities for 2021 and beyond are not covered by the agreement, so I can give him the reassurance that I hope he and his constituents seek.

Sammy Wilson (East Antrim) (DUP): Unlike some of those who have been trying to work themselves into a lather about this decision, the Secretary of State and I canvassed support to leave the common fisheries policy and the EU in its totality. I remember the promises that were made when we visited Aberdeen, and many people will be alarmed and concerned about the draft agreement. He has said that the EU will act in good faith during the transition period and not seek to undermine existing fishing communities. Given its record to date in the negotiations, how can he be sure that legislation, directives and rules will not be put in place further to undermine the fishing industry, leaving nothing to negotiate for at the end of the transition period?

Michael Gove: My right hon. Friend has been a consistent campaigner to leave the EU and the CFP. The role that he plays on the Exiting the European Union Committee, as a champion for those who have always argued for that, is exemplary. I strongly sympathise with the concerns that people express about the past record of Governments on the fishing industry. What I would say is that the opportunities that will exist after we leave are considerable, and it is only one year—December 2019—when we will rely on that good faith provision

[Michael Gove]

with respect to fisheries. As I mentioned in response to questions from Labour colleagues, if the EU were to choose to act in a way in that year that was against our interests, the consequences that would follow for all would not be happy.

Mrs Anne Main (St Albans) (Con): For decades, EU trawlers have plundered our waters and fished in ways that have caused damage to our marine environment. It seems that the Scottish Government are prepared to accept that situation in perpetuity—[*Interruption.*] Indeed, we have heard comments that they do not trust the EU for a year; I am afraid I have not trusted the EU in its negotiation strategies over the fisheries policy for a very long time. Can the Secretary of State confirm that we will have greater control not only of our fisheries, but of our fishing processes, which have been so damaging to the marine environment and which a lot of us would be very glad to see an end of?

Michael Gove: My hon. Friend makes two very important points. Yes, it is not just the case that the fishing industry benefits by being outside the CFP; our marine environment also benefits. She also makes a very important point about the Scottish Government. They want to keep us in the common fisheries policy and deny Scottish fishermen the opportunities of leaving the CFP. In that position, their protestations ring hollow this afternoon.

Mary Creagh (Wakefield) (Lab): The paradox is that Conservative Fisheries Ministers have been very successful in the common fisheries policy in negotiating more sustainable catches. In the Secretary of State's 25-year environment plan, he talks about all fish stocks being recovered to and maintained at levels that can produce the maximum sustainable yield, which is an exact replica of the EU common fisheries policy. However, in that plan, he neglects to mention the linked application of the precautionary principle to fisheries management. Can he reassure the House that in the future fisheries Bill, there will be no return to the bad old days of days at sea or fishing effort?

Michael Gove: A number of very important points were raised in that question. First, yes, previous Fisheries Ministers in this Government—in particular, my right hon. Friend the Member for Newbury (Richard Benyon)—have done an outstanding job on improving the common fisheries policy and in making a bad situation better. Secondly, the hon. Lady is absolutely right that in the 25-year environment plan, there is an absolute commitment to ensuring that we follow the science, so that we have the best approach towards making sure that fish stocks are healthy and sustainable in future.

On the broader point about the precautionary principle, it is clear that during the time that we have been in the European Union, although a number of things have worked against the environmental interests of this country and our marine environment, the precautionary principle properly applied can be a very powerful tool to ensure that our environment is protected and enhanced. We will be saying more in due course about the environmental principles that have evolved during our time in the EU and the means by which we will hold the Government to account to keep in line with those principles.

Several hon. Members rose—

Mr Speaker: Order. Colleagues, I granted this urgent question because I was very clear in my mind that the matter warranted the attention of the House of Commons today. I think the judgment has been vindicated by the level of interest in participating. I am keen to accommodate the inquisitorial appetite of the House, but given that there are two statements to follow, there is now a premium on a degree of brevity. That is normally demonstrated by the right hon. Member for New Forest West (Sir Desmond Swayne), but he has already asked his question. May I exhort colleagues to follow his excellent example?

David Duguid (Banff and Buchan) (Con): I will keep this short. Does my right hon. Friend agree that we owe a debt to our fishing communities and that we must not guarantee to the EU, at the end of this implementation period, any level of access in favour of a longer-term trade deal?

Michael Gove: Yes.

Mr Speaker: Splendid.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Today is St Cuthbert's day, so it is right to celebrate the wonderful seafood of Northumberland, from Craster kippers to Lindisfarne oysters, which are enjoyed by my constituents and exported all over the world. However, should the coastal communities that depend on them ever have believed that a Tory party funded by the City would prioritise a deal on fishing as highly as a deal on finance?

Michael Gove: It is St Cuthbert's day, and I believe that on this day, St Cuthbert was given a gift of fish to sustain him, so it is a day that is resonant for a number of reasons. One thing I would say is that it is a Conservative Government who have been investing in the Centre for Environment, Fisheries and Aquaculture Science, the Marine Management Organisation and all the steps required to ensure that we can take advantage of the opportunities that arise when we leave the CFP. It is also a Conservative Government who have been investing in fisheries protection vessels to ensure that the hon. Lady's constituents and others are properly protected when their fishing interests are engaged.

Mr Speaker: Of course, Jeeves always used to encourage Wooster to eat more fish on the grounds that it was good for the brain.

Mr Nigel Evans (Ribble Valley) (Con): As the British fishing industry has been hammered over decades with our membership of the common fisheries policy, the Secretary of State has now given a guarantee that we will be leaving towards the end of the implementation period. Will he use his good offices to ensure that we find imaginative ways to support the fishing industry as we embark into this new era?

Michael Gove: Yes, my hon. Friend is absolutely right and, indeed, that point was made very well by my hon. Friend the Member for St Ives (Derek Thomas). We will be saying more with the publication of the fisheries

White Paper about additional steps that we want to take to support the fishing industry in preparing for life after the transition period.

Wera Hobhouse (Bath) (LD): When will we know the detail about the great prize and bright future that the Secretary of State refers to—before or after 29 March 2019?

Michael Gove: Before.

Ross Thomson (Aberdeen South) (Con): I share the disappointment of north-east fishermen that the transition deal falls short of what they had hoped for. Can the Secretary of State guarantee that on 1 January 2021, we will leave the common fisheries policy, take back control of our waters and set our own fisheries management policies and our quotas? Will he look at including that in the fisheries Bill, and does he share the concern that I and the Scottish Fishermen's Federation have that the Scottish National party Scottish Government would keep us in the common fisheries policy in perpetuity and that that would sell Scotland's fishermen out in perpetuity?

Michael Gove: My hon. Friend is absolutely every right in every particular. It was instructive that when the chief executive of the Scottish Fishermen's Federation was interviewed on the radio earlier today, he made it clear how disappointed he was by the Scottish Government's determination to keep us in the common fisheries policy.

Kate Hoey (Vauxhall) (Lab): Given the assurances that I and others were given over the past year right from the Prime Minister down that we would leave the common fisheries policy at the end of March 2019, who was actually negotiating this and did they really care about fishing? I would like the Secretary of State to answer this: did the officials actually argue that we could be left out right away and that it would be nothing to do with the implementation period?

Michael Gove: The hon. Lady asks a very direct question. That absolutely was the case. We had an immensely hard-working team of officials who negotiated incredibly hard on our behalf. They were in constant touch with Ministers every step of the way, and they encountered intransigence on the part of the EU, which was disappointing—I make no bones about it—but one thing that cannot be faulted is the hard work, mastery of detail and determination of the civil servants in DExEU and DEFRA to get the very best deal for Britain, and I will not hear a word said against them.

Bill Grant (Ayr, Carrick and Cumnock) (Con): Going forward, what confidence or guarantee can my right hon. Friend give that control of our seas will not be sacrificed on the altar of Brexit?

Michael Gove: My hon. Friend is absolutely right to stress that one of the great prizes of Britain leaving the European Union is taking back control of our territorial waters. That is why we must maintain our eyes on that great prize at the end of this process.

Angela Smith (Penistone and Stocksbridge) (Lab): I am the daughter of a man who was a member of the Grimsby deep-sea fishing fleet in the late 1950s, so I know that it is one of the hardest jobs in the world.

That does not stop me understanding, however, that the processing side of the industry is incredibly important to coastal communities such as Grimsby and Peterhead. On that basis, will the Secretary of State guarantee that the processing side of the fishing industry will not be sacrificed to other priorities in trade deal negotiations?

Michael Gove: The hon. Lady makes a very good point. I have had productive talks with representatives of fish processing organisations, and we absolutely appreciate that they have specific demands on both access to other markets and labour. We respect their demands and will do everything possible to help them achieve them.

Luke Graham (Ochil and South Perthshire) (Con): The SNP has admitted that it would hand powers over fisheries not to Edinburgh or London but back to Brussels. Will my right hon. Friend assure me that that will not happen?

Michael Gove: I can give an absolute guarantee that under no circumstances will I ever adopt the craven and abject surrender that the Scottish Government would offer the EU by accepting that the CFP should persist *ad infinitum*.

Diana Johnson (Kingston upon Hull North) (Lab): The future of the fishing industry is a politically sensitive issue in Hull—UKIP has talked about a fishing fleet being re-established there—but was not one of the main promises made to the people of Hull that we would retain our territorial rights around fishing from day one, and has that promise not been broken?

Michael Gove: No, we will. When the implementation period ends, the exclusive economic zone that is ours to police and control will be ours to police and control.

Sir Edward Leigh (Gainsborough) (Con): If during the implementation period, the EU cannot cut our quota, what is to stop it increasing its quota? That said, those of us who are bitterly disappointed at this outcome will take no lectures from those who never want to take back control.

Michael Gove: I entirely understand my hon. Friend's position. I explained earlier the good faith provisions and the other guarantees that are there. The outcome is not what we wanted, but it does afford our fishermen protection during the implementation period.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Fishermen in Plymouth feel utterly betrayed by the decision announced yesterday. What does it mean for the reform of the unworkable discards ban that was promised next year and which is especially important for mixed fisheries in the far south-west?

Michael Gove: The discards ban is necessary to ensure responsible management of all species, but we are working on how to apply it in a way that ensures that the legitimate concerns the hon. Gentleman raises on behalf of his constituents are properly addressed.

Steve Double (St Austell and Newquay) (Con): The Secretary of State will not be surprised to learn that fishermen in mid-Cornwall feel very disappointed, and in some cases angry, at yesterday's announcement. When

[Steve Double]

he visits Devon, will he come that little bit further and meet the fishermen of Cornwall as well, and in doing so will he lay out very clearly that the implementation period will affect only one year's quota negotiations, that their quotas will be protected during that time and that at the end of the transition period we will take back control of our fishing waters?

Michael Gove: Absolutely. My hon. Friend hits the nail on the head, and I look forward to meeting him in Mevagissey later this year.

Joanna Cherry (Edinburgh South West) (SNP): In defence of this negotiating debacle, the Secretary of State says the Government always knew there would be important legal and technical questions to be resolved. If so, why less than 10 days ago did he and Ruth Davidson promise fishermen across the UK that we would be leaving the CFP in March 2019?

Michael Gove: It is the case that important questions need to be resolved, but the one thing the SNP is promising is that we will never leave the CFP. It is instructive that in so many of their questions SNP Members talk about Ruth Davidson but never about a single fisherman, species or community; they only attack the leader of the Scottish Conservatives. Why? They're fearful.

Jeremy Lefroy (Stafford) (Con): Will my right hon. Friend confirm that under yesterday's transition agreement we can continue to market fish and fish products seamlessly and frictionlessly into the EU, and that that is his aim for the time after the transition period has ended?

Michael Gove: Yes, it is absolutely the case that we want as friction free a trade arrangement as possible with the EU, and indeed with other nations.

Jim Shannon (Strangford) (DUP): In my constituency on Friday, the talk of the day was: let us never negotiate out of fear, but let us never fear to negotiate. In '74, when we joined the Common Market, Edward Heath sold the fishing sector for a bowl of pottage. In 2018, can the Secretary of State give an absolute guarantee that the fishing sector in Portavogie, in my constituency, and also at Ardglass and Kilkeel, has not been and will not be sold out by a transitional arrangement that leaves the EU in control of fishing policy?

Michael Gove: I appreciate the issues the hon. Gentleman raises, and I will do everything possible to address the concerns of fishermen not just on the Ards peninsula but in Kilkeel and elsewhere. I look forward to working with him and colleagues across the political divide in Northern Ireland to provide that reassurance.

Stephen Kerr (Stirling) (Con): My right hon. Friend is absolutely right to highlight the prize of agreeing an implementation period. How will the UK's voice be heard and respected in the annual quota allocation for 2020?

Michael Gove: I hope that my hon. Friend will be reassured to know that in 2020 the UK will be negotiating as an independent coastal state. [Interruption.] The negotiations in 2019 will take place on the basis that we

will be consulted and that our science will be part of the process by which arrangements are reached, and of course the good faith provisions and other arrangements and guarantees I discussed earlier will be there to safeguard UK interests for that limited 12-month period.

David Simpson (Upper Bann) (DUP): The quotas for 2020 will now be set by the EU after some consultation with the British Government. Now that the ball has been handed back to the EU, what guarantees can the Secretary of State give to the industry that he will get the ball back?

Michael Gove: My hon. Friend reasserts the vital point that were the EU for any reason in 2019 to behave contrary to our long-term interests, it would also be contrary to its long-term interests. I agree that the opportunities available to us after the transition deal are critical and that we must secure them. That has meant accepting a sub-optimal outcome in the deal, but it is only for an additional 12 months, and we must keep our eyes on the prize.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Far from providing "a sea of opportunity"—to use the Secretary of State's own words—all this deal does is underline, as the Heath, Thatcher and Major Governments did before, that the Tories are happy to throw Scotland's fishing industry over the side. Is it not time that he and his Scottish Tory sprats were also discarded?

Michael Gove: Again, I note that questions from the Scottish nationalist Benches have contained more mentions of the Scottish Tory leader and bad puns than adherence to either science or economics. The SNP will have to do better than name calling and joke making if it is ever to be taken seriously as a defender of the interests of Scottish fishermen.

Chris Law (Dundee West) (SNP): All fishing communities up and down the nation will have hanging their heads in shame at this disgraceful discussion so far. The list of Tory sell-outs is endless: in the 1970s, Ted Heath said that fishermen were expendable; in the '80s, Margaret Thatcher signed up to the original doomed common fisheries policy and consigned our fishermen to decades of mismanagement; while John Major signed up to a revised CFP that had scrapping vessels and destroying livelihoods at its very heart. Given this continual betrayal, can the Secretary of State honestly say that things will be any different post-Brexit?

Michael Gove: Absolutely. I have enormous respect and affection for the hon. Gentleman, who I think is a great campaigner, but I must respectfully point out that, although I do not doubt his passion and commitment, the platform on which his party stands would keep us imprisoned in the CFP, as opposed to opening us up to the opportunities that exist outside, which we and our friends in the Democratic Unionist party support.

Peter Grant (Glenrothes) (SNP): I make it five Conservative Scottish MPs who have asked for the same promise from the Secretary of State, but he has been so obsessed with his #SNP line that he has not given that guarantee. Is this not the Secretary of State who promised

that Scotland could have devolved power over immigration if we left the EU, and was that promise not worthless? Is this not the same Secretary of State who promised, barely a week ago, that we would definitely leave the CFP in March 2019, and was that promise not worthless? Is it not the case that any promise he makes in the future to the people of Scotland will be just as worthless as his promises in the past?

Michael Gove: It was the promise the SNP made to keep us in the CFP and the EU that was comprehensively rejected at the ballot box by the votes of people in north-east Scotland and in fishing communities. I am afraid that Scotland faces a simple choice: does it remain within the EU and CFP under the SNP, or will it be liberated, as will be the case if this Government have their way? On that choice so much hangs, including the future of the SNP.

Neil Gray (Airdrie and Shotts) (SNP): Again, it just goes to show that at any negotiating table we want someone who will stand up for the issues that matter. Be it Brexit or the CFP, Scotland and Scotland's fishing community are expendable once again in the eyes of the UK Government. At what stage did the Secretary of State know that fisheries would be a bargaining chip, and what did the Government secure in return?

Michael Gove: Both sides—both the UK and the EU—made it clear that fisheries would have to be handled separately from many of the other issues that would be addressed during the implementation period, and it was always clear that we would have to have specific arrangements. One of the things that are different about fisheries is that even before the implementation period ends, we will be operating independently outside the constraints of the European Union. It is also the case that, having secured the capacity to operate independently in December 2020, we will be in a position to secure the larger prize of life outside the common fisheries policy, a prize that the SNP rejects.

Alan Brown (Kilmarnock and Loudoun) (SNP): We know that Heath was the one who said that Scottish fishermen were expendable, and Thatcher was the one who took us into the CFP. We talk about fish quotas. Just this morning, on Radio Scotland, Niels Wichmann, the head of the Danish Fishermen's Association, said:

"Britain has never ever challenged the quota shares that we have used every year in the annual negotiations".

It does not matter whether we are in the CFP or not; the UK Government cannot be trusted. Does the Secretary of State agree with that?

Michael Gove: I enjoyed hearing again a quotation that I had heard a few minutes ago. Repeats from the SNP are quite something. More particularly, however, the hon. Gentleman's question betrayed a misunderstanding of the principle of relative stability which underpins quota negotiations.

Kelvin Hopkins (Luton North) (Ind): I have suggested several times over the years, including in the Chamber, that only when all the fishing waters of Europe have been returned to their own countries will the fish stocks and fishing industries of Europe be saved, and that the UK must lead the way in that process. Will the Government now publicly urge the complete abolition of the common fisheries policy, which has been such an unmitigated disaster?

Michael Gove: My admiration for the hon. Gentleman knows almost no bounds. He is right: the common fisheries policy has been bad not just for Britain, but for fish throughout the European Union. My only hope is that he will not only have an opportunity to see our shared ambition for a Britain outside the European Union fulfilled, but will be able to persuade socialist and progressive colleagues across the European continent to reform their own governance in a way that is genuinely liberating, as he has long advocated.

Brendan O'Hara (Argyll and Bute) (SNP): As I look across at the faces of the Scottish Tories who are once again witnessing the United Kingdom Government betraying Scottish fishing communities, never has the phrase "done up like a kipper" seemed more appropriate. Can the Secretary of State explain to the bewildered fishing communities in my constituency why he has signed them up to what he described nine months ago as the "disastrous" common fisheries policy for a further two years, on worse terms than they are currently experiencing?

Michael Gove: Listening to yet another Scottish National party spokesman denying the reality of the SNP's adherence to the common fisheries policy and attempting to cover it up with a weak pun, I felt that I was witnessing yet another audition for someone to appear on Alex Salmond's *rt.com* talk show. It is the combination of bad taste and poor humour that has been exhibited by so many on those Benches.

Business of the House

1.33 pm

The Leader of the House of Commons (Andrea Leadsom): With permission, Mr Speaker, I shall make a short statement about the business for tomorrow. It will now be consideration of a business of the House motion, followed by proceedings on the Northern Ireland (Regional Rates and Energy) Bill. The House will then be asked to consider a further business of the House motion, before moving on to proceedings on the Northern Ireland Assembly Members (Pay) Bill. Thursday's business will remain as previously announced: a general debate on the economy. I shall make my usual statement announcing further business on Thursday.

Valerie Vaz (Walsall South) (Lab): I concur.

Mr Speaker: I am grateful to the shadow Leader of the House. That was probably the shortest statement, and the shortest response thereto, in the recent history of the House.

We now come to a statement from the Minister for Small Business, Consumers and Corporate Responsibility. The fellow must beetle into the Chamber. Well done! Minister Andrew Griffiths.

Corporate Governance and Insolvency

1.34 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths): I am pleased to announce that the Government have today published a consultation paper on corporate governance and insolvency. Copies have been placed in the Library of the House.

The United Kingdom is recognised as having a leading international reputation for corporate governance. That gives us an international competitive advantage, and is an important factor in making the UK the best place in the world in which to invest and do business. The Government are determined to ensure that our corporate governance regime remains the envy of the world.

Large corporate failures rarely happen, but when they do, their effect on stakeholders such as employees and smaller suppliers can be very damaging. In those circumstances, it is important to ensure that those in charge of the company concerned act properly and fully discharge their responsibilities. The Government are determined to ensure that our corporate governance framework clarifies those responsibilities, protects the economy and enhances public confidence, while continuing to foster conditions for business to thrive.

Last year we announced a number of reforms to strengthen the corporate governance framework in relation to executive pay, the voice of employees and wider stakeholders in the boardroom, and corporate governance in large privately held businesses. Those are now being delivered, and all of them will contribute to more robust and well-founded decision making in our large companies. We are determined to learn the lessons from corporate failures such as Carillion. We believe that we can do more to strengthen the corporate governance framework as it applies in insolvency situations. We intend to reduce the risk of major company failures occurring through shortcomings of governance or stewardship, and to strengthen the responsibilities of directors of firms when they are in or approaching insolvency.

The consultation will focus on three specific measures. Considerable public concern arises when owners of a distressed business, including a business within a group of companies, sell it on without proper regard for its future prospects or the interests of its creditors and employees. We propose to require directors, including directors of holding companies in respect of sales of subsidiaries, to have a greater regard to any future consequences of the sale of an insolvent or near-insolvent company for which they are responsible. In doing so, however, we will ensure that we do not put barriers in the way of credible business rescue efforts. We do not want to make it impossible to rescue businesses in distress.

Considerable public concern has also been raised when a company in financial difficulty has been rescued by new investment, only to find when it subsequently fails that the new investors have set up a series of complex financial schemes to protect their investment or minimise their losses, at the expense of other creditors. The Government will consult on measures to give insolvency practitioners the additional necessary powers to claw back, for the benefit of creditors, money that has been siphoned off through complex financing arrangements.

Concerns have also been raised—by, among others, a number of hon. Members—about the difficulties that arise when a company has been dissolved, but it is then found that it has outstanding debts or there have been allegations of director misconduct. Those dissolved companies often reappear, phoenix-like, in a slightly different form and with a slightly different name, and start operating again. At present, the Insolvency Service does not have the necessary powers to investigate such cases, and we are determined to ensure that it does.

These measures will complement those published yesterday by the Department for Work and Pensions in a White Paper entitled “Protecting defined benefit pension schemes”, which provides for stronger powers for the Pensions Regulator to prevent and punish those who would deliberately endanger a defined benefit pension scheme.

Corporate failures such as Carillion have raised concerns about some other aspects of our corporate governance framework. I do not wish to anticipate the current investigations of the circumstances leading up to Carillion's failure, but I intend to use the consultation to seek views on a number of areas in which we may be able to do more to strengthen the rules within which UK companies operate. Those areas include the questions of whether steps should be taken to improve governance, accountability and internal controls within complex company group structures, and whether there are further opportunities to strengthen the role of shareholders in stewarding the companies in which they have investments. While the payment of dividends should remain for the directors to decide, having regard to their obligations and guidance, there is the question of whether the legal and technical framework within which these decisions are made could be improved and made more transparent and fairer. There are also questions about whether the commissioning and use of professional advice by directors is done with a proper awareness of directors' duties, and how the supply chain and other creditors can be better protected in the event of major insolvency while preserving the interests of shareholders.

The reforms we propose will help prevent corporate failure and will strengthen the UK's business environment, contributing to the success of our industrial strategy, and will cement our reputation as one of the best places to work, invest and do business. I commend the statement to the House.

Several hon. Members *rose*—

Mr Speaker: Order. May I gently point out that Members who were not present for the statement cannot suddenly beetle into the Chamber and expect to be called to ask a question? I am sorry, but that is not on.

1.40 pm

Laura Pidcock (North West Durham) (Lab): I thank the Minister for advance sight of his statement and for making it in good time.

There are two substantive proposals: on clawback and on disqualification of directors. There is, however, already provision in insolvency law for clawback of assets, for example assets sold at an undervalue. There is also provision in company law for disqualification of directors due to incompetence or recklessness. The proposals

set out by the Minister on clawback are extremely unclear. Can he explain how these provisions add to existing rights, rather than repeat them?

Secondly, there are a number of much vaguer promises. What do these mean? On giving the Insolvency Service new powers to investigate directors of dissolved companies, what will these new powers be and how would they militate against reckless behaviour? There is also the consideration of the legal and technical frameworks within which decisions are made on payment of dividends and how that can be improved and made more transparent. What does that mean? How can it be made more transparent, and how would greater transparency protect against greed and excessive payment of dividends, as we saw with Carillion? Then there is the strengthening of the role and responsibilities of shareholders in stewarding the companies in which they have investments, and, again, that is vague. What does it mean? Frankly, these are meaningless platitudes.

Thirdly, the Government again appear to be consulting, rather than acting. Do the Government agree that it is time for action, not consultation? They are also consulting on the Taylor review, which in itself was a consultation. What good are these consultations to people currently working in companies providing public services at risk of collapse?

Fourthly, the Government are certainly not known for being proactive; rather, they are always mopping up after the event. None of these problems is new. Companies going insolvent and leaving pension deficits and asset-stripping is not novel; we need only look at the case of BHS. These are problems that the Government should already have anticipated. Why has it taken the Government until now to begin to act, and why do they take only tentative steps?

Fifthly, we must have a bolder and more imaginative approach to corporate governance. Large companies are not the toys of directors and shareholders. They do not exist merely to make a small group of people excessively wealthy. They are the product of the hard work and effort of their workforce and suppliers, and they provide services that the public use. Short-termism is often at the heart of shareholder decisions. How do today's proposals safeguard the long-term interests of companies, for the workforce and for the public good?

Sixthly, have the Government made any assessment of the viability of Interserve and any companies with public sector contracts? What steps are the Government taking to ensure these companies do not collapse? Will the Government institute project bank accounts for major public construction projects, mandate and enforce payment of public sector contractors within 30 days and set up a new model that allows them to step in when construction companies collapse, all of which Labour has called on the Government to do?

Lastly, how would any of these proposals meaningfully have helped the workers, pensioners and suppliers of Carillion? The amount paid in dividends at Carillion was the same as the pension deficit over the same period. Have the Government done any assessment of what more the workers, pensioners and suppliers would have received under these new plans, and if not, why not?

Andrew Griffiths: A little like a machine gun, those questions came thick and fast, and I thank the hon. Lady for them, but I am somewhat surprised. When

[*Andrew Griffiths*]

Carillion went into insolvency the hon. Lady and her partner the hon. Member for Salford and Eccles (Rebecca Long Bailey) demanded that we learn the lessons from the Carillion failure. Today, just a few weeks later, we have come forward with proposals to prevent something similar from happening, yet she criticises us for a failure. Her colleague the hon. Member for Salford and Eccles criticised us in Labour's press release today for yet another consultation, and then said that Labour has "launched our own review into corporate governance".

The Government's measures will make a massive difference to prospects and the way in which our companies are regulated, to ensure a more robust and accountable regime within the boardroom. The hon. Lady fails to mention the fact that yesterday the Department for Work and Pensions brought forward a White Paper that introduces a huge number of extra regulations and gives powers to the Pensions Regulator to impose punitive fines, civil fines, criminal sanctions, and director disqualification. The hon. Lady asks what we have been doing during our time in office: we brought in pay ratio reporting, a new register of companies for significant shareholder opposition, and we have strengthened the voice of the employees and representatives in the boardroom.

The hon. Lady talks about Interserve. It would be inappropriate for me to give a case-by-case running commentary on the financial probity of private businesses, particularly as that could impact on their share price. I am sure somebody of the hon. Lady's experience will understand that.

The hon. Lady talks about project bank accounts. As she will be well aware, in January, the Government consultation on project bank accounts closed, and we will be making our proposals in the coming weeks. She talks about payment in the public sector, and I can inform her that the special manager in relation to PwC has already agreed that companies providing services to Carillion will be paid within 30 days, and that is a requirement for all contractors who accept Government contracts. We will make further proposals about how we can improve that and make it robust.

The hon. Lady talks about disqualification. Directors can be disqualified for up to 15 years, and that prevents them from acting as a director, and taking part directly or indirectly. Anyone contravening a disqualification is committing a criminal offence, so these are real punitive powers.

The hon. Lady talked about dividends. There is nothing wrong with healthy companies paying dividends. In fact many of our pension schemes rely on the profits paid from dividends. The hon. Lady talks about dividends as if they are a dirty word, but in a healthy business they are something to be applauded.

The House can be reassured that this is just the next step in a robust, detailed, full review of our corporate governance regime to make sure that we protect the taxpayer, the pensioners and the workers in all those companies who do such a good job.

Sir Desmond Swayne (New Forest West) (Con): What is the Minister's ambition for when his excellent proposals will be implemented?

Andrew Griffiths: As my right hon. Friend will know, we have not hung about in relation to improvements within the corporate governance structure. We will soon lay a further statutory instrument which will enhance even further the corporate governance measures we have introduced. The consultation will take place within the normal rules of a consultation, and we hope to bring forward proposals as a matter of urgency.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I thank the Minister for giving me advance sight of his statement. On engagement, will the Government consider proposals to force chief executives and company directors to engage directly with small business owners or groups of affected individuals? In the recent instances involving the Global Restructuring Group and the Royal Bank of Scotland branch closures, there has been a refusal on the part of directors to meet those affected. As my hon. Friend the Member for Glasgow North (Patrick Grady) pointed out, a lot of the problems that this consultation seeks to address could have been avoided simply through early engagement with those in charge.

With prohibitive costs often preventing individuals from pursuing legal options after being affected by insolvency, will the Government's strategy look at ways of ensuring that legal recourse is available to those who will already be in financial difficulties as a result of insolvency? On contract and pensions protections, small businesses should not be the ones to suffer when a failed large company goes bust, and it should not only be in high-profile cases that the Government step in to protect pensions. What measures will this strategy take to ensure that small and medium-sized enterprises are protected when contracts or payments are halted due to a large company collapsing, and that any protection for creditors is mirrored by protection for workers and pension holders? These proposals are aimed at improving the range of options available following a company becoming insolvent. However, a proactive approach could help to prevent that from happening in the first place. Does the Minister agree that one way to ensure this would be for organisations to take profit warnings seriously and not to continue to hand out contracts to firms that issue them?

Andrew Griffiths: I thank the hon. Gentleman for his detailed and important questions, many of which related to small businesses. As the Minister with responsibility for small businesses, I take those questions extremely seriously. It is not just large corporate collapses, such as that of Carillion, that affect the thousands of small businesses in the supply chain. The collapse of a small business can affect other small businesses as well. We have all seen cases in our constituencies of small businesses losing money because of phoenix businesses that go into liquidation, change their name and reappear. It is the same people selling the same products, fleecing people time and again. We are giving the Insolvency Service the ability in this consultation to investigate companies that have already been dissolved, and that will go a long way towards sending the clear message to directors who think they can get away with fleecing small businesses in that way that the Insolvency Service will come and get them.

The hon. Gentleman talked about pensions. It is important that directors should clearly understand, through this White Paper and through the consultation, as well

as through the Department for Work and Pensions White Paper, that there will be consequences if they fleece their pension fund, that there will be fines and penalties and that they could spend time in prison if they have been found to be fleecing their pension fund in an unacceptable way.

The hon. Gentleman also talked about the need for small businesses to be treated in an ethical way. In the spring statement last week, the Chancellor demonstrated a clear recognition and understanding that small businesses were being fleeced, particularly in relation to late payments. He said that he would consult on how we could end the “scourge of late payments”. If we could do that, we would see £14 billion taken from the pockets of big businesses and put into the pockets of small businesses. Also, when insolvencies such as that of Carillion do happen, payments will stay in the bank accounts of the company that had gone bust not for 128 days but for only 30 days.

Craig Tracey (North Warwickshire) (Con): I welcome this announcement. As a former business owner myself, I have seen the impact, particularly on small businesses, of large companies becoming insolvent. Does the Minister agree that it is crucial that we protect the small businesses and employees in the supply chain?

Andrew Griffiths: I agree with my hon. Friend. This is why we are specifically consulting, in this document, about what more we can do to protect small businesses. In lots of these failures, we have seen clever directors with clever advisers, clever lawyers and clever tax accountants putting in place a regime that allows them to walk away scot-free while hard-working businessmen and women in our constituencies pay the price. This consultation looks at how we can put an end to that and be on the side of the small guy, not the big guy.

Catherine West (Hornsey and Wood Green) (Lab): In the consultation, will the Minister consider extending the 30-day limit for late payments to other non-governmental contracts, to create a new way of doing business? Also, what will he do to protect apprentices who are often caught in the subcontracting chain and who lose their apprenticeships with SMEs, which are the lifeblood of our economy?

Andrew Griffiths: The hon. Lady asks two important questions. The Government have a role to play in this as a customer. We give billions of pounds of contracts and we have the power in our own hands to demand that the supply chain is treated properly. I can assure her that, in the very near future, we will be coming forward with a clearer set of principles and tools to ensure that the supply chain is treated properly and paid fairly, using the 30-day terms. That is what we expect of our suppliers. I agree with her point about apprentices. Unfortunately, we have to accept that there will always be businesses that go bust. That is one of the realities—*[Interruption.]* That is the way in which the business environment works. We are putting the employees at the heart of this consultation and at the heart of the decisions we make.

Stephen Kerr (Stirling) (Con): I congratulate the Minister on his statement and on launching this much-needed consultation. As a member of the Select Committee that is inquiring into the collapse of Carillion, I should

like to share with him the fact that one of the startling things we discovered was that the company could not even give the Insolvency Service the names of all the directors of all companies in the group. Does he agree that steps should be taken to improve governance and accountability in groups of companies with complex structures?

Andrew Griffiths: My hon. Friend has hit the nail well and truly on the head. I commend the work that his Select Committee has been doing in shining a light on the realities of the way in which Carillion operated. In the very early days of the Carillion collapse, when the Government were looking to protect those vital services that were being delivered and to protect the 18,500 people employed by the company, it became clear that it was a hellishly complicated business with a hellishly over-complicated structure. It is still proving a difficult job to untangle the web of the Carillion business structure. If it is difficult for the Insolvency Agency to do that, so many weeks on, how much more difficult must it have been to run the business? We need clear, accountable business structures in our businesses today.

Sir Vince Cable (Twickenham) (LD): I welcome this sensible set of proposals, particularly those relating to value extraction through complex arrangements. What can the Minister currently do, and what will he be able to do in the future, in respect of companies such as Toys R Us? It had a management team, led by a man called Frank Muzika, which was able to loot the company over a long period of time and load it up with debt using complex instruments and tax havens, leaving behind a legacy of a £580 million pension fund and 3,000 redundancies. What can the Minister do?

Andrew Griffiths: I thank the right hon. Gentleman for his question. He clearly has a vast amount of experience as a former Secretary of State in our Department. He is right to identify the value extraction element in this document. When a business is taken over, we often see the directors of the purchasing company put in place complicated measures to protect their own backs, to ensure that, whatever happens to the business, they will not be impacted. The powers proposed in this consultation would allow us to recoup and recover the amount of money involved, not just for shareholders and directors but for contractors and creditors in the supply chain. In relation to Toys R Us, he will recognise that some businesses will always fail. However, the Government are clear that this set of measures will put an emphasis on the responsibilities not just of directors but of shareholders. It is an important point that shareholders—particularly institutional shareholders—should have a voice in the way in which these businesses are run.

Jeremy Lefroy (Stafford) (Con): I commend my hon. Friend for his statement, for this consultation, and for standing up for small businesses. Will he extend the consultation—or perhaps have a future consultation—to look at the forced liquidations of often small and sometimes slightly vulnerable businesses by banks and other secured creditors, which are totally unnecessary, and could be resolved by other means, thereby maintaining jobs, employment and prosperity in our constituencies, as opposed to leaving bust businesses that should be thriving?

Andrew Griffiths: In recent weeks, we have seen the impact that the banks can have on small businesses when they act inappropriately. I have been meeting the all-party parliamentary group on small and micro business recently to see how we can get more accountability; I know that my hon. Friend is a member of that group. My concern is that small businesses are shying away from finance—shying away from taking credit from the banks because of the way they have been treated. I would be delighted to meet my hon. Friend to talk about his ideas.

Point of Order

2 pm

Karen Lee (Lincoln) (Lab): On a point of order, Mr Speaker. May I ask for some clarification, please? Is it usual, when an MP visits a constituency other than their own, for them to let that Member know? Within the past 10 days, two Conservative MPs have visited my constituency and I have had no notice or communication, before, during or after—and you never know; we might have another visit coming up shortly.

Mr Speaker: I am very grateful to the hon. Lady for her point of order. The short answer is that a Member visiting another Member's constituency on public business should notify the Member whose constituency he or she is intending to visit. That should be done in a timely way. It is a matter of parliamentary courtesy. It is not part of our Standing Orders, but it is a long-standing convention of the House. It is a regrettable situation if Members feel obliged to raise these matters on the Floor of the House, which in this case she has felt she has had to do. Members should simply show a basic level of courtesy and respect for each other in these matters.

BILL PRESENTED

NORTHERN IRELAND BUDGET (ANTICIPATION AND ADJUSTMENTS) BILL

Presentation and First Reading (Standing Order No. 57)

Secretary Karen Bradley, supported by the Prime Minister, Mr Chancellor of the Exchequer, the Attorney General and Mr Shailesh Vara, presented a Bill to authorise the issue out of the Consolidated Fund of Northern Ireland of certain sums for the service of the years ending 31 March 2018 and 2019; to appropriate those sums for specified purposes; to authorise the use for the public service of certain resources for those years; to revise the limits on the use of certain accruing resources in the year ending 31 March 2018; and to authorise the Department of Finance in Northern Ireland to borrow on the credit of the sum appropriated for the year ending 31 March 2019.

Bill read the First time; to be read a Second time today, and to be printed (Bill 186) with explanatory notes (Bill 186-EN).

Mr Speaker: I congratulate the Secretary of State on the quality of her nod.

Fire Safety Information

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

2.2 pm

Mrs Maria Miller (Basingstoke) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about the requirements for fire safety information for occupants of certain buildings, including high-rise residential buildings.

Following the tragic events at Grenfell Tower, a great deal of attention has rightly been focused on the urgent need to improve fire safety, including the materials used for construction, the effectiveness of building regulations, and the need for sprinklers. The safety of residents of high-rise buildings is the overriding concern, and our efforts should be concentrated on ensuring they are afforded the best protection. To that end, the setting up of the independent review of building regulations and fire safety, led by Dame Judith Hackitt, was a vital step, and we look forward to seeing her report and recommendations, which are expected in the spring.

In the aftermath of the Grenfell Tower fire, like many other Members, I made inquiries about the high-rise residential buildings in my constituency, in respect of both their physical safety and the extent to which residents knew what to do in the event of fire. I put on record my gratitude to Hampshire fire and rescue and the excellent work that it did, carrying out inspections of high-rise buildings, making home safety visits and, importantly, responding fantastically to residents' concerns at that time.

However, it became clear to me that one of the issues that was causing concern among residents was the lack of transparency about who was responsible for fire safety in their building—their home—and the lack of information made available to them. That lack of information and transparency was first raised with me by a constituent in Basingstoke, who was renting a flat from a leaseholder in a privately owned high-rise residential block. My constituent, quite understandably, was seeking to satisfy himself about the safety of the building in which he lived, but he had found it incredibly difficult to access such information.

In the first place, it was not clear who was responsible for fire safety, and indeed the managing agents would not even tell him who owned the freehold of the building. It transpired that the managing agents were the “responsible person,” but they refused to give him access to fire risk assessments, on the basis that they did not routinely make them available to residents.

When I eventually secured a copy of the fire risk assessment and sent it to my constituent, he was very concerned. He was concerned to discover that a number of fire risks had been raised in the report, including serious faults on the vent control panel, which the report identified as a hazard for “escape routes and evacuation”. He tried to find out whether remedial actions had been taken, but received conflicting information.

One way for my constituent to raise those issues would be for the managing agents for the building—the responsible person—to hold a residents meeting, to enable occupants to receive information and scrutinise what action had been taken. However, the managing agents did not feel it necessary to hold such a meeting,

and instead issued correspondence, which in practice was with the leaseholders of the individual flats, not the actual occupants.

I then worked with my local authority, Basingstoke and Deane Borough Council, to try to find out how other high-rise buildings in my constituency were managed with regard to fire safety. The borough council is very supportive of the proposition that the responsible person should hold an annual meeting to clarify the fire safety strategy for the building, and to allow residents an opportunity to raise any queries. From the council's inquiries it was clear that practice in my constituency varies greatly; indeed, one managing agent told us that it held an annual general meeting with residents, and that the issue of “fire safety arrangements” was on the agenda. In fact, a meeting had been held just prior to the Grenfell Tower fire. Other organisations, including for the building where my constituent lives, did not see the need for such a meeting.

The main purpose of the Bill is to require the responsible person for all high-rise residential buildings to hold an annual meeting for all residents to inform them of the fire risk assessment and to address all fire safety issues that might be raised. Currently, the responsible person for any high-rise building is required to have fire risk assessments of the building carried out “regularly”. Those will identify any fire risks in the building and require remedial works to be carried out. However, there is currently no requirement for those fire risk assessments to be shared with residents—no transparency that might help improve the safety of people living in high-rise accommodation.

From the experience in my constituency, I have learned that there is some good practice, but it is not necessarily widespread. I believe that residents have a right to know whether fire risks have been identified in their building, and be allowed to come to their own conclusions about the level of fire risk that they are prepared to accept. My Bill would ensure that the responsible person holds an annual residents meeting to go through the fire risk assessment, and to review and report on the measures being taken to address any risks identified. In this way, progress on rectifying problems would be transparent to residents. An annual residents' meeting would also be a useful forum for communicating about fire safety with residents, who may not necessarily be the owners or leaseholders of those flats.

When Dame Judith published the interim report of the independent review of building regulations and fire safety in December 2017, she recognised in it the need to reassure residents that an effective system is in place to maintain safety in the buildings that are their homes. The Bill will ensure that the responsible person holds an annual meeting for residents to share with them the fire risk assessment and to make sure that residents are aware of how fire safety is being managed in their own home. That should be very much in line with the direction of travel of the independent review, but goes a step further, in providing residents of high-rise buildings with more information and a greater degree of transparency than has been the case to date.

Everyone who lives in a high-rise building has a right to know whether any fire issues have been identified and how they are being tackled and, most important of all, what they should do in the event of a fire. At the

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moment, there is no transparency and patchy good practice. Residents deserve better. I recommend the Bill to the House.

Question put and agreed to.

Ordered,

That Mrs Maria Miller, Mr Iain Duncan Smith, Stephen Hammond, Eddie Hughes, Sir Mike Penning, Theresa Villiers, Sarah Champion, Ms Harriet Harman, Mr David Lammy, Jess Phillips and Lucy Powell present the Bill.

Mrs Maria Miller accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 26 October, and to be printed (Bill 185).

NORTHERN IRELAND BUDGET (ANTICIPATION AND ADJUSTMENTS) BILL (BUSINESS OF THE HOUSE)

Ordered,

That the following provisions shall apply to the proceedings on the Northern Ireland Budget (Anticipation and Adjustments) Bill:

Timetable

(1) (a) Proceedings on Second Reading and in Committee of the whole House, any proceedings on Consideration and proceedings up to and including Third Reading shall be taken at today's sitting in accordance with this Order.

(b) Notices of Amendments, new Clauses or new Schedules to be moved in Committee of the whole House may be accepted by the Clerks at the Table before the Bill has been read a second time.

(c) Proceedings on Second Reading shall be brought to a conclusion (so far as not previously concluded) four hours after the commencement of proceedings on the Motion for this Order.

(d) Proceedings in Committee of the whole House, any proceedings on Consideration and proceedings up to and including Third Reading shall be brought to a conclusion (so far as not previously concluded) six hours after the commencement of proceedings on the Motion for this Order.

Timing of proceedings and Questions to be put

(2) When the Bill has been read a second time:

(a) it shall, despite Standing Order No. 63 (Committal of bills not subject to a programme order), stand committed to a Committee of the whole House without any Question being put;

(b) the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

(3) (a) On the conclusion of proceedings in Committee of the whole House, the Chairman shall report the Bill to the House without putting any Question.

(b) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

(4) If, following proceedings in Committee of the whole House and any proceedings on Consideration of the Bill, a legislative grand committee withholds consent to the Bill or any Clause or Schedule of the Bill or any amendment made to the Bill, the House shall proceed to Reconsideration of the Bill without any Question being put.

(5) If, following Reconsideration of the Bill—

(a) a legislative grand committee withholds consent to any Clause or Schedule of the Bill or any amendment made to the Bill (but does not withhold consent to the whole Bill), and

(b) a Minister of the Crown indicates his or her intention to move a minor or technical amendment to the Bill, the House shall proceed to consequential Consideration of the Bill without any Question being put.

(6) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph (1), the Chairman or Speaker shall forthwith put the following Questions in the same order as they would fall to be put if this Order did not apply—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) any Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded; and shall not put any other questions, other than the question on any motion described in paragraph (17)(a) of this Order.

(7) On a Motion so made for a new Clause or a new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

(8) If two or more Questions would fall to be put under paragraph (6)(c) on successive amendments moved or Motions made by a Minister of the Crown, the Chairman or Speaker shall instead put a single Question in relation to those amendments or Motions.

(9) If two or more Questions would fall to be put under paragraph (6)(d) in relation to successive provisions of the Bill, the Chairman shall instead put a single Question in relation to those provisions, except that the Question shall be put separately on any Clause of or Schedule to the Bill which a Minister of the Crown has signified an intention to leave out.

(10) (a) Any Lords Amendments to the Bill may be considered forthwith without any Question being put; and proceedings interrupted for that purpose shall be suspended accordingly.

(b) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement; and any proceedings suspended under sub-paragraph (a) shall thereupon be resumed.

(11) Paragraphs (2) to (11) of Standing Order No. 83F (Programme orders: conclusion of proceedings on consideration of Lords amendments) apply for the purposes of bringing any proceedings to a conclusion in accordance with paragraph (10) of this Order.

Subsequent stages

(12) (a) Any further Message from the Lords on the Bill may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(b) Proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement; and any proceedings suspended under sub-paragraph (a) shall thereupon be resumed.

(13) Paragraphs (2) to (9) of Standing Order No. 83G (Programme orders: conclusion of proceedings on further messages from the Lords) apply for the purposes of bringing any proceedings to a conclusion in accordance with paragraph (12) of this Order.

Reasons Committee

(14) Paragraphs (2) to (6) of Standing Order No. 83H (Programme Orders: reasons committee) apply in relation to any committee to be appointed to draw up reasons after proceedings have been brought to a conclusion in accordance with this Order.

(15) Standing Order No. 15(1) (Exempted business) shall apply so far as necessary for the purposes of this Order.

(16) Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

(17) (a) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken, to recommit the Bill or to vary or supplement the provisions of this Order.

(b) No notice shall be required of such a Motion.

(c) Such a Motion may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(18) (a) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(b) The Question on any such Motion shall be put forthwith.

(19) No debate shall be held in accordance with Standing Order No. 24 (Emergency debates) at today's sitting after this Order has been agreed.

(20) Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

(21) (a) Any private business which has been set down for consideration at a time falling after the commencement of proceedings on this Order or on the Bill on a day on which the Bill has been set down as taken as an Order of the Day shall, instead of being considered as provided by Standing Orders or by any Order of the House, be considered at the conclusion of the proceedings on the Bill on that day.

(b) Standing Order No. 15(1) (Exempted business) shall apply to the private business so far as necessary for the purpose of securing that the business may be considered for a period of three hours.—(*Karen Bradley.*)

Northern Ireland Budget (Anticipation and Adjustments) Bill

Second Reading

2.12 pm

The Secretary of State for Northern Ireland (Karen Bradley): I beg to move, That the Bill be now read a Second time.

As I set out to the House in my statement last week, in order for the UK Government to uphold their commitments to govern in the interests of all parts of the community in Northern Ireland, a series of steps are now required to safeguard public services and finances. This Bill represents the first of those steps, with further legislation scheduled to follow tomorrow. I should say at the outset that I take these measures with the greatest reluctance; I have deferred action here until it was clear that it would not be possible for a restored Executive to take this legislation forward. But as we approach the end of the financial year, it is important that we proceed now to give certainty as the Northern Ireland civil service looks to continue to protect and preserve public services.

Last year, the UK Government had to step in to ask Parliament to legislate for a 2017-18 budget for Northern Ireland. Again, that was not a step we wanted to take, but it gave the Northern Ireland civil service the clear legal basis required to manage resources and perform the important work it continues to do in the absence of an Executive. The legislation we passed, the Northern Ireland Budget Act 2017, did not set out any direction for how spending decisions should be made; instead it set out in law departmental spending allocations, within which permanent secretaries could deliver on their respective responsibilities. That Act was passed in November, and since then the Northern Ireland civil service has continued to assess where pressures lie across the system and has reallocated resources, as required. In addition, the UK Government committed in November to providing £50 million of support arising from the financial annex to the confidence and supply agreement, to address immediate health and education pressures. Of that, at the request of the Northern Ireland civil service, we agreed that £20 million would be made available in 2017-18, with the remainder to form part of the resource totals available in 2018-19. That additional funding was confirmed in the Supply and Appropriation (Anticipation and Adjustments) Act 2018, which received Royal Assent last week.

As we approach the end of the financial year, those changes must now be reflected in the legal spending authority provided to the Northern Ireland administration, and that is what this Bill does. In addition, it would provide for a vote on account for the early months of next year, to give legal authority for managing day-to-day spending in the run-up to that estimates process. Right hon. and hon. Members may recall that there was no such action this year, with no budget legislation for Northern Ireland before November. This meant that the Northern Ireland civil service had to rely on section 59 of the Northern Ireland Act 1998, and section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 to issue cash and resources. Those are emergency powers, intended to be used only in the absence of more orthodox legal authority. As we take

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forward legislation to formalise the budget for last year, I do not consider it would be appropriate if we did not provide the usual vote on account facility to the NICS—a facility we had provided to UK Government Departments through our own spring supplementary estimates process.

To be clear, this is not a budget for the year ahead. The Bill does not seek to set out in legislation the departmental allocations I outlined in my written statement on 8 March. Those will be taken forward via a budget Bill in the summer, exactly as is the case for the United Kingdom finances as a whole. Of course, I hope that this budget Bill will be brought forward by a restored Executive. We must, however, be prepared for the potential that it will again fall to this Parliament to provide budget certainty for the NICS. Nor does the Bill seek to vote any new moneys for Northern Ireland. The totals to which it is related are either locally raised or have been subject to previous votes in Parliament, most recently in the Supply and Appropriation (Anticipation and Adjustments) Bill.

Instead, this Bill looks back to confirm spending totals for 2017-18, to ensure that the NICS has a secure legal basis for its spending in the past year. As such, it formally allocates the £20 million of confidence and supply funding already committed for 2017-18; it is not concerned with any of the £410 million set out in my budget statement, which will be a matter for the UK estimates in the summer, and for a Northern Ireland budget Bill thereafter. Taken as a whole, it therefore represents the minimum necessary intervention to secure public finances at this juncture.

I will turn briefly to the contents of the Bill, as this will largely rehearse the discussion that my predecessor, my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), whom I know will be with us when he has finished dealing with a piece of secondary legislation he is involved with upstairs—[*Interruption.*] He is here—good. This will rehearse the discussion he had when bringing the Northern Ireland Budget Act 2017 before this House. I am delighted to see him here and I know he will contribute later when he has served on the secondary legislation Committee upstairs.

In short, the Bill authorises Northern Ireland Departments and certain other bodies to incur expenditure and use resources for the financial year ending on 31 March 2018. Clause 1 authorises the issue of £16.1 billion out of the Consolidated Fund of Northern Ireland. The allocation levels for each Northern Ireland Department and the other bodies in receipt of these funds are set out in schedule 1, which also states the purposes for which these funds are to be used. Clause 2 authorises the use of resources amounting to £18 billion in the year ending 31 March 2018 by the Northern Ireland Departments and other bodies listed in clause 3(2). Clause 3 sets revised limits on the accruing resources, including both operating and non-operating accruing resources in the current financial year. These are all largely as they appeared in the 2017 Act, and the revised totals for Departments appear in schedules 1 and 2 of the Bill.

Clause 4 does not have a parallel in that Act. It sets out the power for the NICS to issue out of the Northern Ireland Consolidated Fund some £7.35 billion in cash for the forthcoming financial year. This is the vote on account provision I have already outlined. It is linked to

clause 6, which does the same in terms of resources. The value is set, as is standard, at about 45% of the sums available in both regards in the previous financial year. Schedules 3 and 4 operate on the same basis, with each departmental allocation simply set at 45% of the previous year's. Clause 5 permits some temporary borrowing powers for cash management purposes. As I have already noted, these sums relate to those which have already been voted by Parliament, together with revenue generated locally within Northern Ireland. There is no new money contained within this Bill; there is simply the explicit authority to spend in full the moneys that have already been allocated.

Lady Hermon (North Down) (Ind): The Secretary of State will be well aware that under the allocation to the Executive Office, the detail in the Bill refers expressly to “actions associated with the preparation and implementation of the Historical Institutional Abuse Inquiry Report and Findings”—the Hart report. What exactly is going to be implemented and done? It is long overdue—what is going to happen in Northern Ireland as a result of this Bill?

Karen Bradley: The hon. Lady and I have discussed this matter in the Northern Ireland Affairs Committee and in the House. As I have said, the Bill agrees the money that has already been spent in respect of the Hart inquiry. That inquiry was set up by the Executive, so it is quite right that the Bill agrees that the money that has already been spent has been properly and lawfully spent.

On the treatment of the victims of historical abuse, the hon. Lady will know that we all want those victims to get the justice that they so rightly deserve. She will also know that the inquiry was set up by the Executive, so the recommendations should rightly be dealt with by the Executive. It is a great shame that we do not have an Executive to deal with these things, but it would be constitutionally inappropriate for this House to determine the actions that should be taken in respect of those recommendations, because this House did not set up the inquiry; it was set up by the Executive, which is the right place for the recommendations to be considered and for the decisions about those recommendations to be taken. I am well aware of the hon. Lady's point, though, and we will continue to discuss it.

Ordinarily, the Bill would have been taken through the Assembly. As such, there are a series of adaptations in clause 7 that ensure that, once the Bill is approved by both Houses in Westminster, it will be treated as though it were an Assembly budget Act, enabling Northern Ireland public finances to continue to function, notwithstanding the absence of an Executive.

Alongside the Bill itself, I have laid before the House as a Command Paper a set of supplementary estimates for the Departments and bodies covered by the budget Bill. The estimates, which have been prepared by the Northern Ireland Department of Finance, set out the breakdown of the resource allocation in greater detail. As hon. and right hon. Members may note, the process is different from that which we might ordinarily see for estimates at Westminster, where the estimates document precedes the formal Budget legislation and is separately approved. That would also be the case at the Assembly, but as was the case in November, the Bill provides that the laying of the Command Paper takes the place of an

estimates document laid and approved before the Assembly—again, to enable public finances to flow smoothly.

Bob Stewart (Beckenham) (Con): Assuming an Executive is reconstituted at some stage during the year—perhaps, say, in six months' time—would members of that Executive have any ability to fiddle, change or adjust the budget that my right hon. Friend is proposing, or is it set for the year?

Karen Bradley: My hon. and gallant Friend is correct that members of the Executive would have the power to change the allocations set out in the budget and to change the decisions that have been taken. He will know that, as I set out in my statement last week, what I did was the bare minimum required to allow the NICS to continue to function and deliver public services. Of course, there are many political decisions that it would not be appropriate to take in this place because we do not have the executive power to do that. The Executive would have that power, so I urge Members of the Assembly to do what they can to come back to Stormont so that they can take Executive decision-making powers there.

I hope hon. and right hon. Members will agree that this is very much a technical step that we are taking as we approach the end of the financial year. It looks backwards rather than forwards, although it does avoid the use of emergency powers for the forthcoming financial year.

Lady Hermon: I am extremely grateful to the Secretary of State for allowing me to move on to a completely different topic: the Independent Reporting Commission. Given the sad and most regrettable rise of loyalist paramilitary activity in North Down, I am curious to know what exactly the Independent Reporting Commission, which was set up a previous very distinguished Secretary of State, the right hon. Member for Old Bexley and Sidcup (James Brokenshire), who was in the Chamber earlier but is not present at the moment, does for its money. Paramilitary activity seems to be increasing instead of decreasing, which was its remit when it was set up.

Karen Bradley: I had the privilege of meeting Mitchell Reiss when I was in the United States last week, and I think several Opposition Members may also have had the chance to meet him. I expect the Independent Reporting Commission to report its interim findings shortly. Its members will be visiting Northern Ireland shortly, at which point I expect to have a meeting with them. I am well aware of the point that the hon. Lady mentions—it was something I discussed with Mr Reiss in the United States.

Dr Andrew Murrison (South West Wiltshire) (Con): Funding that is apparently destined for the implementation of the recommendations of the Hart report is quite correctly covered in schedule 2, but it is also covered in schedule 3, which seems to conflict slightly with the point made earlier. Will my right hon. Friend clarify the situation? Schedule 3 appears to anticipate spend on the Hart inquiry, which we would all welcome, but she has not said this explicitly.

Karen Bradley: I thank my hon. Friend the Chair of the Select Committee for that point. As I said earlier, the forward-looking expenditure is merely to approve, in the way we would do in the normal Budget process in this House, 45% of spending. We have done exactly the same allocations as in the previous year to enable the moneys to be spent, but the Bill does not give decision-making power to say how the money should be spent; it merely gives approval for money to be spent by those Departments so that they can continue to function. I appreciate that it is not an entirely satisfactory situation, but it is what is required to enable the Departments to continue to function and provide public services. In summer we will of course come through with the full budget process, which I hope will be done by a restored Executive at Stormont. If not, it will have to be done in this House.

Ian Paisley (North Antrim) (DUP): The Secretary of State will know my interest in making sure that it is the perpetrator who pays and is punished, not the taxpayer. Will she ensure that if there is not an Assembly in six months' time, it will be the institutions that perpetrated those false and indeed horrible, pernicious attacks on innocent individuals that are made to pay, and that it will not be the taxpayer picking up the bill?

Karen Bradley: The hon. Gentleman's comments indicate to the House that there is perhaps not universal support for every recommendation from the Hart inquiry. That is why it is important that we have a restored Executive in Stormont that can make the decisions about those recommendations and enable justice to be delivered.

Nigel Dodds (Belfast North) (DUP): The Secretary of State confirmed the legal position of the Bill and what it purports to do and will do, if passed. Will she confirm that, in respect of the written ministerial statement that allocated £410 million of the confidence and supply money, Government Departments in Northern Ireland will be able to plan on spending that money as of the start of the financial year?

Karen Bradley: The right hon. Gentleman is absolutely right. The statement sets out the departmental allocations; the Bill gives parliamentary approval for Departments to start to spend that money. That is what is required to enable that spending to start at the start of the financial year, but it does not set the final allocations; it merely gives approval such that Departments can start to spend. In effect, Parliament is saying that the money can now be spent so that public services can be delivered. The right hon. Gentleman is absolutely right that the £410 million from the confidence and supply agreement that is allocated for 2018-19 is in the allocations set out in the written ministerial statement, and the Departments can work on the basis that they can start to spend that money.

The Bill provides a secure legal footing for the Northern Ireland civil service. It is on that platform that my budget statement last week sought to build. That statement will need to be the subject of formal legislation in the summer as a further Northern Ireland budget Bill. As I have already said, that is a Bill that I sincerely hope will be taken forward by a restored Executive. If required, though, that is something that we as the UK Government would be prepared to progress with, as we uphold our

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responsibilities to the people of Northern Ireland. In the meantime, it is those allocations that provide the basis for the NICS to plan and prepare to take decisions for the year ahead.

Mr Gregory Campbell (East Londonderry) (DUP): We all, of course, want to see the Executive restored, but, in the absence of that in the medium term, does the Secretary of State agree that the way in which we are bringing this process forward, while not satisfactory, is at least progress? However, we need to see further progress in how that money is spent on the ground on much needed services.

Karen Bradley: I thank the hon. Gentleman for his contribution. I agree that we all want to see devolution restored. As I have said, I am doing this reluctantly, but I am doing what is required to enable public spending to continue and public services to be delivered. I pay tribute to the civil servants and other public servants who have worked tirelessly for the past 14 months doing exactly that work, and I want to make sure that they can continue to do so.

Dr Murrison: My right hon. Friend is being very generous in giving way. I am probably being thick, but can she explain the difference between schedules 3 and 4—that is to say the difference between “resources authorised” and “sums granted” for the year ending 31 March 2019? Many of the figures look pretty much the same, but clearly there is a difference in the form of words used. I would be very grateful for clarification on that point.

Karen Bradley: I suspect that that is a deeply technical point. It would probably be helpful to the members of the Select Committee if I wrote to my hon. Friend and set out exactly what the difference was. However, I want to assure him that we are approving the start of spending, but we are not approving final numbers or how that spending happens as part of the process for 2018-19. What we are approving today is the moneys that have already been spent and making sure that those moneys that have been spent are on a proper statutory footing so that the finances of Northern Ireland and the NICS can be properly dealt with.

As I conclude, I will set out once again a point that I have made several times before: the UK Government are steadfastly committed to the Belfast agreement, and we are completely committed to working to remove the barriers to the restoration of devolution. That is because Northern Ireland needs strong political leadership from a locally elected and accountable devolved Government and that remains my firm goal. However, in its absence, this Bill is a reminder that the UK Government will always uphold their responsibilities for political stability and good governance, and I commend it to the House.

2.32 pm

Owen Smith (Pontypridd) (Lab): This is, as the Secretary of State has said, a technical step today. For instant clarity, let me say that we will, of course, support these technical measures and the provisions in the Bill.

I wish to begin by remembering, on behalf of us all in the House, Johnathan Ball and Tim Parry who lost their lives in the IRA atrocity at Warrington 25 years ago today. There has been a commemoration in Warrington today where they are being honoured along with the 54 men, women and children who were injured on that day. I wanted to do that to mark their tragic death and to remind us all of the terrible cost of the troubles and to remind us, too, of the need to complete the journey to reconciliation between communities and to get to a true point of political stability in Northern Ireland. That is something that we should be reminded of today.

Karen Bradley: May I thank the shadow Secretary of State for his words? I wish to put it on the record that I add my condolences and thoughts to his. He is absolutely right to reflect that today marks the 25th anniversary of a shocking event that none of us who lived through that time will forget, and it is a stark reminder of how far we have come.

Owen Smith: I welcome those words. I was sure that the Secretary of State would reflect on those events.

The Bill does in itself reflect the instability in Northern Ireland and the fact that reconciliation is required. We should remind ourselves, too, that it is actually the seventh year of suspension in the 18 years of the Assembly. It is a measure of some of the problems that we face that we are still in suspension now after 14 months. Other recent comments that have been made in respect of commemorations remind us, too, of the desperate need that we still have for true reconciliation between communities. Although the peace is robust—I know that we all feel that—the reconciliation is still all too fragile.

Notwithstanding the fact that we are discussing a set of technical measures today—it is not formally a budget, as the Secretary of State has explained to us—there are lots of questions to be asked. I hope to pose some of them, including questions about the form of the Bill—what is in it, what is not in it and what should be in it—reflecting some of the comments that have already been made by right hon. and hon. Members.

The first is about the form of the Bill. The Secretary of State said, “We have done something different this year.” She has not done what her predecessor did, which is rely on section 59 of the Northern Ireland Act 1998 to provide 95% of budgets. We have moved to what is in effect a version of the budget and the estimates process that we have for the rest of the United Kingdom at traditional points in the year. The Secretary of State has partially explained why she has done that—because it is an emergency measure—but I still do not completely understand why we have gone down that route. That prompts the question whether this is a further staging post on that famous glide path to direct rule. If that was in the Government’s mind when they went down this route, I urge them to think harder about how they redouble their efforts to try to get things back up and running.

If we are not dealing with a straightforward budget today and if these measures are allocating only 45% of the spending for 2018-19, we will have to have, as the Secretary of State has said, another budget Bill before the summer, which equally makes the point that this is a pretty poor substitute for the sort of scrutiny, intelligence

and direction that we would have if we had a Stormont Executive and Assembly setting and scrutinising a budget. Some of the confusion that we have heard about today over the differences between allocations and appropriations and schedules 3 and 4 and about whether we are allowing for spending on the historical institutional abuse inquiry this year is because, effectively, what we have is a piece of cut and paste legislation here. If we read the schedule, it is pretty much exactly, word for word, the same schedule with the same description of the objectives and tasks facing the individual Departments in Northern Ireland as we had in the Northern Ireland Budget Act 2017.

Emma Little Pengelly (Belfast South) (DUP): Does the shadow Secretary of State agree that the lists in that document cover the scope of each Department—the vires of the Department? Therefore, we will not see any significant change in that year by year, because that is the scope, the limits and the vires of those Departments in which they can spend. That does not change in this document.

Owen Smith: That is precisely right; that is the point that I was coming on to. I was going to say that this is a poor substitute for a proper budget process. What we do not have today is any real insight into how the money will be spent, or where the priorities lie beyond those broad headings. We have had some confusion around HIA funding today. Clearly, there is an implication that 45% of the money for the HIA is available to the Office of the First Minister and Deputy First Minister to deal with in this coming year, so some clarity on that would be helpful. I will come on to the HIA in a little more detail later. This is a poor substitute. I think that we can all see that we should have better scrutiny, transparency and accountability, but we can only have that if we get the Executive back up and running, because this place cannot properly form a substitute for Stormont.

All this places Northern Ireland's excellent, hard-working and diligent civil servants in a very invidious position. They are taking responsibility for providing services and are making increasingly autonomous decisions about services without really having a political master to serve, or a political backstop to watch their back if there is a crisis in any of the services that they are providing. We can all see that that is not a situation that we would wish to place civil servants in, and it is not a situation that can continue *ad infinitum*. I know that the Secretary of State is mindful of that, and I hope that it is one of the things that will spur the Department on to redouble its efforts in this matter—and indeed spur the parties on to try to find the wherewithal to build trust between one another, because they, too, will be effectively leaving those civil servants to carry the can unless we are able to get an Executive back up and running.

Three areas of public expenditure are not included in the budget today or are only referred to obliquely in the case of the HIA that could be included in the budget and could have been dealt with more fully today and in the coming months. The first is the HIA inquiry conducted by Sir Anthony Hart that several right hon. and hon. Members have already mentioned today. The inquiry reported before the Executive collapsed, recommending that the hundreds of men and women who survived

historical abuse in some 20 institutions in Northern Ireland should be commemorated and, crucially, compensated for the abuse that they experienced.

Ian Paisley: Does the hon. Gentleman think that his taxpaying constituents in Pontypridd, mine in North Antrim and those of the hon. Member for North Down (Lady Hermon) should pay the compensation, or does he believe that the institutions that carried out the abuse should be made to pay the compensation, given the vast amounts of money that some of those institutions possess?

Owen Smith: It will be for the Government and, I hope, for the Executive to make a determination about the balance of payment. My view is that both will have to bear some costs. Some of the Church institutions that were involved will have to bear some of the cost, as happened in the Irish Republic. I think that the costs will be borne by the taxpayers where state-run institutions are involved. The reality is that we all have to recognise—I know that the hon. Gentleman does—that the abuse suffered by those individuals was heinous, and a way must be found for them to be properly compensated. This impasse in Northern Ireland cannot get in the way of that; we need to move forward. In fact, I have a particular question on this matter for the Secretary of State that she might want to listen to.

When I listened to David Sterling, the head of the Northern Ireland civil service, giving evidence to the Select Committee on Northern Ireland Affairs just a month or so ago, my impression was that he is preparing legislation in respect of the HIA. He said explicitly that if there is no Executive in place—he implied by the summer, as that is when the legislation will be ready—he will ask the Secretary of State to introduce legislation in Westminster to give effect to the recommendations of the Hart inquiry. The Secretary of State left a gap at the end of addressing that question, so I just want to be sure that she will introduce such legislation, notwithstanding the fact that we would, of course, like Stormont to do so.

Karen Bradley: To be clear, I also heard the evidence given by David Sterling and I have spoken to him about this. Constitutionally, the inquiry was set up by the Executive and reported to the Executive. Unfortunately, the Executive were unable to take decisions on the recommendations before they collapsed. Given the hon. Gentleman's closeness to this issue throughout his long political career, he will understand that the constitutional implications of the Westminster Parliament or Government taking a decision about something set up by a devolved institution mean that such decisions are not to be taken lightly. But, of course, if David Sterling should write to me with specific requests, I would consider them at that point.

Owen Smith: I am grateful to the Secretary of State for that clarification, but she has effectively doubled down on what she said earlier, and that is not good enough. These people have waited long enough. I think that the report came before the Assembly collapsed, and there is widespread political support across the piece that compensation ought to be paid. I therefore hope that, notwithstanding the complications and the sense that we would in some respect be rescinding a

[Owen Smith]

measure of devolution, we should find it in this place to legislate and provide the resources. That is the view of the Labour party, and I am sure that the Secretary of State will reflect on that.

Emma Little Pengelly: I just want to provide some clarity. The report from Judge Hart, who headed up the inquiry, actually came just a very short time after the collapse. In fact, we raised this point with Sinn Féin. We established the inquiry with Sinn Féin, who knew that the report was coming, and we wanted to hold on to get the report and make the correct decisions before the collapse of the Assembly.

Owen Smith: The hon. Lady is right. I think that the report came a matter of days after the Executive collapsed. But that does not change my point, which is that there is widespread political support for action. David Sterling clearly thinks that it would be acceptable for us to legislate in this place. I have put on the record that the Labour party thinks that it would be acceptable for us to legislate in this place and that we think that the Secretary of State should do so.

The second area of omission that I wish to bring to the attention of the House is the legacy of the troubles. I know that the Secretary of State is reflecting on this and that it was part of the discussion between the parties in the recent talks that have unfortunately stalled. In the light of the failure of the talks, will the Secretary of State say a little more about whether and how she might bring forward resources and legislation on dealing with the legacy of the past?

Karen Bradley: It is probably worth confirming what I have said previously about dealing with the legacy of the past. No doubt, we will talk about this tomorrow during oral questions and the debates on the further legislation that we are bringing forward. I have been clear that the UK Government are committed to setting up the institutions that were agreed in the Stormont House talks process. We will shortly consult on how to set those institutions up, and we remain committed to doing that.

Owen Smith: I am grateful to the Secretary of State for that confirmation. I am sure that people in Northern Ireland will find that reassuring. I also ask her to consider the plea made by the Lord Chief Justice of Northern Ireland for a separate set of resources to allow the few remaining legacy inquests to be undertaken in a timely fashion. Some of the people affected are, of course, ill and some have already died. Every passing month leaves injustice hanging in the air. We could also be dealing with that issue in this place.

My third point is that the Bill could and should have included financial provision for a pension for the seriously injured victims and survivors of the troubles. There are still around 500 seriously physically injured survivors, many of whom live in significant financial hardship due to their injuries and the loss of earnings during their lives as a result of the legacy of the troubles. Some believe that we cannot provide a pension for all those 500, as among them are some who were injured by their own hand. I believe that there are six loyalists and four republicans who were injured by their own actions during the troubles. I acknowledge those concerns and

the difficulty that this poses. I understand that right hon. and hon. Members have considerable issues with what that would mean for the treatment of victims and for how we move forward in respect of legislation for victims.

Bob Stewart: Many soldiers have actually received compensation and pensions. Is the hon. Gentleman including them in the figure of 500, or are they separate?

Owen Smith: No, there are 500 civilian victims. As the hon. Gentleman says, there are separate provisions regarding injured soldiers. The reality is that many of the 500 have received some form of stipend or financial compensation, but for many that money has long since run out. The loss of earnings over a protracted period has left significant hardship as the daily reality for many men and women in Northern Ireland. This is another area where we cannot allow the perfect to be the enemy of the good. Notwithstanding the difficulties, the Secretary of State in particular right now should be thinking about how we provide for those people.

Ian Paisley: I appreciate the hon. Gentleman's genuine concern about this issue. Is he equally concerned about the military covenant and its full implementation in Northern Ireland? Will he be pushing the Secretary of State to ensure that that occurs?

Owen Smith: Of course, that is another very important issue. It is not necessarily related to the substance of this Bill, which is largely about financial measures, but I am sure that the Secretary of State has heard the hon. Gentleman's point. I will be continuing to talk about the military covenant and its importance to all communities in Northern Ireland.

On pensions, the Secretary of State should know that some of the victims, particularly those represented by the WAVE group, will be here to listen to our proceedings tomorrow. I urge her to show leadership and find the resources to provide them with the amount of money that they need. It will be a tiny amount of money for the state in the grand scheme of things—£2 million to £3 million a year—but it will be a lifesaver for individuals.

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP): The shadow Secretary of State will know that this is not just a question of financial provision, as we will require legislation. The Democratic Unionist party is prepared to put forward a private Member's Bill to propose such a pension for seriously injured victims and survivors in Northern Ireland. Will the Labour party support that Bill?

Owen Smith: That will depend on the nature and the terms of the Bill, and on how all individuals are treated under it. The right hon. Gentleman will know that, as I said earlier, people have concerns about the definition of "victim" and the nature of some of the individuals who might benefit from such a pension. My view is clear. As I put on the record a moment ago, we cannot allow the perfect to be the enemy of the good. Even if some people injured by their own hand were eventually in receipt of a state pension, that would be a price worth paying to provide the necessary resources for the vast majority of innocent victims.

Nigel Mills (Amber Valley) (Con): The Select Committee has met representatives of WAVE and looked at their proposals. Has the hon. Gentleman thought about how to design a pension that gave people who suffered mental health problems as a result of the troubles the right sort of compensation? I suspect that that might include far larger numbers than the 500 people and £4 million a year that he cites, but I cannot see how we could produce a scheme that did not help those people as well.

Owen Smith: I know from the hon. Gentleman's time on the Select Committee that he is very familiar with this issue. He is absolutely right. I referred to the 500 seriously physically injured victims and survivors, and the £2 million to £3 million quantum that is the annual sum associated with their receiving some form of pension. He is also right that a further significant issue to be considered is the people who have been injured permanently and psychologically as a result of the troubles. No, I do not have an absolute idea about how this would be achieved. I have of course read the commission's report on how it might be achieved, and other pieces of work have been done. That would need to be taken into account. I repeat, however, that time is passing for all the victims of the troubles, and time is the one thing they cannot afford. I therefore urge us all in this House to get past these difficulties and see a way clear to providing the resources that are needed.

Jim Shannon (Strangford) (DUP): When we had the debate here on the Northern Ireland covenant, the hon. Gentleman said in response to many of the questions that he would go back to Sinn Féin to see how we could move the thing forward. In the period between that debate and now, has he had the opportunity to talk to Sinn Féin to see what its position on the Northern Ireland covenant would be, and is he going to give us good news that it will agree to it?

Owen Smith: No, I have not.

I know that the Secretary of State agrees that this should be the last year that we are passing a budget in this place instead of at Stormont. Will she outline a little further what she is doing now to ensure that that is the case?

For our part, notwithstanding the slightly less than successful intervention by the Prime Minister in February, we continue to believe that there is an important role for the Prime Minister in galvanising parties in Northern Ireland and acting as a rallying point to try to bring people together, ideally in some sort of prime ministerial and Taoiseach-led summit of all the parties. These things have worked in the past and we cannot understand why there has been so much refusal to consider it in the past 14 months. We also believe that the Secretary of State should be thinking about asking an independent chair to come in to try to take those talks to fruition.

If we simply continue with the cycle of failure that we have seen in the past year—if we do not try to shake things up somehow and inject new energy and dynamism into this process—we can all see the danger that we do drift towards direct rule. I know that she feels that that would be a grossly retrograde step for Northern Ireland, so I urge her to tell the House today, and in the coming days, what she is doing to make sure that it is not where we end up.

2.53 pm

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my right hon. Friend the Secretary of State on bringing forward this measure. It is something that none of us wanted to see, but it is preferable to section 59 of the Northern Ireland Act 1998, not least because it means that accruing resources can be used, and subsections (2), (3) and (4) make it clear that those sums of money are substantial. Clearly, this Bill requires a budget to be set at some point. We hope that that budget will be set in Stormont and not here, but it still needs to be set. It would be useful to hear what timetable the Secretary of State envisages. We have grown used to timetables that are somewhat flexible in recent months—indeed, years—but if she has to bring forward a Bill here, it will be nice to have a sense of when she intends to do so.

I thank the Secretary of State for her letter to me of 13 March, following mine of 28 February, on the Northern Ireland Office supplementary estimate. I think that she satisfied all the points that I raised on behalf of the Northern Ireland Committee. However, may I press her a little on efficiency savings? It is understood from the letter that the Northern Ireland Administration have already scored the formal efficiency review of 2017-20 against the target, but efficiency improvements are still expected. How will this be ensured, who will implement it and who will oversee it? What role does the Secretary of State see that the auditor has in this respect? I will come back to that in a few minutes, if I may.

In my letter, I drew attention to the £79 million discrepancy between the cash grant and the departmental expenditure limit at main estimate. The explanation relating to the Stormont House and Fresh Start agreements is perfectly satisfactory, but my Committee's scrutiny work would have been greatly assisted by early notification of that apparent discrepancy. Hon. Members can be sure that we will scrutinise the figures in this Bill closely, and the budget when it appears. It is very important that any discrepancies are brought to the attention of my Committee, or indeed the House, since in the current circumstances, scrutiny in this place is vital.

Are we any further ahead in quantifying the costs of systems envisioned under option 2 at paragraph 49 of December's joint report? If so, where and when will they appear in subsequent estimates? Those are the costs that will be involved in creating alternative solutions in order to ensure that the border in Northern Ireland is as frictionless and seamless as possible. Those costs are likely to be significant, if indeed such a solution can be created, and it would be good to know that sufficient budgetary accommodation has been made for them.

In her written ministerial statement of 8 March, the Secretary of State announced £100 million in flex from capital to resource. Capitalisation is uncommon. The Treasury dislikes it, and for very good reason. So why precisely is it felt necessary, against a relatively generous Northern Ireland settlement on this occasion, to introduce capitalisation?

The Treasury has made a rather unusual call for evidence in a piece of work that it is doing on tourism. It wants evidence on VAT and air passenger duty that may go to support an improved position for tourism in Northern Ireland. I very much welcome that. Indeed, my Select Committee took evidence on this subject

[Dr Andrew Murrison]

recently, and the Treasury documentation refers to that. However, it does seem to be an unusual intervention. Indeed, since many of the things that will have to be done as a response to any such report that the Treasury may produce will be devolved, how does the Secretary of State see that work being carried forward? I am sure that she, like me, would not wish the Treasury to be embarked on a piece of work that was not, at the end of the day, going to result in recommendations that could be carried forward. I therefore imagine that she has worked out, in collaboration with the Treasury, a pathway between recommendations that may come out of this piece of work and how they are going to be implemented. We cannot necessarily assume—I am sure that she does not—that we will have an Executive up and running within a timeframe that will be suitable for this report.

Nigel Dodds: The hon. Gentleman is right in respect of some of the recommendations that may come out of that report. As for whether Ministers responsible to this House or Ministers responsible to the Assembly take these decisions, we will have to wait and see what happens. Air passenger duty and value added tax are matters for this House—for the Chancellor and the Treasury—and therefore the main object of the report will be a matter for this House.

Dr Murrison: The right hon. Gentleman is absolutely correct. However, the call for evidence goes much further than that. That is what I am chiefly concerned about, since it implies that competences will be available in the event that there is no Executive in place that will carry this forward. Otherwise, it would be a fairly tight and narrow call for evidence.

The Northern Ireland Audit Office this year will report on a number of things. It is a very busy office, and my Select Committee was very pleased indeed to be able to meet Kieran Donnelly recently in Belfast to take evidence on the work of his department. It will be reporting on digital transformation in Northern Ireland, welfare reform in Northern Ireland, speeding up avoidable delays in the criminal justice system, financial health of schools and the social investment fund.

A lot of that has to do with increasing productivity in Northern Ireland and rebalancing the economy. It is not discretionary work; it is vital. It has to do with achieving value for money. My question is: where is all that work leading? If there is no body to scrutinise the auditor, let alone an organisation to take forward his recommendations, he may be crying in the wilderness. It is a bit of an irony that his work is geared towards value for money, since in those circumstances—that is to say, those recommendations not being taken forward—some question would be revolving around the value for money posed by the auditor himself.

It would be useful to know what thoughts the Secretary of State has about how the auditor's reports can be properly examined—perhaps by a shadow Public Accounts Committee made up of Members of the Legislative Assembly—so that some comment can be made upon them. There would then be at least some chance of that work being carried forward by perhaps a newly emboldened Secretary of State for Northern Ireland, who may need to have powers if the current impasse continues for any length of time.

I would like to ask the Secretary of State about the guidance that she has recently offered permanent secretaries and the status of it. On 12 March, at column 646 of the *Official Report*, the Secretary of State said in answer to my question about budgetary granularity that she had written to permanent secretaries about her guidance on how money should be spent. She cited health transformation money as an example and said that she was taking legal advice on the powers that might be available to her. I sympathise with her. Dealing with lawyers is a tricky business at the best of times, and this, I assume, is a legal minefield.

The Secretary of State will want to ensure that this is got right, not least because, if she gets it wrong, there is every prospect of judicial review. I know very well that she is not going to publish the legal advice—I know better than to ask her to do that—but I wonder whether she could publish the guidance that she has issued to permanent secretaries. My Select Committee and this House will want to know what guidance she has issued, the status of that guidance and the extent to which permanent secretaries will be acting upon it.

In the schedules to the Bill, a whole raft of things are listed, with very big sums of money attached to them. It is important to understand whether we are dealing with governance by guidance or whether these are simply helpful suggestions that the permanent secretary may be guided by because, if he is judicially reviewed at some point for decisions made, the courts will want to determine what status that guidance has. At the moment, that appears obscure.

It becomes important in areas such as infrastructure. In the schedules, very large sums of money are attached to the Department for Infrastructure. We know that the Secretary of State wishes to pass £400 million for particular infrastructure projects in connection with the confidence and supply agreement, in two parts—£200 million in one financial year and £200 million in another. It is not clear to me what happens if that money is not spent within the timeframe of the agreement.

I ask that because, like right hon. and hon. Members who have observed large infrastructure projects in their constituencies, the natural tendency is for these things to run and run. In the event that the money is not spent, does it accrue to the Treasury? Is it spent on other things? Does it sit at Stormont, waiting for the glorious day of the restoration of the Executive? What happens to those unspent funds?

Can we also know a little more about what big-ticket items the Secretary of State has in mind? The wish list published by the Executive before their collapse contained a great deal more than the York Street interchange, which the Secretary of State has mentioned recently. Does the guidance issued for the permanent secretary at the Department for Infrastructure cite what things the Secretary of State thinks are important, in priority order? That, she will be aware, is difficult because some of the political parties in Northern Ireland—one of them in particular—are not at all keen on one or two of the projects and would rather see other things. It is politically quite sensitive, and it would be good to know what guidance the Secretary of State has issued to the Department for Infrastructure on that important item of public expenditure.

The £100 million for health transformation in the confidence and supply agreement is most welcome, but we have to understand what transformation means. It is

not simply about opening clinics or hospitals; it is also about closing them. The hon. Member for Pontypridd (Owen Smith) was right to make the point last week that there is nothing more political in what we do than the opening and closing of healthcare institutions. I know that very well from my own constituency experience.

Is it really reasonable to expect permanent secretaries to make decisions of that sort? Indeed, would they make decisions of that sort? If they will not, the risk is that Bengoa will simply be put on ice. Under those circumstances, everybody loses. One way forward would be a legal avenue by which the Secretary of State can offer guidance that is perhaps a little more prescriptive than might otherwise be the case. We will not know that in this place unless we have sight of the guidance that has been issued and are able to examine it.

Does the Secretary of State share my concerns on policy drift and “do nothing” becoming the default option? The hon. Member for Vauxhall (Kate Hoey), who is not in her place, gave the great example last week of the decisions needed to secure the Commonwealth youth games in 2021. I know that the Secretary of State, because of her previous portfolio experience in this matter, is acutely aware of the difficulties. A number of decisions have to be made around that yet, at the moment, there is nobody to make those decisions. It may be small, but it is a poignant example of why it is so necessary for somebody somewhere to be able to make those sorts of decisions.

I know that the Secretary of State was recently in Derry/Londonderry. It just happened that she was visiting at the same time as my Select Committee. She will have heard from people in that fine city how frustrated they are that nobody appears to be making any decisions right now. This goes right across communities. Regardless of community almost, people just want things to happen, because they see society being pulled back and a Province that has made so much progress in recent years—economically, socially, in every conceivable way—essentially marking time while the Executive get their act together.

There will come a point when, with a heavy heart and the greatest of reluctance, Ministers here will have to start to make decisions. We can all hope for a restoration of the Executive, but we might be hoping for a restoration of the Executive in three years’ time. In three years’ time, the world will look a very different place. Bengoa will probably have been forgotten. Some of the big infrastructure projects that we want to see in Northern Ireland may well have fallen by the wayside. All that good stuff will not have happened, and Northern Ireland will have slipped further behind economically, socially, in every way imaginable. That would be a huge failure, and I know the Secretary of State feels the same way.

Nigel Dodds: The hon. Gentleman is 100% correct in what he just said. He is right to point out that of course we want devolution, and efforts must continue to ensure there is devolution in Northern Ireland but, in the meantime, there are communities and people suffering as a result of the lack of decision making. As he rightly says, in the meantime we must ensure that decisions are made for the good of everyone. That is an extremely important point, which I am sure the Secretary of State heard very clearly.

Dr Murrison: The right hon. Gentleman is, as ever, absolutely correct.

I will finish my remarks on the Hart inquiry, which Members are right to mention in connection with the business before us. The programme for government offers a helpful pointer to Ministers, who may otherwise not feel on particularly safe ground in relation to making decisions. The Secretary of State and other Ministers have said that it provides some basis on which they can take note of the last expressed democratic view on a number of issues. However, on 12 March—at column 653, on the Hart inquiry—the Secretary of State suggested that it is not the business of UK Ministers or this place to consider recommendations of bodies set up by the Executive, let alone implement them, and she repeated those sentiments today.

It would be helpful to have a bit of clarification, because I fear that we cannot have it both ways. We either observe what democratically elected bodies determined before they crumbled, and that extends to any bodies that they may have established, or we do not. It is an important principle because it seems to me that it is legitimate to take note of decisions that have previously been made and of the clear will of those bodies, particularly if there was no great controversy about them. It would be useful if the Secretary of State clarified this point, so that we are a bit clearer about what we can rely on and, indeed, what she will rely on in making any decisions or issuing any guidance on which she may wish to reflect.

James Brokenshire (Old Bexley and Sidcup) (Con): Will my hon. Friend give way?

Dr Murrison: I was just about to sit down, but I will of course give way.

James Brokenshire: I commend my hon. Friend for his work and that of his Committee. Does he acknowledge that one of the challenges is that no recommendations were agreed by the outgoing Executive? That obviously makes the job of the Secretary of State in determining the right way forward on the hugely sensitive issue of the recommendations that the Hart inquiry sought to bring forward extremely difficult, and that is why she has to think carefully about how best—cross-community, and with the parties—to assess the right way forward.

Dr Murrison: My right hon. Friend is absolutely right but I am sure that, if he re-reads *Hansard* from last week, he will see that the argument extended not just to decisions made by the Executive or passed by the Assembly, but to things done by organisations set up by the Executive, which of course includes the Hart inquiry. The issue is whether we are guided by the recommendations made by those organisations or not, particularly if there appears to the Secretary of State and her Ministers to be genuine cross-party and cross-community acceptance of those recommendations and findings. To what the extent is that the best we have to work on? The question is really whether we are guided by what happened before the collapse of the Executive or not. I do not think that we can easily be selective.

3.12 pm

Deidre Brock (Edinburgh North and Leith) (SNP): I echo the comments made by the Secretary of State and the shadow Secretary of State about the recent 25th anniversary commemoration of a truly terrible event, and I thank them for making that point.

[Deidre Brock]

The impasse at Stormont means Whitehall is taking decisions that should rightly be taken in Belfast. There is no upside to that; no good to be found in it. I take the opportunity to repeat the Scottish National party's position that policy decisions on areas of competence that are devolved should be taken by Ministers in the devolved Administrations, rather than in Whitehall. Unfortunately, there are no Ministers in the Stormont Administration, so I find myself in reluctant agreement with the Secretary of State that legislation must be passed here to allow public services to operate in Northern Ireland.

I have to say, however, that the parties elected to Stormont have failed the people who put their trust in them and loaned them their votes. Plenty of excuses have been offered and there has been plenty of posturing, but no one has come out of the negotiations with credit, and the fact that Stormont is still in suspended animation is a disgrace. Some massive concessions were made to get power sharing up and running in the first place, and people risked a huge amount to pursue peace. It is to be hoped that the current set of politicians in Northern Ireland find the strength and the humility to get themselves back to the negotiating table to thrash out a deal and restart the Assembly, so that their budgets do not have to be passed here in the future. No matter what the reasons or excuses are for the current position, that is the least that electors should be entitled to expect.

Turning to the Bill, I thank the Secretary of State for providing me with a copy of it yesterday afternoon: it is always good to have sight of legislation before it starts its progress. I want to take just a few moments to talk about the rationale for fast-tracking as laid out in the explanatory notes, although I accept that there should be no further delay. I acknowledge that there is a need to provide resources to the civil service to allow continued spending on public services, and I of course appreciate that confidence and supply is important. I find it difficult, however, to accept the delay that we have witnessed so far. I will quote the paragraph from the explanatory notes for clarity:

"The Government has sought to defer legislation for as long as possible to enable final decisions on the allocations to be made by a restored Executive. The need for this Bill arises from the lack of an agreement and the appointment of an Executive within the timescale required for a Budget Bill to be brought through the Northern Ireland Assembly. It is taken forward at the latest possible point before the risk to public services could manifest. In the circumstances, therefore, it has not been possible to give Parliament more time to scrutinise this Bill, without risking the delivery of public services in Northern Ireland or distracting from and undermining the talks aimed at restoring an Executive."

We have watched this situation grinding on for a long time now. We have not been kept in the dark about the difficulties in the negotiations—real or fabricated—and we have all known it was likely that we were trundling towards this point. In my view, this legislation should have been prepared and started in good time for it to be considered properly; it could have been abandoned if an agreement had been reached. I cannot accept that the progress of a budget Bill would distract from or undermine the talks aimed at restoring power sharing and getting Ministers in place. It might well have focused attention and sharpened the negotiations. To be fair, the

Secretary of State is not long in the job—a couple of months—but I still think this should have been foreseen and that she or her predecessor should have begun the process. The drafting could have started without compromising anything.

That said, we have arrived at this point, and we have to deal with the situation we have, rather than the situation we would have preferred to have had. We have to provide the civil servants in Belfast with the resources they need to do their job properly, and give public servants across Northern Ireland some certainty about the funding they need to continue operating—literally, in some cases.

I will offer no amendment to this Bill, nor will I seek to impede its progress. I will accept the amounts for each Department mentioned in the schedule as being made on the recommendation of the head of the Northern Ireland civil service in conjunction with the Northern Ireland civil service board. Their knowledge of what is likely to be needed on the ground over the next financial year outweighs any considerations that Members in the Chamber might have. The challenges that lie ahead for them in the near future are large, and I do not envy them their tasks.

As I said earlier, these decisions would be better taken by politicians elected for that purpose by the people who will be affected by these decisions. It is to be hoped—devoutly to be hoped—that this will be the last budget for Northern Ireland that gets set here. I urge all sides in the negotiations over power sharing to get back to the table and find a resolution. In the meantime, this Bill should be approved for the sake of keeping the lights and the heating on for public services.

3.17 pm

Maria Caulfield (Lewes) (Con): May I start with an observation? It is interesting that when we talk in this place about Northern Ireland and Brexit, the Benches are absolutely heaving, but when we talk about the budget for Northern Ireland, which is having a real impact on the day-to-day lives of the people of Northern Ireland right now, the Benches are much less full.

I welcome the Bill. I have served on the Northern Ireland Affairs Committee, and I have heard at first hand from some of the witnesses who have attended how difficult life has been for the people of Northern Ireland without a budget in place. We have heard from the Chief Constable of the Police Service of Northern Ireland about how life is difficult in the public sector even in ordinary times, but when working to a budget that has not been set, it is almost impossible. He explained how for days, weeks and months he did not even know whether he had the money to pay his officers, which is just an unacceptable position to be in.

The Committee has also heard from members of the business community in Northern Ireland about the difficulties that not having an Assembly, an Executive or a budget was giving them. They gave the good example of the apprenticeship levy. Businesses are paying into it, but because no budget is in place, they have no access to the funds. Apprenticeships in Northern Ireland are hugely at risk, and this in a part of the United Kingdom where apprenticeships are needed for all communities more than ever. Because of the lack of a budget, businesses are finding that the apprenticeship levy is forming a type of additional taxation.

I have met charities in Northern Ireland—I am particularly thinking of Addiction NI, which works with people trying to combat alcohol and drug addiction—and I know that not having a budget in place is having a huge impact on their ability not so much to provide an immediate service, as to plan for the long term. These are difficult times for charities, and not knowing where the next penny is coming from or what direction a Northern Ireland Government will be going in makes it almost impossible.

Then we have the Belfast city deal, which was announced in the UK Budget late last year, but which, as far as I know, is going absolutely nowhere. This city deal is an opportunity for Belfast to build on its infrastructure and create jobs.

Sir Jeffrey M. Donaldson: May I assure the hon. Lady that the Belfast city region deal is going forward? It is being led by a consortium of local councils—Belfast City Council, Lisburn and Castlereagh Council, Antrim and Newtownabbey Council, and some others—

Sammy Wilson: Mid and East Antrim.

Sir Jeffrey M. Donaldson: And, of course, Mid and East Antrim. The absence of a devolved Government is therefore in no way inhibiting progress on the city deal, which is directly between central Government and local government in Northern Ireland.

Maria Caulfield: I am extremely pleased to hear that, because the city deal is a huge opportunity for Belfast and, if it works well, could be a huge opportunity for other parts of Northern Ireland in future.

Not having a budget set for this financial year has a huge impact, but I am greatly concerned that we do not have a budget for the next financial year, because we have heard time and time again how difficult things have been for the charities sector, public services and businesses. This constant uncertainty, a bit like the uncertainty around Brexit, is just not feasible for the long term.

Ian Paisley: I appreciate the hon. Lady's point, and of course I agree with it, but we should not be totally pessimistic. Unemployment is the lowest it has ever been in Northern Ireland, at 3.9%. Exports are up and we have had drives to promote the economy in other areas, and we are not the only region of the world that from time to time does not have a stable Government. Indeed, Germany did not have a Government for several months earlier this year.

Maria Caulfield: The hon. Gentleman makes a valid point, although I have heard him say himself that we want some certainty and a direction of travel, because this is not just about setting the budget. This is about scrutinising how that money will be spent. The civil servants in Northern Ireland are doing a fantastic job—we have all put on record today our thanks for their dedication and hard work—but we need political decisions about how that money is allocated and political scrutiny of how it is spent.

I therefore agree with my hon. Friend the Member for South West Wiltshire (Dr Murrison) that there is a sense that Northern Ireland is treading water or standing still. That reduction in unemployment and creation of jobs, and the great place that Northern Ireland is, is down to the hard work of people in the councils—the

elected members at council level—who are continuing despite there not being an Assembly or Executive, and the civil servants, yet so much more could be achieved if there was an Executive in place.

I have three asks of Ministers. I do not want to be a pessimist—I hope I do not sound too pessimistic—but I honestly do not think there is a realistic possibility of the Assembly being reformed in just the next few months. As this is budget-setting time for most authorities across the United Kingdom, serious consideration needs to be given to the impact of not having a long-term budget for the next financial year. My first ask is: if there are Members who will not get back round the table and restore the Assembly, could an Assembly be restored with those who are willing to do that? As is the case in this place, if MLAs choose not to get round the table, that is a personal decision for them.

Secondly, is there a possibility of setting a budget for the next financial year, not just the first few months, so that public sector bodies such as the PSNI, charities such as Addiction NI and communities that desperately need to know the direction of travel for their funding can have some certainty? As the hon. Member for Edinburgh North and Leith (Deidre Brock) said, that budget could be set and abandoned if an Assembly came back into being. My third ask is: could the Northern Ireland Affairs Committee be given some task-and-finish authority to scrutinise current spending? Without any scrutiny whatever, are we really sure that the money is being spent in the best interests of the people of Northern Ireland?

I welcome this much-needed Bill, but there is still a huge amount of work to do. I want to put on record my congratulations and thanks to the Secretary of State for Northern Ireland, who is doing so much to try to make progress happen. These are difficult circumstances. None of us wants to be passing this Bill, which is a necessity, but there is still so much more work to be done.

3.25 pm

Sammy Wilson (East Antrim) (DUP): Let me start by making it clear that this is a technical debate, although the misconceptions that we have heard from some speakers in the Chamber today are not uncommon. As my right hon. Friend the Member for Belfast North (Nigel Dodds) and I will remember, from when we were in the Northern Ireland Assembly and from our work at the Department of Finance, this budget debate very often degenerated into people coming forward with all the things they wanted to spend money on, when in fact it was nothing to do with setting the budget.

The shadow Secretary of State fell into that misconception. I do not want to go through all his mistakes. He talked about this being a pretty poor way of dealing with the budget, yet we are not actually dealing with the budget; this would have been an essential step even had it been in the Northern Ireland Assembly. He also talked about the general headings in the Bill and how they had not changed. As was pointed out to him, unless we change the remit of a Department, we would not change those headings of expenditure—although there are significant points that the Secretary of State will need to address in future.

This debate is really about, first, how Departments spent their money last year. As the figures show, some spent more than was originally allocated and some

[Sammy Wilson]

spent significantly less. For example, the Department for the Executive spent more than a third less than it was originally allocated, although I note that this year it will be allocated the same amount that it was given last year, even though it underspent by a third. Maybe the Secretary of State can tell us why that decision was made, when the underspend was so high. This debate looks back at the past, at what was allocated, what was spent and what additional money had to be given to some Departments—for example, health and education. Where did that money come from? It came from some of the Departments that underspent. That additional expenditure—or that reduction in expenditure—has to be authorised, which is what this Bill does.

This debate also looks forward, because a budget has been set for Northern Ireland—the Secretary of State did that a couple of weeks ago. Each Department knows its expenditure limits for the next year, but until a budget Bill goes through, which will take some time, Departments have to have the legal authority to spend. That is the reason why 45% of the budget is allocated in this Bill. Departments can spend with confidence, because they know that the money is available to them, and they know the limits within which they have to spend it.

It is important that we understand what we are actually debating today. This is not about, “Well, you should have given more money to the Department of Education” or “The Department of Education should be spending money on this” or “The historical enquiries team should have more money allocated to them.” The Members who raised those issues have illustrated an important point, which the Secretary of State needs to address: simply giving Departments information about the money they will have available to them next year does not give them the ability to spend that money, because there are some things civil servants will need direction about.

The Secretary of State has taken the first step—namely, setting the departmental spending limit, giving us the budget statement and now bringing through this Bill authorising last year’s expenditure, which is historical, and giving some money to start off next year—but the big, important political question is when, in the absence of the Assembly, she will give permanent secretaries more power or have Ministers take responsibility for spending the money that is allocated.

I could bore the House with that this afternoon, but let me take just one example: the Department for the Economy, which will get roughly £1 billion next year. Some of that will be spent on air access. If we want to authorise new routes, that will require a ministerial decision—no civil servant is going to do that.

Another thing that is listed is “development including regulatory reform” and “mineral and petroleum licensing”. We are sitting on one of the most lucrative goldmines not just in Europe but in the world. There are issues around that, but those will not be resolved by civil servants. The Exchequer will be able to get vast amounts of revenue from that development. There are hundreds of jobs in the west of the Province, where rural employment is difficult to obtain. However, in terms of making decisions about that, it is not enough just to say to the Department for the Economy, “There is £1 billion.”

Decisions have to be made. Direction has to be given about the development of regulations and about decisions where controversies are going to arise.

Another issue is assistance to the gas and electricity industries, which is particularly relevant in my constituency. Indeed, the Northern Ireland Affairs Committee looked at the issue recently. As a result of the auction, Kilroot power station is likely to close. That major coal power station supplies, on occasion, 45% of the power to Northern Ireland. A decision has to be made, because the regulator wants the station kept open for three years, but there is no guarantee that it will sell 1 kW of electricity. Quite rightly, the owners are saying, “We are not going to keep it open for three years if we are not guaranteed any sales.” A decision is going to have to be made by a Minister—it is that important. What do we do?

There is also the issue of investment in telecommunications infrastructure. This is not included in the Bill, but £150 million has been allocated for broadband infrastructure in Northern Ireland. However, again, the policy decisions required to spend that money will require ministerial direction.

On Tourism Ireland, we provide 60% or 40% of the budget for that cross-border body. Yet, if someone goes into the international airport, what is that body advertising? Is it advertising and promoting tourism in Northern Ireland? Not a bit of it. It is advertising tourism in the Irish Republic. There needs to be a ministerial decision: do we continue to spend such an amount of money on a cross-border body such as that, when it is actually to the detriment of Northern Ireland?

Ian Paisley: Is my right hon. Friend saying that the Secretary of State should make those ministerial decisions or that she should appoint other Ministers under her from here to make them?

Sammy Wilson: I am just picking at random from one Department, and I could do the same with every other Department. When it comes to spending the money, the Secretary of State has two options, or a combination of both. It can either be made clear to civil servants that they have the power to make decisions—I do not think that that is a particularly good way of doing things—or there is a mechanism whereby decisions about the spending of the money can be made politically, and that will require intervention. Otherwise, we will find that Departments receive the money and continue to spend it as they are doing at present, without any policy development and without considering the changes that have occurred in Northern Ireland.

Lady Hermon: There are not two options, but three. The third option, and the one that we all want to see, is for the DUP to get back into talks with Sinn Féin to establish the Executive and the Assembly. What exactly is holding up the DUP getting back into those talks?

Sammy Wilson: That is actually where I was getting to. Unfortunately, the decisions that we have had to date—a budget statement two weeks ago, the Northern Ireland Budget (Anticipation and Adjustments) Bill today, and a full budget Bill probably in June—are not the inevitable consequence of reluctance from the DUP to do the work that is required. The very next morning after election day last year, we were saying, “Let’s get

back into Stormont, and let's do these things." We did not lay down any conditions, but Sinn Féin laid down conditions that fell nothing short of blackmail.

Sinn Féin made demands for things in the talks that they knew they would not have got through the Assembly. Even when it came to the Irish language, they could never have persuaded the other parties, some of which have said they are sympathetic to some movement on the Irish language, to give them the kind of Irish language Bill that they wanted. So, what did Sinn Féin do? They made the decision not to go back into the Assembly until they had been given an assurance that there will be delivered, as a price, some things that they could never have negotiated, debated, argued for or persuaded anybody to give them had they been using the Assembly mechanism. The hon. Member for North Down (Lady Hermon) continually tries to share the blame, but let me make it clear that we are having this debate today not due to any reluctance on behalf of my party; it is because we will not give in to the kind of blackmail that we have experienced from Sinn Féin.

Sinn Féin make things even more difficult, because even if someone was daft enough to give them what they wanted, they create such a toxic atmosphere in Northern Ireland that they would be pilloried for it. For example, an MP, who was elected to this House but did not attend, was seen dancing around a garage at midnight, mocking the victims of IRA terrorism—people who were taken out of a minibus on their way home and gunned down—and then they say, "We want to sit down and talk about the way forward and about respect." When the former Finance Minister does the same, it is impossible to reach an agreement that would get us back into the Assembly.

We welcome the fact that the Secretary of State has acted, and she has not actually been tardy, because had this Bill been presented to the Assembly, it would have been presented around this time of the year anyway. Some poor Finance Minister in the Assembly would have been standing up and enduring—I used that word deliberately—a six-hour debate about what should be in the Budget, and they would have been gnashing their teeth and continually reminding the Speaker, "This is not what the debate should be about," and MLAs would simply have ignored him or her and continued to talk about it anyway. The Minister has not been tardy with the timing. If the Bill had been brought forward earlier, we would not really have known by how much Departments would have been underspent or overspent for the year. This is as close to the end of the year as we can get. When it gets to June, the final accounts will be made available, so we will know that if changes and adjustments had been made in the last couple of weeks in the month, they can be reflected in the figures that are given.

Lady Hermon: I am grateful to the right hon. Gentleman for allowing me to intervene again. He has painted a very bleak picture, sadly, of the prospects for the restoration of a devolved Assembly and an Executive this side of the summer. That being the case, would he confirm on the record for the victims of historical institutional abuse that, should we have no Assembly and Executive by the summer, it will be in order for the Secretary of State to implement the Hart proposals through legislation here at Westminster? The victims are elderly and infirm

and many are not in good health. It is intolerable that they should be kept like this, uncertain about their future and compensation.

Sammy Wilson: That will be entirely a matter for the Secretary of State, but as has been pointed out regularly during the debate, one of her considerations when coming to that decision ought to be whether some of the institutions that at least turned a blind eye to the abuse should also be held culpable and have to make some contribution towards compensation. It should not fall totally on the public purse, but the Secretary of State would have to make that decision. Our view, if we were ever consulted on it, would be that yes, there is a role for the state, but there is also a role for the institutions that at least turned a blind eye to some of the terrible abuse that went on and therefore allowed so many victims to experience the terrible things that happened to them.

In conclusion, I welcome the Bill and I think Departments will welcome it, but I warn the Secretary of State that it is but a first step. It is one thing to allocate money to Departments, but it is another to ensure that Departments and the civil servants in them have the guidance, direction and authority to spend the money.

3.42 pm

Nigel Dodds (Belfast North) (DUP): As always, it is a pleasure to follow my right hon. Friend the Member for East Antrim (Sammy Wilson), who spoke with great authority and eloquence. Of course, as he said, he speaks with authority as a former Minister for Finance in Northern Ireland. He and I both have experience of serving in that office in the Northern Ireland Executive, so I totally empathise with his frustration when it comes to replying to some of these kinds of debates. I well remember civil servants preparing a whole host of possible answers to questions that might arise in such a debate. After a year or two of experience, I remember being able to tell them that they could discard all their preparations, because the same issues would arise that had arisen in every previous debate of this type—the issues would be totally irrelevant to the debate, so they should just get on and prepare the press release. Thankfully, there has not been as much of that in this debate so far, and I think my right hon. Friend set out very clearly what the Bill does.

I too welcome the fact that the Secretary of State has brought the Bill to the House today. It is very timely; it is the start of decision making for Northern Ireland, ending the drift, and is an important milestone in that regard. I fully empathise with the point that the hon. Member for Lewes (Maria Caulfield) made earlier about the empty Benches. I suppose in one way that is actually quite a good sign, in that it seems that taking decisions at Westminster is not that controversial after all. At the end of the day, there seems to be a broad consensus. Nobody I have heard railing about how terrible it would all be is actually even here to make those points. That is a very significant development.

The hon. Lady rightly alluded to those who speak so much about Northern Ireland—about their concern for the economy and the future and about having no hard border—but who, when it comes to the nitty-gritty of financial management and decision making for Northern Ireland, are not here. These are people who speak a lot

[Nigel Dodds]

about Northern Ireland in terms of Brexit but who never show any interest at any other time. It raises questions in our minds about the extent to which Northern Ireland—the Belfast agreement, the peace process, our political situation—is being used by some people to thwart Brexit or to shape a Brexit they would like for the whole of the UK. That is what is actually going on. I therefore commend Members on both sides of the House who are here and making a contribution today on this important matter.

I reiterate what my right hon. Friend the Member for East Antrim said about how we do not wish to be in this situation. We would far rather these matters were decided in the Northern Ireland Assembly at Stormont. Indeed, it is ironic that in late December 2016, when the then Finance Minister, a Sinn Féin Member, had the ability to bring forward measures in the budget, he refused consistently to do so—refused even to bring matters to the Northern Ireland Executive—in the full and certain knowledge that Sinn Féin was going to crash the institutions early in January over matters totally extraneous to the programme for government or anything it had previously raised in discussions with us.

Sammy Wilson: Does my right hon. Friend accept that had that Member, Máirtín Ó Muilleoir, still been Finance Minister when this situation arose, he would probably have breathed a sigh of relief, because he had not the courage to take the political decisions to bring forward a budget—the only Finance Minister never to do so—but would rather whinge and gurn and point the finger at the Conservative party?

Nigel Dodds: My right hon. Friend makes an interesting point. A very good illustration that proves his point concerns welfare reform. We were faced with a difficult situation in Northern Ireland following welfare cuts and changes to welfare benefits. The then Minister, Nelson McCausland, negotiated mitigations that helped the situation in Northern Ireland, but generally it presented a difficult position for all the parties in Northern Ireland. The parties, including ours, took the hard decisions and brought them to the Assembly, but Sinn Féin refused to go along with it, and because of the make-up of the Assembly and the veto principle, it was able to block those decisions, and the institutions almost collapsed as a result. We had to have the Stormont House and fresh start negotiations to prevent the collapse of the Assembly.

As my right hon. Friend points out, Sinn Féin, in particular, refuses to take hard decisions and work within the parameters of a devolved legislature that has to set budgets and work within the block grant. That is part of the problem and one of the reasons we are now in this situation. Our party stands ready, as it did in December 2016 and at the time of the elections in March 2017, and as it has done every day since, to get back into government immediately, without any preconditions or red lines, to tackle the issues that matter to the people of Northern Ireland.

In any survey or poll conducted right across both communities, the issues that matter to people are those that matter to people everywhere: health spending, education, infrastructure, housing, the environment. These are the things people care about, and they want their politicians to be delivering on and dealing with them—and

so do we—which is why we are mystified, and why most people in Northern Ireland are bewildered, that Sinn Féin put narrow partisan political issues above dealing with these issues. When we proposed dealing with issues of concern to Sinn Féin in parallel with getting the institutions up and running and dealing with the big issues affecting all of us, and even suggested time limiting the Assembly to ensure there was no bad faith on our part, it was rejected out of hand.

Let us be very clear: devolution is our first option and our clear preference. We are not the barriers to devolution in Northern Ireland; nor, I believe, are other smaller parties such as the Ulster Unionists, the Social Democratic and Labour party and the Alliance party. It is very clear what is blocking devolution.

There is another point that we make over and over again, and it was strongly emphasised by the Chairman of the Select Committee, the hon. Member for South West Wiltshire (Dr Murrison), and he was absolutely right. Without prejudice to efforts to get devolution up and running, we do need decisions to be made. The same point was made by the hon. Member for Lewes.

It is the fact that there are no Ministers in place that is causing drift and putting Northern Ireland into limbo. That is why some decisions are not being made in the Department for the Economy, to which my right hon. Friend the Member for East Antrim referred. The problem is not the absence of an Executive per se, but the absence of Ministers. As the hon. Member for South West Wiltshire said, the situation cannot continue for much longer. The various decisions that need to be made by Ministers are basically about allocation and prioritisation. Civil servants cannot make those decisions, because they would just be making personal decisions. They are not accountable. We need to ensure that something is done, and that it is done in a relatively short space of time.

Mr Gregory Campbell: Does not part of the problem lie with the wider community in Northern Ireland? They are disillusioned with politics for the obvious reason—Sinn Féin's reluctance to return to the Government—but they are also disillusioned by the lack of what my right hon. Friend has identified: ministerial decision making and ministerial directions to address issues that affect everyone, not just a small part of the community.

Nigel Dodds: My hon. Friend is absolutely right. When I have constituency surgeries and meet people and, like all Members of Parliament, discuss with them matters of individual concern and wider issues, what they all lament—whether they are from a nationalist or a Unionist background—is the fact that decisions are not being made.

The recent lobby of this place by a large group of people interested in and affected by mental health issues was a glaring example of that. Those people made a cross-party, cross-community plea. They said, “Please give us someone we can lobby, someone who can make decisions”—on, for example, the trauma centre in Northern Ireland. As my constituency has the highest rate of suicide in Northern Ireland—indeed, the United Kingdom—I feel very strongly about that issue. Something needs to be done about it, in terms of decision making. As a result of the confidence and supply agreement, we have secured extra money to be spent on mental health

specifically in Northern Ireland, but civil servants, in the Department of Health and elsewhere, are unable to say how they will spend it, because they have no ministerial direction. As was pointed out by my right hon. Friend the Member for East Antrim, money can be allocated, but decisions within the Department need to be made by a Minister.

Bob Stewart: I thank my right hon. Friend for giving way, and I also thank my right hon. Friend the Member for East Antrim (Sammy Wilson) for his contribution.

I do not quite understand why a Minister could not come to make such decisions relatively shortly, although, as far as I can ascertain, we are not at that stage yet. We are not returning to direct rule, but we might be moving towards pragmatic, and also legal, decisions that are required for us to look after the community of Northern Ireland.

Nigel Dodds: The hon. Gentleman has made a very sensible, reasonable, pragmatic point, and, as always, he has demonstrated his strong interest in Northern Ireland affairs. I know that he speaks from the heart and wants to ensure that Northern Ireland keeps moving forward, and that is our only concern. We want to make sure that nobody across the board is detrimentally affected by the lack of Ministers. Likewise, it was because of that concern to ensure that people across the board in both communities had their lives improved that we argued that the confidence and supply arrangements should include an extra £1 billion in cash resources for Northern Ireland to be spent across a range of subjects which would benefit everybody. That is in addition to the extra half a billion pounds in flexibilities in terms of previous moneys allocated.

I welcome the fact that the Secretary of State announced in recent days the budget for Northern Ireland, to include the £410 million first tranche, or substantial part, of those confidence and supply arrangements. Some in the media and elsewhere said over and over again that that money would never come to Northern Ireland and that it was a pipe dream, yet it has now been delivered. They also said it would not come in the absence of an Executive, and that too has been proved wrong, although I do not hear them saying much about it despite being very vocal previously. They also said it could not come because there was no parliamentary authority for it. Well, we are now getting parliamentary authority through this Bill for the money to be expended in this financial year and proper parliamentary authority will be given to all the rest of it, as is to be expected and is the normal process.

Lady Hermon: I always listen very carefully to what the right hon. Gentleman has to say, and he has made it clear on behalf of his party that there are no red lines. He has also made it clear that his constituents—indeed, my constituents and people right across Northern Ireland from all communities—are anxious to see their Assembly back again and Ministers taking decisions, so what exactly is holding up the DUP getting back into talks with Sinn Féin and successfully seeing the restoration of devolution in Northern Ireland, for the benefit of everybody?

Nigel Dodds: I could repeat everything that my right hon. Friend the Member for East Antrim said in response to exactly the same question. *[Interruption.]* The hon.

Lady has said, “Please don’t,” so I won’t, and if she did not understand it the first time I doubt she will understand it now if I repeat it. The fact of the matter is that we are no barrier to devolution, and neither are the Ulster Unionists, the Alliance party or the SDLP, and perhaps more pressure exerted on those who are the barrier would be more productive and sensible.

The fact of the matter is that this is a very positive move in terms of breaking the logjam and stopping the drift that has continued for too long in Northern Ireland. It sends a strong message to everyone, including the parties that have been reluctant and recalcitrant so far in terms of forming the Executive, that decisions will be taken, for the good of Northern Ireland.

Lady Hermon: The right hon. Gentleman is being exceedingly generous in giving way again. I just want to ask him to reflect for a few moments on the fact that tomorrow marks the first anniversary of the death of Martin McGuinness. Martin McGuinness sat as Deputy First Minister in a very successful period of devolved Government with the right hon. Gentleman’s then party leader, Ian Paisley senior. Sadly, they are both no longer with us, but remarkable generosity of spirit was shown by both of those gentlemen at the time. Could the DUP indicate a generosity of spirit to get back into talks without any hesitation or red lines?

Nigel Dodds: The hon. Lady is right to refer to the efforts made by the previous leader in Northern Ireland of Sinn Féin and my former leader as well and to the great efforts that were made, and there have also been their successors Peter Robinson, who led the Executive for seven years, and Arlene Foster, and Martin McGuinness during that period as well. I served in the Executive under both Dr Paisley and Peter Robinson, so I am fully aware of the efforts the DUP has made to reach out across the communities and to serve with people who for many, many years attacked our communities, and indeed attacked us personally by trying to assassinate members of our party—myself and others—so that was no easy task.

Generosity of spirit is something that we have exhibited over many, many years. Despite the toxicity of the atmosphere that Sinn Féin has created, to which my right hon. Friend the Member for East Antrim alluded, we are still prepared to go into government and to work in devolved government. That shows a pretty generous spirit. There are no red lines for us because we believe in going about the people’s business and getting the Government up and running. That is what matters.

Just as an aside—although it is more than an aside—I should like to say this. The hon. Member for North Down (Lady Hermon) referred to an anniversary tomorrow, but we have already rightly referred to the anniversary today of the Warrington bombing and the anniversary yesterday of the savage murder of two Army corporals. Everybody who was alive at the time remembers seeing the footage of the two young British soldiers who stumbled into a funeral and who were almost literally torn to death. We should remember, as we hear the eulogies to Martin McGuinness, that it was the movement he led that carried out those atrocities.

James Heappey (Wells) (Con): My right hon. Friend refers to one of the darkest days for the British Army during the troubles, but will he join me in contrasting

[James Heapey]

that day with the scenes that we saw in Lisburn last week when my former battalion, 2 Rifles, was welcomed back with great enthusiasm by the whole community? Is that not a great example of the way which Northern Ireland has changed?

Nigel Dodds: Yes, and I am sure that even 30 years ago the good people of Lisburn would have extended that same welcome to the soldiers to whom my hon. Friend refers. The fact is that when we praise the peace process and the political process in Northern Ireland, far too little praise and respect are given to the members of the Army, the other services, the police or the Ulster Defence Regiment, who over many decades held the ring and protected innocent life, both Catholic and Protestant, Unionist and nationalist. They were courageous in their efforts and, were it not for them, we would not enjoy the peace that we enjoy today. There are individuals in the political sphere and elsewhere who are rightly praised and given plaudits, but the real heroes are the people of our emergency services and security forces who put on their uniforms and went out to defend the people at great cost to themselves. Some of them still bear the cost in mental and physical trauma.

Jim Shannon: I think it might be appropriate to point out, given that my right hon. Friend feels as we all do on this side of the Chamber, that Gillian Johnston was brutally murdered by the IRA as well. Perhaps her family feel that she is one of the forgotten victims, but we should remember them. There are many forgotten victims, but their families never forget.

Nigel Dodds: My hon. Friend is absolutely right to draw our attention to that particularly brutal slaying. It is right to remember all the victims of the troubles in Northern Ireland; it is all too easy to gloss over these events. We remember them not because we want to indulge in talking about the past but because it is important to remember the victims and to remember that their sacrifice is never forgotten.

It is also important that we redouble our efforts to keep moving Northern Ireland forwards. We want devolution to be restored and we want to get the institutions back up and running. Sometimes, when people say that we should just get it done, I say to them, "Well, let's call a meeting of the Assembly on Monday. Let's go through the process of forming the Executive. Let's see who steps forward to form the Executive, and let's see who refuses to step forward." Then all those who say, "Why can't you all just get together?" and who lump all the politicians into one group and say, "You're all to blame" would be able to see for themselves who was refusing to form the Government.

Let us get this process passed today, and let us get the legislation passed tomorrow. Let us start getting decisions made and let us keep on with the efforts to get devolution. Then perhaps the Secretary of State, encouraged by her efforts in getting this legislation through, will come forward with the proposal to call the Assembly together, to re-establish the Executive, to invite those who wish to do so to form a coalition of the willing, and to invite those who refuse to do so to say why they are not prepared to take on the responsibility of the government of Northern Ireland.

4.4 pm

Emma Little Pengelly (Belfast South) (DUP): It is a pleasure to follow the excellent speeches that we have heard throughout the House today, especially those by my right hon. Friends the Members for Belfast North (Nigel Dodds) and for East Antrim (Sammy Wilson). They have very strongly set out all the key issues involved in the current situation in Northern Ireland, and I will heed their advice. It is not often in scrutiny of such a technical budget Bill that it is possible to sit on the same Benches as no fewer than two former Finance Ministers, and I am very conscious that they, in the House and in the Northern Ireland Assembly, held strongly held views and that officials shared those views. Some officials from Northern Ireland are present today, and I know that they will have sat year after year, and heard people raise the same issues, and I do not want to broach them too much today, but I will do so to a limited extent.

Before I get into the substance of some of the issues discussed, I want to say yet again that I find this a particularly sad day for Northern Ireland. Once again, we are standing in this Chamber, discussing the business of Northern Ireland, when what we want is for the Northern Ireland Assembly to be restored and for locally elected Northern Ireland politicians to be sitting in the local Northern Ireland Assembly, making decisions for our people from Northern Ireland. That is what I hear from people on the ground all the time.

A very strong point was raised by the hon. Member for Lewes (Maria Caulfield) and reiterated by my colleagues about the interest shown in Northern Ireland. I hear, as we all do, day in, day out, from across the House about Members' interest in Northern Ireland and their interest in the economy, and what is good for Northern Ireland, how we do not know what is good for Northern Ireland and how we are irrelevant, and all that, but it is an incredible and stark fact that there has been no Government in Northern Ireland for over 14 months. In this great democracy that is the United Kingdom, there is a region—Northern Ireland, part of that United Kingdom—where there is a democratic deficit. We have no Ministers to be accountable to the people. We have senior civil servants trying to get by—because that is all that they are doing—and they are under intolerable pressure, because this is a legal minefield. They do not know, and it is not clear, what decisions can and cannot be taken; but what they do know is that they should not and cannot take decisions that Ministers ought to be taking. Yet, after 14 months, we still do not have Ministers in place, and that is simply unsustainable.

Although I welcome this technical Bill, as has been articulated by my right hon. and hon. colleagues, there is a lot of confusion at times about such technical Bills. However, it does not take away from the fact that decisions need to be taken. It is not sustainable in Northern Ireland for those decisions not to be made.

David Simpson (Upper Bann) (DUP): My hon. Friend has outlined the position very well, but the bottom line is this. There is one party that is holding Northern Ireland to ransom and that has held Northern Ireland to ransom for many years through its previous violence, but now is holding the country to ransom economically, and that is Sinn Féin.

Emma Little Pengelly: I absolutely agree with my hon. Friend, and I will discuss that in more detail later.

I shall highlight two key issues. The first relates to the process that would be instituted by the Bill and the process as we lead up to the budget, which will, we hope, be presented around June. Although we do have two former Ministers of Finance in the Chamber, I was the last Chairperson of the Finance Committee in the Northern Ireland Assembly on collapse, and my right hon. Friend the Member for Belfast North spoke a little bit about the behaviour of the then Finance Minister, Máirtín Ó Muilleoir, who was the Sinn Féin Finance Minister. Sinn Féin had concerns in relation to a number of matters. It became clear that Sinn Féin were intending to bring down the Assembly unilaterally. The only way that they could do that was by resigning—and that was the resignation of the late Martin McGuinness. The Committee and I made strong recommendations and representations to the Finance Minister in writing and on the floor of the Northern Ireland Assembly to say that the decision about the timing of this collapse was Sinn Féin's—it was the only party that wanted the collapse and it chose that timing.

That is vital in respect of two of the issues mentioned here today, with the first relating to the report of the historical institutional abuse inquiry. As a special adviser and a junior Minister for a period in the Office of the First Minister, I had policy responsibility for that area. I spoke to many victims of historical institutional abuse on an ongoing basis. Their stories are powerful and one has incredible sympathy with their recollections and accounts. That is why the Executive jointly moved—with Sinn Féin—to put in place the legislation and this independent body to look at these matters.

What was clear from the outset when I sat down to negotiate and talk about those terms of reference, when the Executive agreed them, was the date on which the report would come forward. Unlike some of the public inquiry legislation, the historical institutional abuse legislation had a deadline—it had a period of time specified, with a discretionary power to extend it, but only for one year. Right from the outset of that inquiry, and through the years of that inquiry, Sinn Féin knew exactly when that report would come forward.

I want to put on record my thanks for the excellent work that its chairperson, Judge Hart, did on that inquiry. One key thing he did was to bring it in not only on budget, but on time. The report was produced to the time asked for by the Executive and known by Martin McGuinness and Sinn Féin. When they collapsed the Assembly, there were just days to go before we got that report.

I raised the issue directly with the Finance Minister in the dying days of the last Northern Ireland Assembly and asked, why not hold on for a further week to allow for the budget to be presented to the Assembly and to be passed, to give certainty for the people of Northern Ireland and their public services? There was no reason not to do so, as I made clear. One week or two weeks would not have made any difference whatsoever in terms of that collapse. We did not want the collapse to happen, but Sinn Féin chose to collapse this and Sinn Féin chose the timing. That timing was when there was an already wildly overdue budget. Máirtín Ó Muilleoir and Sinn Féin will go down as the only people in

Northern Ireland who had the finance ministry but failed to do their No. 1 duty, which is to produce the budget for Northern Ireland.

The second important issue in relation to the scrutiny of the Committee for Finance is that that opportunity is no longer there. Part of that role, which is set down slightly differently from the statutory duties and the duties of the Select Committees of this House, involves a statutory duty on the Committee to scrutinise and to ask for evidence, which we did. We called stakeholders and Departments to ask about the pressures within them. We took a look at the overall budget position and we would make recommendations. That process simply does not exist in the current situation, which is not good for Northern Ireland; it is not good for the budget not to have that process.

As has been outlined, the DUP has been clear: we are prepared to go into government right now—it is as simple as that. If there was a calling of the Northern Ireland Assembly tomorrow, we would be there. We are not asking for anything. However, it is not just the DUP, but the entirety of Northern Ireland that is being held to ransom by one party, Sinn Féin, which is making it clear that it will not go into government unless its demands are met. That is not the way to do business. I ask any interested Member from across this House to look at the programme for government agreed between the two parties. I have been clear that the only way to make coalition government work and to make this type of power-sharing agreement work is by focusing on what we agree on and not to get sidelined or obsessed with the things we do not agree on. Nobody will ever say that Sinn Féin and the DUP are the same party in relation to a whole range of policy areas. We accepted that and we accept that in a power-sharing arrangement. So let us get on and focus on what we can agree on. What we can agree on was contained in the last programme for government and that is what we should be doing and implementing.

There are plenty of issues on which we know Sinn Féin do not agree with the DUP. There are plenty of issues on which we could say to Sinn Féin, “We will refuse to go into government unless you agree to x, y or z.” We are not doing that because we do not hold the people of Northern Ireland to ransom.

The people of Northern Ireland need key decisions to be made on health, education, special educational needs and access to drugs and in respect of support and public services. Although in relation to a budget Bill this legislation is welcome, it is vital to remember that the decisions that need to be made have not been made for 14 months. No Government and no Department can continue like that. It is not sustainable and it is not fair on the senior civil servants and those trying to walk the incredibly difficult line between what is legal and what is not. They fear that they may end up in court at any time for the decisions that they are having to make. That is incredibly sad for everybody in Northern Ireland.

Despite my colleagues' advice not to get into some of the issues, I wish briefly to raise several concerns that have been expressed to me. First, others have mentioned the severely disabled victims of the troubles who will be with us over the next couple of days. I have spoken to several Members about that and welcome their interest in meeting those people. It is clear that those people have great needs, particularly as they age. They need

[Emma Little Pengelly]

somebody to listen to them and to lobby for them—somebody they can ask to take up their cause—and most importantly, they need action, because they are the people who are suffering the most while others want to focus on divisive issues.

The reality is that the Irish language Act is a divisive issue on the ground. There is no consensus on it. It cannot be the case that the answer is to say to the DUP, “It’s your fault because you won’t simply roll over and agree.” We need to listen to people and to build consensus, because it is a divisive issue. We have plenty of divisive issues in Northern Ireland—there are divisive issues all over—and we can take the time to talk about them, but in the meantime our politicians must get on with doing what they need to do, which is to deliver for the likes of the severely disabled victims and their needs and for the victims of historical institutional abuse. I talked to those people throughout the historical institutional abuse inquiry and they said to me clearly, “We are not interested in the money. It is not about the compensation. This is about the truth and about getting to the bottom of what happened.” It is important that something happens as a result of that inquiry. The report has come out and has been sitting there. Those people need to see action taken on it urgently.

I have previously mentioned the pressures on our education sector. Schools are contacting us all with worries about their budgets, particularly in relation to special educational needs. We are seeing a rise of conditions such as autism and big challenges in relation to young people’s mental health. Such issues need to be addressed, but they require decisions. It cannot simply be a case of things rolling on. There is a programme for government. We have gone on for 14-plus months and it is far too long. Because of the current situation, which we do not want in Northern Ireland—a sad situation in which the negotiations have not produced agreement—I appeal to the Secretary of State to step up and ask her colleagues to put in place Ministers to make the vital decisions, for the good of all the people across all the communities in Northern Ireland.

4.18 pm

Paul Girvan (South Antrim) (DUP): It is a pleasure to follow my hon. Friend the Member for Belfast South (Emma Little Pengelly). The word “anticipation” is in the Bill’s title, and a lot of anticipation has been associated with this legislation. I do not want to regurgitate things that have been said already, but I was one of those Members of the previous Assembly who was told that they could talk not about what the money was going to be spent on but about the budget and what had happened historically. We had to glibly go ahead and go back through the detail of our wish lists for our constituencies.

In welcoming the Bill, I wish to go back over some of the ground that has already been covered. We had a difficulty last year: no Budget was set. One never came forward to the Northern Ireland Assembly. As a consequence, the permanent secretaries in Departments were left in a very difficult position: they were allowed to make a spend of up to 75% of their budget. Ultimately, we were told that they could spend up to 95% of their total budget, which would leave Northern Ireland with a black hole of somewhere in the region of £600 million accounted in one year if no Budget was set.

Thankfully, a Budget was put through this House in November 2017, which meant that the total amount allocated could be spent. I appreciate that that creates its own difficulties in that Departments cut their cloth accordingly, as they know where they can, and where they cannot, make their spend. Unfortunately, decision making is the main area with a deficit. The difficulty over the past year is that many projects were put on the backburner. Some civil servants used the excuse of no political direction as a reason to do nothing. In my area, we have roads that need repairing. Unfortunately, whenever it comes to monitoring rounds, we do not have the opportunity or the flexibility to move money where it is needed. That is a big problem. That has happened not just in Northern Ireland, but throughout the United Kingdom. A lack of direction has led to problems in our education sector and in our health sector—two areas of biggest spend.

In the past month, I had occasion to meet a delegation of principals from schools right across my constituency, representing every sector of education, Irish-medium included. I can only say that there is a total unfairness in the way that education is funded. Unfortunately, the Department says that it cannot make an adjustment because it needs ministerial direction. We have primary schools that receive £2,242 per pupil. Another sector of education receives five times that amount per pupil. Where is the equality when one pupil is valued at five times the level of another in the ordinary controlled sector of education? That really needs to be looked at. The message that came from that meeting of principals was that they do not necessarily want more money; they just want it spread more fairly and evenly throughout the education sector. That would mean that we would have the same outcomes in whatever sector of education we are dealing with. That was the message that came out loudly and clearly, and it is something that I want to see being driven forward.

I appreciate that all sorts of options have been proposed for how we deal with the way forward. All I can say is that we are rolling down a track, and there is a buffer. I appreciate that decisions have to be made in June, or whenever we set a Budget, but if we do not have an Assembly up and running—I cannot see us having one at that time—we will not have Ministers in position in Northern Ireland to give direction to the way the budget is spent. Let us be honest, not all of us have the same faith that the Northern Ireland Office will deliver the money fairly either. Therefore, we need direct input from Westminster to ensure that the spend is made correctly.

As my right hon. Friend the Member for Belfast North (Nigel Dodds) has said, great play was made about the confidence and supply money. One message that we have been very sure about putting forward is that this is not our money—this is money for the whole of Northern Ireland and it is to deliver for the whole of Northern Ireland in areas where it will have the most benefit. That is very important.

It was interesting to hear the Chair of the Northern Ireland Affairs Committee make reference to the Comptroller and Auditor General and the Public Accounts Department in Northern Ireland and some of the scrutiny rules that might be required. He suggested—and this is something—that we might well set up a scrutiny Committee, which would be made up of Members of the Legislative Assembly. I think that the Secretary of State’s predecessor

had already suggested that this might be a way forward, giving the Assembly some form of business by involving it in the scrutiny role of both Departments and the PAC.

There are those in Northern Ireland who have said that they welcome the budget, although former Minister, Máirtín Ó Muilleoir, has been on local media stating how sad it is to see Tory austerity being driven forward in Northern Ireland. But there is a Barnett consequential carried forward to Northern Ireland through this budget, so we are getting our increase. The additional moneys that we have received for our confidence and supply agreement are over and above anything else, and we will ensure that they have direct benefits for Northern Ireland.

We need to be careful that we do not stand back and say that we do not want the Northern Ireland Assembly back. As a former Member of the Legislative Assembly, I see the benefits of devolution and believe that it is the right way forward for Northern Ireland. Unfortunately, we have a sword of Damocles held to the back of our necks, and it is being held by one party: Sinn Féin. We really have to stand up to them, drive forward and have, as the hon. Member for Lewes (Maria Caulfield) said, an Assembly of the willing. Let us be honest—there are those who are willing to run Northern Ireland and work together. We are willing and want to go into an Assembly tomorrow. We hear red lines mentioned all the time now. Well, Sinn Féin has unfortunately set its red lines when it comes to the issues that it does not believe it could not drive through the Northern Ireland Assembly. Instead, it uses the talks process to drive forward its own agenda.

The Irish language is totally toxic to my community, and Sinn Féin knew that. Those issues were just put on the table to drive us further down the road. With the elections in the Irish Republic, Sinn Féin wanted to ensure that it did not let the Northern Ireland Assembly get up and running; it was keeping its eye on what was happening in the Republic of Ireland.

Sir Jeffrey M. Donaldson: On my hon. Friend's point about the Irish language, the DUP has made it very clear that we do not object to people speaking the Irish language or having their children educated in the Irish language. Indeed, the Government in Northern Ireland have contributed millions of pounds towards promotion of and education in the Irish language. But the fact is that when a Sinn Féin spokesperson says that every word spoken in Irish is another bullet fired in the cause of Irish unity, they politicise a language, meaning that it becomes a very divisive issue in Northern Ireland.

Paul Girvan: I agree 100% with my right hon. Friend. I do not necessarily hold to speaking Irish, but I am not going to be against those who want to learn it and speak it. But there should be fairness and equality in the funding of these cultural issues, and political direction is needed in this area for the following year's budget.

I appreciate that there were Departments that did not make their full spend. If other Departments were to come before the Assembly, they would have to qualify their accounts because of the overspend; there would probably be a vote on account associated with the overspend of some Departments. Some should probably have learnt a lesson and been a little bit more prudent in

their accounting. I appreciate that there were negotiations about the spring statement last week, and Departments will have had some input. We want to see political direction to ensure that the spend is made to benefit the whole of Northern Ireland for the year 2018-19.

I, for one, am sad that we are here to discuss this. It will be worse when we are having to discuss the budget in June, because each and every one of us will have our own pet project that we will want to include in the debate, and we might well drag it out for longer than it should go on. However, I hope that the message from today's debate is going out loud and clear: we are here because one party failed to deliver a budget in 2017-18. As a consequence, all the blame should be laid at the house of Sinn Féin over what it has caused Northern Ireland to suffer in the past year.

4.30 pm

Jim Shannon (Strangford) (DUP): It is always a pleasure to speak at any stage in any debate in this House. I look forward to the opportunity to be the rear gunner, to use terminology that is very apt in the armed forces and the services.

We did not want to bring this debate to this House, but it is here and we must have it. I congratulate and thank the Secretary of State and the Minister for their contributions to making it happen. I am not here to plead for direct rule, because I am very committed to devolution, as is my party. I was part of the old Assembly from 1998 before I was elected to this place. The work in the Assembly was always hard and frustrating, trying to plough forward against constant opposition, as we sometimes do in this place as well. Yet it was workable, because people knew they were elected to do a job and sought to do just that.

People still know that. Our MLAs who are more than capable of doing their job want to do it but are stopped by a red line that may as well be the Red sea. The problem is that we do not have Moses to step forward to part the sea at this time. None the less, the waters are raging and the people who are being caught in the current are everyday people from all sides of every community. Rich and poor, Catholic and Protestant, Jew and Muslim, Unionist and nationalist, healthy or sick, old or young: all are paying the price for the red line erected by Sinn Féin which says that nothing is worth more or is greater than an Irish language Act. No grandmother who needs a care package, no child who needs a classroom assistant, no road that needs repairing: none of those supersedes the provision of a militant Irish language Act. My right hon. Friend the Member for Lagan Valley (Sir Jeffrey M. Donaldson) referred to the politicisation of this legislation. That is why I say this: set the budget, make the ministerial decisions, get the process in place, and do what we are capable of doing ourselves but are prevented from doing back home in the Assembly. I have too many constituents in need for this to be prolonged any more.

At the end of the day, we secured additional money for all the people of the Province. Last week, a Member said to me facetiously: "Well, I suppose that money will be going to the Unionist areas." That money will go to Unionist, nationalist and all parts of the Province. It is very clear where it is going to be allocated. I wanted to put that on the record.

Mr Gregory Campbell: Does my hon. Friend agree that there is a very substantial contrast between Sinn Féin's very narrow focus, to bring the Assembly down, and the much wider and more comprehensive approach that we took in terms of the confidence and supply motion, which benefits everybody without exception in Northern Ireland?

Jim Shannon: I thank my hon. Friend; he is absolutely correct. Yes, we were committed to bringing advantages for everyone across the whole of the Province, and we did so. This money has been committed to all the people of the Province.

Permanent secretaries will not take decisions, and the losers are people from all corners of the Province. Northern Ireland is disadvantaged today because of Sinn Féin's austerity and its obstacles and negativity. Members of Sinn Féin are quite clearly the people to blame for this. I have parents tearing their hair out as their child can and should be mainstreamed if they could have a little bit of help in the form of a classroom assistant. Similarly, I have headteachers tearing their hair out because they are limited in the amount of referrals they can make, in the hours they can allocate to pupils, and in the one-to-one time they can give to pupils who could excel with early intervention. There is a very clear need for classroom assistants and educational assessments. I have schools such as Newtownards Model Primary School, which provides music specialists and has helped children who struggle academically but thrive musically. The school has seen great success with these programmes but is having to cease them because the board of governors cannot work out what its budget will be and do not know how or what to cut otherwise.

That simply should not happen. The school has raised money and worked hard to have that wonderful scheme, only for it to end because schools do not know what is happening. That is unacceptable, and yet our schools are forced to accept it, with the caveat of, "Blame the politicians on the hill." It is not the politicians on the hill who are to blame; it is Sinn Féin. Not all politicians are to be blamed, but some are, and let us be clear who: the blame lies with Sinn Féin and their intransigence.

Special schools were a big issue in the news yesterday. I had a number of phone calls yesterday morning about that, as other Members will have had. Five schools are going to be amalgamated into perhaps two. There will be a consultation process, but already parents in my constituency have phoned to say that they are very concerned about where their child is going to end up and what is going to happen.

We have North Down Training Ltd, which does some great work with young adults who are educationally disadvantaged and have problems that are apparent and need to be addressed. We have high schools with small numbers under threat, with no money in the budget, yet money is flowing in for the Irish language schools—and this is before an Irish language Act comes into being. I have constituents saying, "Where is the equality for the small school in my area, when Irish language schools with under 50 pupils are as happy as Larry?" Of course they are, because they get every bit of money they want.

Where is the fairness? Where is the equality? We hear Sinn Féin talking about equality. I am going to talk about equality as well. Let us have equality for my

constituents and for constituents across the rest of the Province who are disadvantaged and do not have it. How can I explain to my constituent why his child deserves less than another child because he does not feel a need to speak Irish in an English-speaking country?

New builds are an issue. Glashy College, which I serve on the board of governors for, is waiting for a new build. The decision on Movilla High School stands clear as well. These are problems that every school in my constituency, and indeed every constituency across the whole of the Province, deals with.

I have people complaining that they cannot access their GPs and that when they do get to the surgery, their GP puts them on a waiting list of sometimes over 18 months to get done what needs to be done urgently. We need a decision to be made to provide bursaries to medical students who will give a commitment to work their first seven years in GP surgeries, to relieve the burden on those and the doctor out-of-hours system.

These are things we are dealing with every day. Hopefully this budget and the allocation of moneys and ministerial decisions that will come will eventually ensure that these systems are all sorted. Again, we have A&Es bursting at the seams, with beds in the halls being above the normal. I remember my parliamentary aide coming back from Swaziland and telling me about the hospitals there, which had two people to every bed in the wards. Sometimes we ask ourselves, is that where we are heading? If we are, something needs to be done.

I have met the permanent secretary regarding funding for insulin pumps, which vastly improve the quality of life of children with type 1 diabetes, as well as adults. He agrees that those would be wonderful, but money needs to be released for training of the nurses who specialise in the field. That needs to be budgeted for. In Northern Ireland, we have the largest number of type 1 diabetics percentage-wise in the whole of the United Kingdom, with Scotland following us. These are key issues in my constituency and in constituencies right across the Province.

We need to bridge the pay gap for the nurses and staff, but again, that will not be done without ministerial approval. We need care-in-the-community packages to allow elderly people to retain their independence for as long as possible and to cut down on the funding allocated to placing them in a home before necessary. That cannot be signed off without ministerial direction. We need to ensure that people on restricted diets can access their food when needed on the NHS, without having to make a case; their illness is the case.

Some of the money from the sugar tax will come to Northern Ireland, and we need someone in place to make decisions on that. A pilot took place in the constituency of my hon. Friend the Member for Upper Bann (David Simpson), which my hon. Friends are well aware of. That is a great scheme, addressing issues of obesity, diet and health. We want to see that scheme across the whole of Northern Ireland. That is something we should do.

We need the £1.4 billion of funding that we secured to be allocated. We desperately need the Ballynahinch bypass, which would benefit so many people in my constituency and those in South Down. Since the MP refuses to come to the House—he is too busy naming his office after those killed in the midst of terrorist

activity—we are making that point and speaking for all those people in this place. I speak for my constituents and perhaps for some of his as well.

Gavin Robinson (Belfast East) (DUP): My hon. Friend thinks I am intervening to put forward an alternative proposal for the route of the A55 Knock Road widening scheme, but that is not the case. He has mentioned on several occasions that many things cannot progress because of a lack of ministerial appointments and the fact that there are no Ministers to make decisions. Does he agree that it would be useful if the Minister indicated whether he has considered article 4(4) of the Departments (Northern Ireland) Order 1999, which says that senior officials can take decisions falling to their Departments in the absence of a Minister?

Jim Shannon: I thank my hon. Friend for that solution and for his question to the Minister. I am sure that Ministers will correspond furiously with their civil servants to find out how that might work. It has already worked in Northern Ireland on one occasion. We have seen it in action, and if we can have it in one Department, it can happen in all of them. Let us see whether we can get on with doing so.

In the case of the Ballynahinch bypass, the permanent secretary needs ministerial direction. This scheme is ready to go, so will someone please sign it off, because I would love it to happen? Similarly, a scheme must be put in place, Province-wide, with additional money for repairing roads. This hard winter has left too many potholes on our roads, and they are damaging cars. People are coming to my office saying that they have never before had to come and see their elected representative about this matter, but are now doing so. Let me mention one example which, miraculously, was fixed after a lot of correspondence. There was a pothole in Mary Street in Newtownards, and I raised it with the Department on a number of occasions. The last time I did so, I said to the gentleman, “If we don’t fix that pothole soon, we’ll be shaking hands with the Australians”. It was so deep, cars were getting damaged every day. It has now been fixed, and thank the Lord for that.

I have big businesses that are seeking to remain competitive globally through the Brexit uncertainty, but they cannot access grants to improve their business and cannot get through to decision makers to bring us into line with mainland practice. I say to the Secretary of State that someone needs to make such decisions. For example, the budget in front of us mentions the agri-food sector, which is very important in my constituency and across the whole of Northern Ireland. Where are the moneys for capital build? There is such a scheme in England, and this is devolved in Scotland and in Wales, but we do not have it in Northern Ireland, so we would like that to be put in place as well.

I applaud the voluntary sector and charitable organisations that are doing a tremendous job, but they are closing their doors as they cannot operate in uncertainty—they do not know what will happen in April—which leaves vulnerable people without the support they need to function meaningfully. Again, we look to the budget, and perhaps the permanent secretary, with the blessing of the Secretary of State and the Minister, could do something about that.

For all of these reasons, I am bringing to the House what I should have brought to Ministers and asking them, in setting the budget, to allocate the powers as

well—as my hon. Friend the Member for Belfast East (Gavin Robinson) said so well—to those who are capable of making decisions. They will make such decisions and stop this floundering about, which has left our constituents frustrated, unrepresented at the Assembly and second class citizens.

I ask that consideration is given to the issues raised today when setting a budget, but also, more than this, that a system is urgently enacted to allow Northern Ireland to run again as a country, instead of being in limbo and no man’s land due to Sinn Féin’s austerity programme. Sinn Féin have tried to break the Assembly and to destroy Northern Ireland, and no matter what language they say that in, it is wrong. I hope that the budget we are setting today is the first stage in stopping just that.

I conclude with this last comment. Northern Ireland has weathered the past year, but a heavy price has been paid by voluntary sector workers, community groups, our NHS, our education boards and schools, and they are done paying for someone else’s refusal. I look to the Secretary of State and the Minister, and to this Government, to take the power, make the decisions, get the country back on its feet and put Sinn Féin back in the corner in which it already skulks.

4.44 pm

Ian Paisley (North Antrim) (DUP): I understand that the Under-Secretary will be replying to many of the points made in this debate. I want to add to the list of his replies that will be vital going forward.

Since being appointed, and in looking at the budget and how we got to this point, the Minister has also created an expectation. He has been very diligent, going round Northern Ireland, visiting with Invest Northern Ireland, visiting the Police Service of Northern Ireland and many other groups, along with the Secretary of State, making the case, listening to needs and, I suppose, creating an expectation that those needs will rightly be addressed. Of course, and to echo everything said by every other Member, we would far rather those expectations were addressed by a functioning Northern Ireland Executive and Assembly. However, at some point we have to smell the coffee and recognise that that is not the case at the present time and, realistically speaking, probably will not be for the remainder of this year. If that is so, and given that between now and June the Minister will have to look at the next budget and how we deal with incoming expenditure and setting targets, it is important that he turn his mind to certain matters,.

I want to focus on one part of the portfolio that I carry responsibility for in this House, and that is sport. We have a very successful sport tourism portfolio. Indeed, Northern Ireland golf tourism is about to really take off in the coming year, and that has been started in the last week by the success of Rory McIlroy, who set a particular standard of achievement in the Arnold Palmer cup.

Sir Jeffrey M. Donaldson: When my hon. Friend speaks of smelling the coffee and the importance to our economy of driving things forward, he will be aware that one of Northern Ireland’s many success stories in the past 14 months is the Pure Roast Coffee company in my constituency, which has struck a deal to supply coffee across China, so there is good news and we should welcome it.

Ian Paisley: It is good that we, as the country that I think drinks the most tea per head of population, are now exporting coffee, and to the largest market in the world.

We are going to have an influx of golf tourists coming to Northern Ireland for the Irish Open, and indeed the Open in 2019. The organisation—the Royal and Ancient—but more importantly the golf clubs in Northern Ireland, in particular Royal Portrush golf club, in the constituency of my hon. Friend the Member for East Londonderry (Mr Campbell), will need certainty about the finance for them and for those tournaments. Will the Minister ensure immediately, so that there is no delay, that those organisations get certainty and clarity about financial expenditure for golf tourism? This is going to be the single largest shop window for Northern Ireland—a very positive shop window—and the expenditure therefore needs to be properly underwritten by the Government.

Emma Little Pongelly: Does my hon. Friend agree that we have a number of excellent ambassadors for golf in Northern Ireland? They include our very own Rory McIlroy—congratulations to him. With him back on form, as demonstrated at the weekend, and winning across the world, this is the perfect time to maximise golf tourism in Northern Ireland.

Ian Paisley: We always used to mention the triumvirate of Rory, Darren and Graeme, but now there are so many good golfers in Northern Ireland that we do not want to get into naming them all, because we might offend one by leaving them out. My hon. Friend is absolutely right: we have a great golf ambassador in Rory, and there are many others.

Lady Hermon: I am sure the hon. Gentleman is coming to the line in his speech about how Rory McIlroy trained in the Holywood golf club, and put Holywood on the map as a constituent of mine. I am sure that tourists will come to see where he trained to become so successful.

Mr Deputy Speaker (Sir Lindsay Hoyle): We are in danger of getting stuck in the bunker, and that is not where I want to be. Come on, Mr Paisley!

Ian Paisley: I will put the sand wedge away and move to another discipline, if you don't mind, Mr Deputy Speaker.

In their wisdom, the last Executive, before they were put out of existence by the untimely resignation of the then Deputy First Minister, kindly appointed me to be the independent chairman of the Northern Ireland taskforce on motorsport. A number of significant motorsport events occur annually in Northern Ireland. Significantly, the North West 200 will require financial certainty from the Minister before June, and I would like to make sure that he is able to give that certainty and that he talks to the relevant Department—the Department for Communities—to indicate that proper finance will be put in place for the largest outdoor sporting event not only in Northern Ireland but in the entire island of Ireland. The race attracts over 100,000 people annually to the triangle of Portrush, Portstewart and Coleraine. It is very significant for sport in Northern Ireland and, indeed, for community relations. Motorsport is one of those things that attracts all people, of all

classes and creeds. It is also something that Northern Ireland excels at, and we require certainty in terms of the provision of support to allow the race to go ahead. The Armagh road race in my constituency and the Ulster grand prix, which straddles the constituencies of South Antrim and Lagan Valley, also require certainty before the August timetable. I ask the Minister of State to look into that to ensure that the Department is properly told by him that funding must be put in place.

Looking forward to 2021 and the youth Commonwealth games, plans are already being put in place, and it is essential that the organisers are given certainty so that they can market Northern Ireland around the world as a destination and the location of those games. That will not happen in the six months before the games; it has to happen years in advance. I ask the Minister to put his mind to making sure that the Department is put on notice that he will be breathing down its neck to ensure that proper resources are put in place for these important showcase events for Northern Ireland.

4.52 pm

Stephen Pound (Ealing North) (Lab): We have had an extraordinarily interesting afternoon. It started with almost a political first—almost a parliamentary first—when a Secretary of State came to the Dispatch Box longing to give up power and desperate to slough off some of the responsibilities of office. Most of us—obviously, I exclude myself and hon. Members present—are climbing the greasy pole with all rapidity, but, no, the Secretary of State spurns the trappings of authority and wants no part of them.

I have to say I have enormous sympathy, because, in all honesty, what we have heard this afternoon is almost an admission of failure. We heard an admission that we are discussing issues that we simply should not be discussing; we actually need to talk about the things that really matter to this House, and representatives of Northern Ireland need to talk about things that matter there.

We heard an extremely forensic analysis of the Bill from the hon. Member for South West Wiltshire (Dr Murrison). He brought to the Bill the same scalpel-like skill that he used to bring to human beings—most of whom survived—and he broke it down, particularly in his comments on the role of the Northern Ireland Audit Office. He said, quite correctly, that permanent secretaries should not be dealing with the closure of health facilities. In many ways, that brought us to the nub of what we are talking about this afternoon.

The hon. Member for Edinburgh North and Leith (Deidre Brock) said she was in reluctant agreement, but, in a very potent phrase, she said we have to somehow keep the lights and the heat on. We do not normally talk about heating in these debates, but in this case talking about keeping the lights and the heat on was entirely appropriate.

The contribution from the hon. Member for Lewes (Maria Caulfield) has attracted much support and comment. She not only spoke from the heart and from a position of authority, but she spoke the essential truth. The references she made to, for example, the Belfast city deal were very potent because such matters really concern the people of Northern Ireland—rather more than what we are saying in this Chamber.

The right hon. Member for East Antrim (Sammy Wilson) showed yet again what an immense loss he is to the world of higher education. An entire generation of schoolchildren in Northern Ireland learned at his feet, studied underneath him and survived. He again gave us a master class, and he was right to talk about misconceptions. Like his pupils, I feel honoured and a better person for having heard him.

The right hon. Member for Belfast North (Nigel Dodds) widened the scope of the Bill somewhat and brought us to Brexit, among other things. He incorporated an extraordinary amount of detail, but that was quite correct in many ways, because the Bill does have an impact on so many areas. He also talked about going about the people's business, which is a potent phrase. We should be going about the people's business in our constituencies, whether they be in Northern Ireland or here; we should not be doing this. Not for the first time, the right hon. Gentleman spoke not just good sense but with a great sense of rightness on his side, and it was good to hear it.

I hope that the hon. Member for Belfast South (Emma Little Pengelly) will not think me patronising when I say that she has grown in stature during the short time that she has been in the House. She spoke superbly, saying, again from the heart, that today is a sad day. In that, I think she enunciated the spirit of the House. She talked about the democratic deficit and referred in passing to the paucity of Members here present. That is their loss, because we have heard some excellent speeches, including that of the hon. Lady. She also talked about the impact on children with special educational needs and on education, which are issues on which we should be concentrating.

The hon. Member for South Antrim (Paul Girvan) talked about the roads that needed repairing and problems in health and higher education. Mr Deputy Speaker, if I may prevail upon your legendary generosity of spirit, I will say that it was a great pleasure yesterday to meet the hon. Gentleman with Grace Nesbitt, one of his constituents—oddly enough, she worked in the Department of Finance—who came here to receive her well-deserved OBE, accompanied by her absolutely delightful daughter, Rhoda.

Normally when the hon. Member for Strangford (Jim Shannon) stands up, I feel that we have saved the best for last. I thought he was to be the last speaker, but he introduced us to the giant pothole of Newtownards. I have no doubt that it will before long become one of the signature destinations in Northern Ireland. We have had the Giant's Causeway and the walled city, and we will soon have the giant pothole of Newtownards. I understand that it would be difficult not to score a hole-in-one where the giant pothole is concerned, and the thought of the DUP accidentally opening an Australian branch is one that does not worry me overmuch, but I understand that a certain concern is being expressed in the antipodes. He also talked about important things, such as bursaries for medical students, and it is the combination of the local minutiae—the bread-and-butter issues of his local politics—with the big issues that makes him such an excellent speaker.

The hon. Member for North Antrim (Ian Paisley) suddenly led the debate into a completely new direction, and the entire House almost leaped to its feet in animation as we started to talk about golf, tourism and the North West 200. We could have carried on like that for another couple of hours.

Bob Stewart: The hon. Gentleman talks about the North West 200 and the Portrush, Coleraine and Portstewart triangle. Is it sheer coincidence that right in the middle of that triangle is the Bushmills distillery?

Stephen Pound: I am more familiar with Bob Stewart than Portstewart, but there may well be a distillery along that route. I also remember that there are demountable traffic signs and that the street furniture can be moved to the side thanks to Joey Dunlop's inspirational leadership. Mr Deputy Speaker, although I have referred to your legendary generosity of spirit, I think that even you may be tempted to rise and ask me to sit were we to go into more discussions on that.

Ultimately, we are talking about a subject that none of us really wants to be addressing in this Chamber. Last Thursday, I attended the excellent housing conference organised by *agendaNi* in the Titanic centre to hear people talking about housing issues in Northern Ireland, the problems of substandard housing and the problems of needing to adapt properties for people with special needs. Those are the issues that we should be talking about. This afternoon, we talked about the York Street interchange—that should be discussed in Stormont and not in Westminster. It is important and it matters to the people of Northern Ireland. We should not even have to mention that here and now.

The Under-Secretary of State for Northern Ireland, the hon. Member for North West Cambridgeshire (Mr Vara), was referred to earlier by the hon. Member for North Antrim, who remarked on him traveling around the highways and byways of Northern Ireland, stirring up expectations and giving people the anticipation of delivery. I have every confidence and faith in the Minister. I consider him a friend—I appreciate that may breach parliamentary protocol, and it has probably doomed his career. I think we have a duty to be evangelical and optimistic. The great people of Northern Ireland—some of the greatest people I have ever had the privilege of meeting—deserve better. In fact, they deserve more than better; they deserve the best, and they deserve that from their elected representatives in their own part of the world. What we have done today has been technical and necessary, but I wish that we had not had to do it.

5.1 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Shailesh Vara): May I say what a pleasure it is to be in this debate this afternoon, Mr Deputy Speaker? I thank right hon. and hon. Members across the House for their contributions. In particular, I thank the Opposition Front Benchers for their support for these necessary steps to safeguard public finances, public services and public confidence in Northern Ireland in the continued absence of devolved government. In bringing forward the Bill, we are taking an administrative but hugely important step to formalise spending totals for the previous year. Given the largely technical nature of what is proposed, I intend to be brief while also responding to some detailed points that have been raised.

In his opening remarks, the hon. Member for Pontypridd (Owen Smith) made several points, many of which my right hon. Friend the Secretary of State responded to. There has been some confusion about the purpose of the Bill, and I hope the hon. Gentleman takes comfort from the fact, and will appreciate, that the issue of victims' pensions is one for a devolved Assembly.

[Mr Shailesh Vara]

My hon. Friend the Member for South West Wiltshire (Dr Murrison) raised a number of points. Although the Secretary of State will reply to him in detail regarding the specific questions he raised, I just say that as far as schedule 3 is concerned, this is cash to be drawn down from the Consolidated Fund to pay for revenue and capital investment, while schedule 4 is for the use of resources only. It excludes capital but it includes non-cash items, such as depreciation costs.

We covered the Hart inquiry extensively. Other Members spoke about that as well, but my hon. Friend the Member for South West Wiltshire will appreciate that no recommendations were made by the devolved Assembly before it collapsed. That was something that my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), the former Secretary of State, was able to confirm.

My hon. Friend the Member for South West Wiltshire also spoke about the costs of the border to the Northern Ireland Administration. I emphasise that this budget Bill deals with the 2017-18 budget. Detailed spending decisions, including any allocations required for Brexit costs, remain for the Northern Ireland Administration to take. The Secretary of State's written ministerial statement from 8 March on the budget set out departmental allocations for the years 2018-19 only. The decisions that underpin those are for the Northern Ireland civil service in the absence of an Executive.

May I clarify one particular point? In response to a question following last week's statement, the Secretary of State said she would write to the "permanent secretaries". In actual fact, she meant the "permanent secretary", and she is more than happy to provide a copy of the letter to my hon. Friend. I hope that that has clarified the issue.

Lady Hermon: The Minister will undoubtedly be aware that last week—I am sure it was last week—the head of the Northern Ireland civil service, David Sterling, gave evidence under oath to the renewable heat incentive inquiry. He explained—I have no reason to doubt what he said—that in the past some Ministers had instructed officials and civil servants not to take minutes of meetings and decisions about expenditure to avoid freedom of information requests. Since permanent secretaries are now to be given budgets and to be making decisions about expenditure, will the Minister confirm for our benefit and that of the people of Northern Ireland that that policy is no longer in place and that permanent secretaries are indeed keeping minutes of all meetings and decisions relating to the budget?

Mr Vara: I hope that the hon. Lady will appreciate that this is an ongoing inquiry and that it would not be appropriate for me to comment on it.

Lady Hermon: With the greatest of respect to the Minister, for whom I have enormous regard, this has nothing to do with the RHI inquiry. I am not asking about the inquiry, which is ongoing, as he rightly says; this is a separate issue. In evidence to the inquiry, the head of the civil service in Northern Ireland, David Sterling, confirmed that Ministers—I understood him to mean Sinn Féin and DUP Ministers—had instructed civil servants not to keep minutes of meetings to avoid

freedom of information requests. [Interruption.] I am pleased to see that there is some head shaking from DUP Members. Will the Minister confirm that all permanent secretaries, who are now running Northern Ireland Departments, have instructed civil servants to keep minutes of all meetings and decisions recorded afterwards?

Mr Vara: I hope that the hon. Lady will appreciate that there are no Ministers in the Northern Ireland Assembly. It would be for them to give instructions to permanent secretaries, not Ministers in Westminster, so I cannot give her the assurance she seeks. It is a devolved matter.

I am grateful for the support of the hon. Member for Edinburgh North and Leith (Deidre Brock). She spoke of the delay in the Bill coming forward. I hope that she will appreciate that we were very keen to get the devolved Assembly up and running again—only recently there were intensive talks to try and progress matters—and that we therefore left this to the last minute. We had hoped not to have to take the decisions we are taking today.

My hon. Friend the Member for Lewes (Maria Caulfield) raised several issues. The Secretary of State's budget statement on 8 March gives financial clarity to Northern Ireland Departments and reflects the feedback from the Northern Ireland civil service budget consultation and advice from the Northern Ireland civil service on where key pressures lay, such as health and education. It is a balanced budget that provides a secure basis for protecting and preserving public services.

My hon. Friend also mentioned city deals. She will be aware that work is ongoing on these deals. Councils, the Northern Ireland civil service, the Northern Ireland Office, the Ministry of Housing, Communities and Local Government and Her Majesty's Treasury are all involved in charting the way forward, but she and the House will appreciate that we need the devolved Assembly, because it has a huge contribution to make to progressing those city deals.

My hon. Friend referred to the apprenticeship levy. The Northern Ireland Administration have been allocated their share of the apprenticeship levy, so it is available to the Northern Ireland civil service for allocating. In line with the devolution settlement, however, it is not for the UK Government to dictate how Northern Ireland's share is spent. Apprenticeships are a devolved matter. That is another issue that highlights the need for a devolved Assembly to be up and running.

The right hon. Member for East Antrim (Sammy Wilson) spoke in his customary manner and with his customary passion. It was good that he helped to clarify the purpose of the Bill, given that there has been some misunderstanding among Members. The right hon. Member for Belfast North (Nigel Dodds) also made a passionate speech, which he normally delivers. He spoke of the way forward for the devolved Assembly from his own perspective, but also recognised the need for crucial decisions to be made, as, indeed, we are making them today.

The hon. Member for Belfast South (Emma Little Pngelly) spoke of her personal experience, and it was certainly beneficial to the House to hear that. She, too, spoke of the need for decisions to be made and gave the

example of the special needs sector in education. The hon. Member for South Antrim (Paul Girvan), again, spoke of the lack of decisions, giving examples relating to education and health. He also highlighted the additional funds from the confidence and supply agreement, and it is important to remember that those will benefit all the people of Northern Ireland. The hon. Member for Strangford (Jim Shannon) reinforced the need for decisions to be made.

The hon. Member for North Antrim (Ian Paisley) asked two specific questions, about golf tourism and the youth Commonwealth games. I appreciate the vital importance of golf tourism to the economy, as, I think, does the House, but I am going to give him the answer that he does not want: that, along with the youth Commonwealth games, is a matter for the devolved Assembly, which is another reason why it is so important to try to get the Assembly up and running.

Ian Paisley: I wholeheartedly agree that, yes, in the best case in the world that is a matter for the Northern Ireland Assembly, but let us have a reality check. The Northern Ireland Assembly has gone for now. We would love to have it back, but the Minister needs to start preparing an emergency plan that will give certainty about the funding of events in the future. That does not detract from our desire to see the Assembly restored as soon as possible. I just hope that the Minister will take this message to his officials. I hope that he will say to them, “Please give certainty to these organisations in relation to sport and our games bids.”

Mr Vara: I take on board what the hon. Gentleman has said, but he will appreciate that, as I pointed out at the beginning of my speech, the Bill is technical and specific. I hope he will forgive me if I stick to the terms of the Bill, but I hear loud and clear what he has said.

The right hon. Member for Lagan Valley (Sir Jeffrey M. Donaldson) spoke of the coffee business in his constituency. I hope that he will be pleased to know that last Thursday I was at Borough market in London supporting some 14 Northern Ireland businesses dealing with food and drink. They all seemed to be doing very well and to have made contacts with traders here who are happy to take goods from them in the future and sell them in London. That was a very productive event, and I greatly enjoyed it.

The hon. Member for Belfast East (Gavin Robinson) asked a specific question about the Departments (Northern Ireland) Order 1999. Article 4(3) provides that decisions may be made by senior officials. Permanent secretaries consider legal authority for decisions every day in line with legislation. It is a technical issue, but I hope that that gives the hon. Gentleman some comfort.

Gavin Robinson: The Minister is right to refer to paragraph (3) rather than paragraph (4); I misdirected him earlier.

Of course legislative opinion may be sought, but does the Minister not believe, having reflected on that provision, that it fundamentally undermines the blanket stance that no decisions can be made until Ministers are appointed? There is more flexibility in that legislation than is suggested by the current political atmosphere and the discussions that are taking place in Northern Ireland. Given that it is there, we should use it.

Mr Vara: The hon. Gentleman is a distinguished lawyer and will therefore appreciate that, given the context in which we are speaking, I would prefer, speaking as one lawyer to another, to read that paragraph in a wider context before making any further commitments to it, and he will appreciate that I am not in a position to make that comment now. I hope that he will be content with that; I think the smile on his face says that he knows he is trying his luck there. *[Interruption.]* Trying his luck in terms of pushing me further than perhaps I ought to go.

I reiterate the point made by my right hon. Friend the Secretary of State that the Bill does not set out in law the allocations outlined in her written statement of 8 March. That will be done in the summer through a budget Bill—I hope, by a restored Executive—following on from the equivalent estimates process for UK Departments. This Bill confirms departmental allocations for 2017-18, reflecting final spending totals and revised allocations during the year. It also provides a pro forma authorisation for spending in the early months of the next financial year in anticipation of the budget Bill. To be clear, this is all money that is either locally raised or has been previously subject to a vote in Parliament. This is simply about formalising reallocations of funding during the year in Northern Ireland Departments to meet key pressures.

As for providing authorisation for spending in 2018-19 without formal departmental totals, I can reassure colleagues that this is exactly in line with usual processes. Last year, Northern Ireland permanent secretaries were forced to rely on emergency powers under section 59 of the Northern Ireland Act 1998 in the absence of legal authority through an Act of this kind to spend money. I hope colleagues will agree that it will not be acceptable to invite the same uncertainty.

The issue of scrutiny and accountability was raised, and of course it is important to appreciate that that is there. The measures before us relate to the formalising of allocations for the previous financial year. As the former Secretary of State my right hon. Friend the Member for Old Bexley and Sidcup put it, arrangements are in place to allow the reports of the Northern Ireland Audit Office and Northern Ireland departmental responses to be placed in the Libraries of both Houses when they concern audit or value for money issues. Last week, my right hon. Friend the Secretary of State placed the first two departmental responses to NIAO reports in the Libraries to fulfil that commitment, and we stand ready to continue that process over the coming months. We shall reflect on whether any further scrutiny arrangements are merited to enable appropriate oversight of the use of public money.

We would very much have preferred these budgetary steps today to have been taken by a restored Executive and we waited for as long as possible for that to happen, but in the absence of an Executive, this Bill is required to give much-needed certainty for the Northern Ireland civil service as it safeguards public services for the people of Northern Ireland. That is why it is so important that the Bill be passed on Second Reading today.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Committee of the whole House (Order, this day).

Bill considered in Committee (Order, this day).

[SIR LINDSAY HOYLE *in the Chair*]
Clauses 1 to 9 ordered to stand part of the Bill.
Schedules 1 to 4 agreed to.
Bill reported, without amendment.
Bill read the Third time and passed.

DELEGATED LEGISLATION (COMMITTEES)

Mr Deputy Speaker (Sir Lindsay Hoyle): With the leave of the House, we shall take motions 4 to 9 together.
Ordered,

STATUTE LAW (REPEALS) MEASURE

That the Measure passed by the General Synod of the Church of England, entitled Statute Law (Repeals) Measure (HC 781), be referred to a Delegated Legislation Committee.

PENSIONS (PRE-CONSOLIDATION) MEASURE

That the Measure passed by the General Synod of the Church of England, entitled Pensions (Pre-Consolidation) Measure (HC 782), be referred to a Delegated Legislation Committee.

ECCLESIASTICAL JURISDICTION AND CARE OF CHURCHES MEASURE

That the Measure passed by the General Synod of the Church of England, entitled Ecclesiastical Jurisdiction and Care of Churches Measure (HC 783), be referred to a Delegated Legislation Committee.

MISSION AND PASTORAL ETC. (AMENDMENT) MEASURE

That the Measure passed by the General Synod of the Church of England, entitled Mission and Pastoral etc. (Amendment) Measure (HC 784), be referred to a Delegated Legislation Committee.

LEGISLATIVE REFORM MEASURE

That the Measure passed by the General Synod of the Church of England, entitled Legislative Reform Measure (HC 785), be referred to a Delegated Legislation Committee.

DELEGATED LEGISLATION (ELECTORAL COMMISSION)

That the Motion in the name of Andrea Leadsom relating to the Electoral Commissioner shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice has been given that the instrument be approved.—(*Wendy Morton.*)

Business without Debate

ADJOURNMENT (SUMMER, CONFERENCE, NOVEMBER, AND CHRISTMAS)

Motion made, and Question put forthwith (Standing Order No. 25),

That this House, at its rising on Tuesday 24 July 2018, do adjourn until Tuesday 4 September 2018; at its rising on Thursday 13 September 2018, do adjourn until Tuesday 9 October 2018; at its rising on Tuesday 6 November 2018, do adjourn until Monday 12 November 2018; and at its rising on Thursday 20 December 2018, do adjourn until Monday 7 January 2019.—(*Wendy Morton.*)

Question agreed to.

Mr Deputy Speaker (Sir Lindsay Hoyle): We now come to motions 11 to 21. Is there an objection?

John Spellar (Warley) (Lab): I have an objection to motion 9, Mr. Deputy Speaker.

Mr Deputy Speaker: So you want me to take motion 9 separately?

John Spellar: Yes, please.

Mr Deputy Speaker: I am sorry. We have done motion 9. We have moved on to motions 11 to 21. I am sorry; I did say.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

FINANCIAL SERVICES

That the draft Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) (Amendment) Order 2018, which was laid before this House on 21 December 2017, be approved.

PUBLIC PASSENGER TRANSPORT

That the draft Enhanced Partnership Plans and Schemes (Objections) Regulations 2018, which were laid before this House on 17 January, be approved.

TAXES

That the draft International Tax Enforcement (Bermuda) Order 2017, which was laid before this House on 3 November 2017, be approved.

That the draft Double Taxation Relief and International Tax Enforcement (Kyrgyzstan) Order 2017, which was laid before this House on 3 November 2017, be approved.

RATING AND VALUATION

That the draft Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2018, which were laid before this House on 21 December 2017, be approved.

LOCAL GOVERNMENT

That the draft Greater Manchester Combined Authority (Amendment) Order 2018, which was laid before this House on 5 February, be approved.

POLICE

That the draft Police Powers of Designated Civilian Staff and Volunteers (Excluded Powers and Duties of Constables) Regulations 2018, which were laid before this House on 7 February, be approved.

TERMS AND CONDITIONS OF EMPLOYMENT

That the draft Employment Rights Act 1996 (Itemised Pay Statement) (Amendment) (No. 2) Order 2018, which was laid before this House on 8 February, be approved.

INFORMATION COMMISSIONER (REMUNERATION)

That, from 1 April 2018—

(1) the Information Commissioner shall be paid a salary of £160,000 per annum and pension benefits in accordance with the standard award for the civil service pension scheme;

(2) this salary shall be increased by 1% each year on 1 April;

(3) the Information Commissioner in post on 1 April 2018 shall also be paid, as part of their salary, a non-consolidated, non-pensionable annual allowance of £20,000 for the duration of the single-term appointment; and

(4) all previous resolutions relating to the salary and pension of the Information Commissioner shall cease to have effect.

GOVERNMENT TRADING FUNDS

That the draft Land Registry Trading Fund (Extension and Amendment) Order 2018, which was laid before this House on 26 February, be approved.

ELECTRICITY

That the draft Electricity Supplier Payments (Amendment) Regulations 2018, which were laid before this House on 5 February, be approved.—(*Wendy Morton.*)

Question agreed to.

PETITION

Closure of Local RBS branches in and around Aberfeldy

5.21 pm

Pete Wishart (Perth and North Perthshire) (SNP): It takes a lot to excite the good people of Aberfeldy and Pitlochry, but the closure of the two Royal Bank of Scotland branches in those communities has exercised and upset my constituents to the extent that they have presented this petition.

The petition states:

The petition of residents of Aberfeldy and Pitlochry,

Declares that the proposed closures of the Aberfeldy and Pitlochry branches of the publicly-owned Royal Bank of Scotland will have a detrimental effect on local communities 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 reconsider their community-harming and flawed argument about branch closures; further notes that the Royal Bank of Scotland take into account the concerns of petitioners and take whatever steps they can to halt the planned closure of these branches.

And the petitioners remain, etc.

[P002121]

James Heappey (Wells) (Con): On a point of order, Mr Deputy Speaker. A number of Opposition Members have visited the Wells constituency in recent months, most notably the Leader of the Opposition, who has visited twice. Unfortunately, they have not always found the time to give me advance notice of their visits, as was the case last Friday when the hon. Member for Stroud (Dr Drew) chaired a public meeting there. With English tourism week upon us next week, it would be selfish not to share with Opposition Members the beauty and heritage of the Wells constituency, but I wonder whether you might be able to advise me of the procedures that colleagues might follow when contributing to the Somerset visitor economy in an official capacity.

Mr Deputy Speaker (Sir Lindsay Hoyle): It is wise to remind all Members, of whatever party, that it is courteous to let a Member know if they are visiting on political business. That is now on record, and I am sure that everyone will note it.

Greater Manchester Metrolink

Motion made, and Question proposed, That this House do now adjourn.—(*Wendy Morton.*)

5.24 pm

Jim McMahon (Oldham West and Royton) (Lab/Co-op): Hold on to your seat, Mr Deputy Speaker, while I take you through the history of Greater Manchester's tram network. [*Interruption.*] We could have two hours on this, but if it is any help, I promise not to take us anywhere near that—unless there is trouble on the line and we get delayed.

Jeff Smith (Manchester, Withington) (Lab): If my hon. Friend is going to give us a history of Manchester's tram network, which I look forward to, will he join me in paying tribute to the man described as "Mr Metrolink" by the *Manchester Evening News*—Councillor Andrew Fender, without whom we might not have a Metrolink system at all, and who stands down from Manchester City Council in May after 41 years of dedicated public service?

Jim McMahon: Councillor Fender has been a real transport inspiration for many people in Greater Manchester. He is actually a very quiet and reserved character; he is not somebody who grandstands—who seeks attention. He works in the background and diligently gets on and does the work that is very complicated, often very technical, and requires a lot of time and dedication. I have absolutely no doubt that without the time that he put in to transport in Greater Manchester—not just the tram system but the bus network, and cycling routes especially—it would not be as advanced as it is. I think that is a very fitting tribute. I thank my hon. Friend for that intervention.

Greater Manchester's tram network opened in 1992 and is now the UK's biggest light rail network. It is essential to Greater Manchester's economy. We know how important transport is. It is important to get people from A to B, but it is also essential to do so efficiently, to make sure that we reduce congestion, that people can get to work affordably, and that there are routes that take people where they need to go for their employment or for leisure. People vote with their feet. The light rail system in Greater Manchester carries 41 million passengers every year. It covers 60 miles over 93 stops. However, as always in Greater Manchester, we are not content to stand still. We want to go even further.

At the moment a new line is being built to Trafford Park, and that will provide fantastic connectivity to one of Europe's largest employment sites. People across Greater Manchester will be able to travel through the city centre and on to Trafford Park, and capitalise on the jobs that are being created there. That builds on the success of the airport line, which will take people to Manchester Airport, one of our enterprise zones—also essential for getting people to decent, well paid, secure jobs, particularly now, and in the future too.

Jim Shannon (Strangford) (DUP): I am ever mindful that the Government have committed to reducing pollution levels massively in our cities. Does the hon. Gentleman agree that a working, modern, technology-friendly public transport system is essential for Manchester and other cities like it, and that the expansion of services into the

[*Jim Shannon*]

south will attract more people into using the service, making it more effective, and therefore cost-effective, and benefit the environment as well?

Jim McMahon: That is a very important point about the benefits for the environment and the economy. At one point, I was slightly fearful that we were going to make a claim for an extension over to Northern Ireland, which would be a great day out, but I might struggle to—

Mary Robinson (Cheadle) (Con): As the hon. Gentleman is talking about providing extensions, I would like to make a bid. At the moment, as he knows, East Didsbury is at the end of the line, as it comes out towards my constituency of Cheadle. We would love to see the line go all the way through to Stockport, as well as going to Manchester Airport, so that we would get true connectivity around the south of our area.

Jim McMahon: That is an important point. I will mention some potential routes later. There is a case to be made not only for the Didsbury line to be extended, but for a connection from Ashton through to Stockport and through to the airport, because as important as the connections in and out of Manchester city centre are, so too are the orbital links connecting the boroughs around Greater Manchester, beyond the city of Manchester. We should be ambitious; we need to create a transport vision that will guide us for decades. The people who laid the foundations for Manchester's current Metrolink system came up with that idea—that nugget of how Greater Manchester could be different, and could be modern—many, many generations before it was built. It is important that we now take on that responsibility for the next generation, and plan that far ahead. I think Stockport ought to be the beneficiary of a tram line. I think we ought to be able to connect the whole of that eastern ring, too.

The Oldham line, which is my particular interest, started construction in 2011 and opened in 2014. Work began in the year that I became council leader in Oldham and so we had the great success of work beginning on the line. It was previously a heavy rail line, which was then decommissioned, to be turned into a light rail system. Clearly, that caused a lot of disruption and not everybody was convinced that a tram coming through the town would pay dividends and ultimately be a benefit to it, given all the traffic chaos that naturally happens when we start laying tram tracks on the road network. Plenty of people said, "If you build a tram from Oldham to Manchester, surely people are just going to go to Manchester and that will be to the detriment of Oldham." We said, "No, this is about that connectivity that makes us part of a great Greater Manchester. If Oldham sits in isolation, thinking it is an island, and does not capitalise on one of the best cities in the world, we are missing a trick."

It was important not just to capitalise on a great city, but to have a vision for Oldham that meant it could be the best Oldham it could be. Metrolink was very important as part of that vision and that future economy. Significantly, the phase 3 line saw an investment of £764 million. It also connected many key sites. Obviously, it connected through Oldham and on to Rochdale, but it also went through two previous housing market renewal sites. We

know that where Metrolink stations are placed, there is a good effect on the housing market and demand in that locality. So Freehold, where the Metrolink stop is placed, was a key site for housing market renewal. We know the local authority is keen to see that being redeveloped, with the eyesore of the Hartford mill, which might be the subject of a future Adjournment debate, demolished to make way for decent, secure accommodation for people to live in and to create a thriving neighbourhood. Metrolink also connected the Derker community, where there was a lot of clearance as part of the housing market renewal project. Now it has fantastic family houses for people to live in, just a walk to the station, where they are connected to Rochdale, on to Manchester and further into the network—to connectivity that is vital for them.

As I said, people vote with their feet. The old heavy rail system, with the clunker carriages we used to have on the old Oldham Mumps station, carried 1.1 million passengers a year, which was impressive, but nowhere near as impressive as the figure of 3.6 million people using the current Metrolink system on the same line. So we know this has a material effect on increasing passenger numbers, and the more people who go on the tram, the fewer the people who have to travel by car, because they have a genuine alternative, provided in a more environmentally friendly way.

If the Government are serious about creating the northern powerhouse, it is crucial that we rebalance the UK's economy. But we also need to understand that if all we do is benefit Manchester city centre and the south of Manchester, which have historically been the better performing parts of Greater Manchester, and we do not concentrate on north Manchester, which has historically underperformed compared with the south of Greater Manchester, we will miss an opportunity to make sure that every part of the northern powerhouse can benefit from future investment. Let me give some context on that, because this is not just about a northern Manchester bias and saying "Why does south Manchester get everything at our expense?" This is where the facts are. The gross value added return for Manchester south is £34.8 billion a year, which accounts for 68% of the total GVA for the whole of Greater Manchester. So we can see that an underperforming north Manchester—I am not saying south Manchester is necessarily overperforming—needs to do far better to rebalance and to contribute to that greater GVA. To do that, we need concerted and long-term investment planning—on transport, on housing and on schools. So this debate is about how we might achieve that.

Those who have been on the Manchester Metrolink and gone on a real journey will perhaps bear with me while I take them on what could be a journey of the future, if the Government and Greater Manchester are willing to work together on this plan. I am going to concentrate on the potential of connecting Oldham with Middleton and then on to the Bury line at Heaton Park. Currently, when the tram comes down the Metrolink track and gets to Westwood station, it turns off to the left, towards Manchester. In the new journey we are taking today, however, the tram could continue straight down Middleton Road, towards the sunny climes of Middleton. People could benefit from a park and ride in Middleton town centre and go on further towards Heaton Park, and join with a Bury line that would connect them with Bury and that part of Greater Manchester.

Coming back, where the line currently carries on to Rochdale after Oldham Mumps, people could go on from Mumps, perhaps up Ashton Road or even along the disused railway line—which would be a cheaper option, although clearly not to the benefit of as many people—on to Ashton town centre, where the line currently terminates. There is nothing worse than a line that terminates; we could at least carry it on and make it nice and tidy. People could carry on straight to Ashton town centre and then, as the hon. Member for Cheadle (Mary Robinson) said, there would be the potential of a loop to Stockport and on to Manchester airport. Suddenly, we are beginning to create what the *Manchester Evening News* has dubbed the “circle line”. That is a way to use public transport to create proper interconnectivity across Greater Manchester, just like the M60 motorway currently provides for car users. That would be a fantastic boost for many people accessing jobs and for our local economy and tourist industry.

All that would also give Oldham a critical part to play as an important transport hub. It would not just be the place that people pass through; it would mean that Oldham Mumps, which is currently a strategic regeneration site, would be a critical point of interconnectivity between Bury, Rochdale, Manchester and Tameside, and perhaps further on if we have further extensions. Oldham would become an important place for investment and regeneration, and I believe it would be an important catalyst for the rebalancing of the Greater Manchester economy.

To achieve all that, we need to be honest. Currently, financial modelling is heavily predicated on the question, “What does this mean for GVA return?” If we invest £1, what will be the pound-for-pound return in the local economy? This is where the way in which we assess capital investment in this country needs a fundamental rethink. There ought to be a measure to take human capital into account.

What is our starting point if we want everybody to have equal opportunity to access well-paid, secure jobs and decent leisure and sporting facilities? To do that, we need to accept that different communities in Greater Manchester will start at different points and that a rebalancing will need to take place. It is important to bear in mind that we can rebalance in two ways: we can bring the highest-performing area down to the level of the lowest-performing area, so that they are equal but have to share scraps of the table, and the economy will suffer; or we can use investment to raise areas that are not currently performing as well as they could be, so that everybody thrives across Greater Manchester.

To achieve that second option, we need a different way of assessing GVA return, because the truth is that on any assessment today, building a mile of Metrolink track in, say, Trafford would have a higher GVA return than building a mile of Metrolink track in Oldham, just because the starting point is very different. I do not believe that that is the way to generate an investment plan that rebalances the economy in the way we need it to be rebalanced.

This debate is about setting out a potential route, but I am not precious about exactly which road or route the new tram line ultimately goes along. I am, though, passionate about Oldham realising its full potential. I am passionate about people in Oldham being able to access high-performing, decent, secure, well-paid jobs throughout Greater Manchester. I am desperate for

young people in Oldham to recognise that their horizon is not just at the end of their street, but is much further away, and for it to be available to them because it is affordable and accessible.

Let me tell a personal story. I have been helping my son to navigate the complex world of apprenticeships and college courses. We were looking at some apprenticeships in Trafford Park, which is not far away at all—we can get there by car in half an hour. My son was looking at engineering courses. The problem is that our bus system does not connect young people with Trafford Park in a way that means they can work shifts on those jobs. For instance, if a young person living in Royton wants to get to Trafford Park for a 6 am shift start, they would have to set off at 11.30 pm the night before, because the buses do not start until quite late in the morning. Therefore, if a young person cannot get a driving licence and a car to make their own way there, and they are reliant on public transport, which for people in Royton is a bus at the moment, straight away they are excluded from working shifts in one of the largest engineering employment locations in Europe. That just cannot be right.

I am not saying in this debate that if all we do is to build a bit of Metrolink track, Oldham will be fixed. My point is much broader: we need to get transport in Greater Manchester right for the people who live in Greater Manchester. Significant effort has been made by the mayor of Greater Manchester, Andy Burnham, and by his team on the Greater Manchester combined authority. Sterling work has been carried out by Andrew Fender and by all the very dedicated officers that work at Transport for Greater Manchester. The truth is that much of this comes down to resource and investment. Unfortunately, in Greater Manchester, we have lost many local bus routes that would connect young people in particular with the job opportunities of tomorrow, and we need to see investment in that area.

We also need proper capital investment that at least puts Greater Manchester on a par with London. We want Greater Manchester to thrive and to play an active part in the northern powerhouse, but the northern powerhouse cannot be done on the cheap; it needs investment on a par with that of this great capital city. Manchester deserves absolutely every penny of that investment. If we see even a fraction of it, we will see very different outcomes for young people in Greater Manchester.

I urge the Government to get behind this. I am not necessarily talking about the A to Z route that we are proposing—that will come out of a feasibility report and a technical assessment of what is possible and, of course, it has much to do with patronage and whatever physical barriers may be in place. There should be no barrier to our desire to make Greater Manchester absolutely great. That can happen only if the Government come to the table, offer real investment and work with Greater Manchester to make sure that transport in the future is far better than it is today.

5.42 pm

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): I do not have an enormous amount of time in which to speak. If I have understood things correctly, I have 12 minutes.

Madam Deputy Speaker (Dame Rosie Winterton): Order. The Minister has until 7.30.

Jesse Norman: What a joy. In that case, I can extend my speech. I am very glad to hear it.

When I read the name “Jim McMahon” I thought that it was referring not to the hon. Member for Oldham West and Royton (Jim McMahon), but to one of my great heroes, the former quarterback for the Chicago Bears and, latterly, the Green Bay Packers. My sense of excitement on being invited to respond to him and my sense of delight that he was taking an interest in the transport issues of Greater Manchester was absolutely intense. However, my sense of delight is no less great in having this opportunity to respond to the hon. Gentleman, who was himself an award-winning leader of Oldham Borough Council.

If I may say to the hon. Gentleman, he is a little confused about some of the responsibilities involved in his area. For buses, he is very welcome to address himself to Andy Burnham, who has responsibility for buses. Indeed, he has enhanced powers under our new legislation. He has rightly addressed the subject of the Manchester Metrolink system. Everyone in this House who has travelled on the Metrolink—I was travelling on it recently myself—will agree that it has been a colossal success for the conurbation. I absolutely agree with him, and, as a member of the Government, I pay tribute to Councillor Andrew Fender for the work that he has done over the past 41 years. Opinion is divided in Manchester as to whether he should be regarded as Mr Metrolink, or just Mr Transport. Whichever it is, we congratulate him, and the hon. Gentleman’s point was very well made.

As the hon. Gentleman knows, transport is of enormous importance to this Government—absolutely in the north-west and as part of the strategic development of the north as a whole. We very much agree with local partners that transport is essential for growth, which is why we are investing significantly in local and regional transport infrastructure, including £15 billion for the strategic road network and £6 billion for local schemes through the local growth fund. This investment is designed specifically to drive the economic growth that we wish to see, to allow the other opportunities that come from transport including the social and family benefits, and to relieve the economy—at least temporarily—from the effects of congestion.

As the hon. Gentleman knows, we are creating a northern powerhouse to rebalance the economy, and that is a shared aim. The reason for creating Transport for the North as an entity was specifically to provide a local voice that could convene and gather those different projects and schemes—that total regional ambition—into one place that would support economic growth in the north. We will invest £13 billion during this Parliament to connect the region better, so that northern towns and cities can pool their strengths and create not a series of city economies or regional economies separated by geography, but a single powerhouse economy. Of course, Greater Manchester is at the heart of that.

Jim McMahon: I accept all those points. The event that we attended in Manchester with the Northern Powerhouse Minister was very much in the spirit of working together across party political lines in order to

get the best outcome for Greater Manchester, but I made a point at that meeting that, when HS2 is in place, it will take the same amount of time to get from Manchester to London as it does to get from Royton to Trafford Park. Those local connections are vital if we want the economy to thrive.

Jesse Norman: Yes, that is an interesting and well-made point. Of course, it is true that every journey begins with a local journey unless one happens to live in the terminus. It is also true that, as with the Metrolink, the secret of HS2 is a capacity story, as much as it is a speed story. As the hon. Gentleman has well said, the capacity of the Metrolink has greatly increased over the last few years, and that is one measure of its great success.

As the House will know, Greater Manchester has seen a revolution in its public transport over the past few years. Through the innovative Greater Manchester transport fund, which combined local funding with significant support from central Government, as well as real support from the local growth fund we have seen the introduction of bus corridors including the Oxford Road bus corridor, which is believed to be the busiest in Europe; the Leigh-Salford guided busway; new bus stations and multimodal transport interchanges across Greater Manchester; and a step change in support for cycling and walking. I pay tribute to the Mayor of Greater Manchester for the work that he has done with Chris Boardman in reimagining the possibilities for walking and cycling across the whole area. It is something that Chris and I have worked closely on and that the Department fully supports.

The Chancellor confirmed in his spring statement last week that a further £243 million from the transforming cities fund is being provided to the Metro Mayor of Greater Manchester to support public transport, improve sustainable travel and boost local productivity. This again demonstrates the Government’s strong commitment not just to Manchester, but to mayoral combined authorities.

Although rail is not my specific brief, it is worth saying that the great north rail project has allowed us to upgrade Manchester Victoria and connect Manchester’s three main railway stations for the first time through the Ordsall Chord project. Over the next few years, the chord will provide new and direct links to Manchester airport from across the region, and will free up capacity at Manchester Piccadilly. We have delivered upgrades and electrification between Liverpool and Manchester, and cut the fastest journey time by 15 minutes since 2015. We have also upgraded the route between Manchester and Wigan, and are currently delivering a comprehensive package of route upgrades and electrification across the north-west and Yorkshire, including between Manchester, Bolton, Preston and Blackpool. Of course, the success of the Metrolink has been at the centre of this development, as the hon. Gentleman rightly acknowledged. This started in 1992 with the opening of the first phase between Bury and Altrincham and has continued through to the current construction of the Trafford Park extension. The first extension, to Eccles in 2000, linked Salford to the city centre.

In 2008, Metrolink embarked on a £1.9 billion investment programme that transformed the network and its service. It tripled in size, providing improved connectivity to jobs, retail and leisure opportunities for communities across the region. New park-and-ride facilities made the

network even more accessible and have helped to reduce traffic congestion across the region, while customer facilities have been upgraded and a brand new fleet of trams has been introduced. Extensions were completed to Chorlton in 2011, to East Didsbury, Droylsden and Ashton-under-Lyne in 2013, and, as the hon. Gentleman will be aware, to Oldham and Rochdale by 2014. I congratulate him on his timing in arriving at Oldham Council in time to take credit for many of the successes that were about to occur. That is always a good quality in a politician.

In addition, the Airport line was opened in 2014, winning the civil engineering achievement of the year award at the prestigious national rail awards in 2015. Other improvements have included the short extension to Media Village and, more recently, the Second City Crossing. The latter project is a short but important route designed to alleviate congestion and improve capacity by providing a second route through the city centre. It is already helping to improve the reliability and resilience of the network and allowing it to be operated to its full extent. The most recent development, however, is the construction of the Trafford Park extension, which is currently under way. This has been funded in part as a result of the devolution deal with the Greater Manchester combined authority, which gives the city the greater certainty it needs to invest in this, and other, important local schemes. This scheme, worth £350 million, will link some of Greater Manchester's busiest visitor destinations as well as running through Trafford Park—Europe's largest trading estate and home to more than 1,400 businesses employing over 33,000 people. Services are expected to start in 2020.

The result of all this investment and exciting development is that Metrolink is now the largest light rail network in the UK, with 93 stops along 57 miles of track. It is a model of what can be done with steady and sustained investment. It is a public transport network that passengers are using in large numbers, with 37 million passenger journeys in 2017—an increase of 10% on the previous year. That is a massive success overall and a reason why investment continues both from the Government and from the combined authority's own resources in order to make it happen.

I am aware of the hon. Gentleman's continued support, which he has made very clear, for further extensions to the Manchester Metrolink system such as the Ashton loop line from Ashton town centre to Oldham, and a spur to Middleton linking up to the Bury line to create an orbital line across the north and east of the conurbation—a “circle line”, as he has described it, at least in potentia. Indeed, he spoke on this topic in his maiden speech on 19 January 2016. The future development of the network is a matter for the Mayor of Greater Manchester, the combined authority, and Transport for Greater Manchester. I understand that the combined authority has a number of ideas about future expansion, including possible routes to Stockport, and a loop around Wythenshawe linking into the proposed HS2 station at Manchester airport, as well as, in the longer term, a possible third link across the city centre.

I congratulate the hon. Gentleman on putting this issue squarely on the public agenda once again. It faces local constituency interests and authorities as much as it faces central Government. For our part, we are currently considering a bid for funding from the large local

major scheme fund for a short extension of the existing Airport line to the expanding Terminal 2, which would ultimately be part of the Wythenshawe loop. We will announce a decision on that fairly soon. I also understand that Transport for Greater Manchester is looking closely at using tram-train technology. The current project to provide this between Sheffield and Rotherham should provide useful lessons on how this type of technology—potentially very useful and highly applicable—could be used elsewhere.

The Government will continue to work with the combined authority as it develops its strategies, and we will continue to consider future bids for funding. Greater Manchester has shown that it is also able to make use of its own resources and those of third parties to develop extensions without direct Government funding. I applaud that, but there is clearly merit in continuing to co-operate and work closely together on these big infrastructure projects.

The Metrolink system is only one of the light rail systems in this country. Our view on this development in transport is very simple: we support it and think it has massive benefits. We have already seen the impact of better integrated transport links for both passengers and the local economy in cities such as Nottingham, Birmingham and, as we have heard today, Manchester. In all three, the light rail system has become an integral part of the transport network. We have supported it because we know that it is part of a strong and resilient economy.

The new £1.7 billion Transforming Cities fund recently announced by the Chancellor will provide funding for more light rail schemes, which will help to drive productivity and growth in cities where it is most needed, connecting communities and making it quicker and easier for people to get around. The new fund will enable more English cities to reap those benefits, helping to deliver the opportunities and ambition of the industrial strategy across the country.

The joy of a light rail system is not merely that it supports an integrated transport network, which reduces congestion, but that it is good for air quality and very environmentally friendly. It is a green form of transport, which makes locations better places to live, not just better places to get to. We have seen evidence that implementing a light rail system helps to stimulate long-term employment growth and attract inward investment, boosting local economies. It can also bring in tourism and give a sense of place and distinction to an area—even one as already distinguished as Oldham.

I have seen examples of the transport system being a key consideration of companies wishing to invest. Few companies these days do not think about transport when deciding where to locate their main offices or even satellite offices. They know that light rail is popular with its users, and that is reflected in the statistics published by the Department for Transport, which show a record number of passengers using light rail. Passenger numbers continue to rise in England, to a record 267 million since records began in 1983. Independent figures also show passenger satisfaction riding high at around 93%, and 90% on the Metrolink.

However, we also have to be realistic and acknowledge that light rail is not necessarily suitable for every place. Each place is different and has its own demands, needs and interests. We feel that there is scope for the sector to

[Jesse Norman]

look more closely at how light rail can integrate with future forms of transport, such as driverless cars and other forms of mobility, as a service. The Government will continue to work closely with the sector across all of these modes to help bring about the improvements we all want to see in this area.

The Manchester Metrolink has been a great success. It has improved connectivity, access to jobs and retail and leisure opportunities for communities across the region. That has been made possible by the combined

commitments of significant local transport investment by central Government and investment made through the combined authority. We are confident that the Metrolink system will continue to play a key role in the future success of Greater Manchester, and I am delighted that this issue has been placed firmly on the public record by the hon. Gentleman.

Question put and agreed to.

5.57 pm

House adjourned.

Westminster Hall

Tuesday 20 March 2018

[SIR ROGER GALE *in the Chair*]

Local Infrastructure (East Midlands)

9.33 am

Lee Rowley (North East Derbyshire) (Con): I beg to move,

That this House has considered investment in local infrastructure to secure new homes in the East Midlands.

It is a pleasure to serve under your chairmanship, Sir Roger. I welcome the opportunity to debate this important topic, particularly from a regional perspective, with Members from all parties who have joined us. I welcome the hon. Member for Chesterfield (Toby Perkins), my constituency neighbour, and the hon. Member for Nottingham North (Alex Norris). I welcome everybody on the Government side, from my right hon. Friend the Member for Derbyshire Dales (Sir Patrick McLoughlin) to my hon. Friends the Members for Charnwood (Edward Argar) and for Northampton South (Andrew Lewer), as well as everybody else who is not from the east midlands but who has come to listen to this important debate none the less.

We all know that the United Kingdom faces a huge house building challenge over the coming years. With a growing population and strong economic growth over the last two decades, the number of houses built in this country has lagged behind the number needed to ensure that people have access to affordable homes to rent or buy to live in. The ability and aspiration to own a home, or the ability to rent a decent one, are a cornerstone of our democracy. It is usually the largest purchase that we ever make, and it roots us in our communities, gives us control over the place in which we live and allows us over time to accrue the capital that gives us the freedom to do as we wish in our lives.

Despite having cautioned against it in a previous debate, I will refer to polling to make my argument. Polling consistently shows that, given a free choice, 80% to 90% of people would ideally like to own a house if they could. Interestingly, that desire has only increased over time. According to Ipsos MORI's long-term tracker, those born before the wars were slightly less likely to aspire to own a home than those in subsequent generations.

However, the aspiration to own a home does not always equate to the ability to do so. Home ownership rates have been falling for a number of years; according to the labour force survey, just under two thirds of people were homeowners at the end of 2016, compared with nearly 70% 10 years earlier. Although home ownership rates have been higher in the east midlands than in the country as a whole, they have also drifted down slightly over the past 10 years, from just over 70% to just under it.

Although that headline movement is challenging enough, the actual distribution of that ownership has also shifted significantly over the past 10 years between different groups of people in our country, particularly by age. One of the most concerning trends is the reduction in home ownership for people my age

and below. The likelihood of owning a home for those aged between 18 and 34 has fallen from more than half in 2006 to just over a third.

Capitalism works only when someone has the ability to accrue capital. For too many people at the moment, particularly those in the younger generation, their aspiration to accrue capital is not matched by their ability to do so. We all know that we have a problem; it has been debated many times in this place. Although the roots of all problems are usually more complicated than they look, there is a general acceptance that the issue here can be diagnosed: demand remains, but supply has fallen behind. As the Secretary of State stated in his housing White Paper earlier this year:

"This country doesn't have enough homes. That's not a personal opinion or a political calculation. It's a simple statement of fact."

The population is growing—by some estimates, more than 210,000 households are created every single year—yet the number of new houses being built has not kept up with that demand in any meaningful way for a number of years. In fact, until last year it was more than a decade since that number was hit. To find a time when we consistently exceeded that volume of 210,000 homes, we have to go much further back. Last year we had a breakthrough, with 217,000 new homes built as part of the Government's target of achieving 1 million new homes by 2020. I welcome that, but we know that we have a significant amount of work to do to rebuild and to realise the home ownership aspirations of so many of our constituents.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for securing the debate. The specific topic does not relate to my constituency, but the general issue resonates with me. Does he agree that not only does investment provide affordable homes for families in desperate need, but the actual construction of the homes, which perhaps we do not focus on, provides jobs and an influx of spending power into the local economy? There are two wins: houses for people who need them, and jobs that boost the economy.

Lee Rowley: I completely agree. House building is important for home ownership and for helping people to rent and put down roots, but also for the economic growth and the jobs that come with house building in the first place.

There is a general consensus that increased house building is needed, both to house our growing population but also, I hope, to fulfil the home ownership aspirations I have talked about.

Toby Perkins (Chesterfield) (Lab): I congratulate the hon. Gentleman on securing the debate. He made an important point about how long it has been since home ownership kept up with demand. The truth is that home ownership has never kept up with demand, except for those times when Governments have built a significant number of homes. It is not in the interests of the house building industry to satisfy demand. Does he see a greater role for arms of the Government—whether local government or others—in satisfying our housing crisis?

Lee Rowley: There is a consensus that more homes need to be built. There are many ways in which they can be built; some will be via state intervention and some

[Lee Rowley]

will be via increased support for private building. I welcome them all. The reality is that we have to ensure that significant numbers of homes are built, and the Government are committed to that. The output is what is important to me, rather than necessarily the process, so long as the quality of those homes is at the level we want. The hon. Gentleman and I both know from our neighbouring constituencies that many of the problems with house building have come from houses that were poorly designed and built 30, 40 or 50 years ago, which we are now having to spend significant amounts of money rebuilding or renovating as a result.

In the east midlands, the aspiration to own a house, and therefore the need to build more houses, is just as fervent as it is in any other region of our country. That desire is propelled by the fastest growth rates outside London and the south-east, and by an underlying economic and industrial strength, which the region has always been proud of.

Edward Argar (Charnwood) (Con): My hon. Friend is absolutely right to emphasise the importance of home ownership, and indeed the economic growth in the east midlands. However, communities in my constituency, such as East Goscote and Queniborough, are very concerned about the potential for speculative applications in the wrong places, due to the council temporarily falling below its five-year land supply, as the council would normally deem application in those villages to be inappropriate. Does he agree that the key to getting this right, and to ensuring local support for more housing, is to build in the right places, with the right mix for the area to meet local needs, not in places where the infrastructure simply is not in place to support additional housing?

Lee Rowley: My hon. Friend is absolutely right, and I will move on to that point later in my speech. I too have a number of villages in my constituency that are affected by speculative house building. The important point, which I hope is the message that will come out from this debate, is that we need more houses, but we need them in the right place and we need to have local community consent in order to ensure that they are built.

The east midlands benefits from its strategic location, its workforce, its skills base, its good strategic connectivity, its strong supply chains and its reputation. It is an area that gets on with it. It is one of those quiet, industrious and energetic motors of the wider United Kingdom economy. Unemployment is lower than the national average and employment is higher. We are privileged to be the home of great cities such as Derby, Leicester, Lincoln, Northampton and Nottingham. We have East Midlands Airport and, in my own county, world-leading manufacturers such as Toyota, Bombardier and Rolls-Royce.

Over the past 30 years, my constituency has transformed itself into a manufacturing, logistics and service centre. As somebody who comes from the area, I am hugely proud of that. We are propelled by small and medium-sized business, the aspiration to do well and the desire to succeed and take advantage of the opportunities before us. For example, the Worcester Bosch factory is home to 300 workers in Clay Cross, the second-largest town in North East Derbyshire. The factory has been in our area for many decades. A few years ago it had only

100 employees but, following investment, support and increased market demand, it now has 300 workers and the number of oil-fired boilers coming off its production line has increased from 30,000 to 50,000 a year. The factory is a market leader and is showing the drive, ability and verve that is the hallmark of the east midlands. We are a “get on with it” constituency in a “can do” region, supporting a growth-driven and aspirational country.

We are also making significant strides on housing. Last year almost 15,000 new properties were built in the east midlands. After the south-west, that was the highest number of completions in the UK on a proportionate basis, based on the existing number of households in our area. That is more than the north-east and the north-west, and—for a proud region with the usual healthy competition, I hope my hon. Friend the Member for Morley and Outwood (Andrea Jenkyns) will not mind my saying—more than our friends across the border in Yorkshire and the Humber. However, if we are to meet the Government’s laudable objective of increasing the supply of homes, and therefore increasing the proportion of our constituents who have the opportunity to buy a home, we need to continue to assess and debate the challenges that prevent that from happening. That is the purpose of this debate.

Housing is a controversial topic on the doorsteps of Eckington, Killamarsh, Dronfield, Clay Cross and all the other towns and villages in my part of the world. Most of the residents I speak to recognise and support the Government’s objective of building more houses and their recognition of the importance of ensuring that the next generation can aspire to own their own home and have the same opportunities afforded to them. Many residents have personal experiences of sons or daughters who cannot get on the housing ladder, or perhaps they themselves are years away from doing so. Some of that is solved laterally, by being willing to move a few miles further out than would be ideal, by being willing to wait longer, or by the famous bank of mum and dad—I have to admit that I benefited from that in a small way when I bought my first property a few years ago. The desire to own is real and it continues to burn bright, irrespective of age or the place in which we live. Yet there is also real frustration about the way the house building process works and how the planning process manifests itself in the localities.

Alex Norris (Nottingham North) (Lab/Co-op): I congratulate the hon. Gentleman on securing the debate and the strong case he is making. Does he share my sadness that too often communities seem pitched against the developer and it becomes a battle of wills as to who will get what they want? One way around that, much in line with what my hon. Friend the Member for Chesterfield (Toby Perkins) said, might be for the community to be the developer through the local authority. The local authority would then have a greater stake in ensuring that the right infrastructure is in place to allow the development to live sympathetically in the community, because it will continue to have that relationship with the present and future communities.

Lee Rowley: I agree that communities and developers can often be pitched against each other—I have seen that in my constituency and will talk about it later.

For me, it is not about who builds the houses; it is about the consent to build them in the first place. That is the challenge. We have a good planning system as a whole. I wholeheartedly welcome the Localism Act 2011, but the reality is that it has to be implemented locally in a way that works, and in my part of the world it is the council that has not taken the leadership over the past 10 to 15 years. We have not had a local plan in North East Derbyshire since 2005. I would argue, from my experience, that that is where the problem has been created, because it leads to speculative planning applications that completely undermine the cause of house building in our part of the world. There is also a failure of leadership to say where housing should or should not be built, which engenders the cynicism that can cause the kinds of problems that the hon. Member for Nottingham North (Alex Norris) has referred to.

In North East Derbyshire we want to build new houses—people accept that we need to build more houses. As the hon. Member for Nottingham North indicated, there is huge frustration in my part of the world about the local plan. We have been without a local plan since 2005—it has still not been updated, despite several attempts. North East Derbyshire District Council is one of only 15 local authorities in the entire country being called out for failing relating to their local plan. Over the past four years that has encouraged the kind of speculative house building that hon. Members have already referred to.

The beautiful village of Ashover in my constituency has been fighting speculative housing applications for four years. Its settlement limits have been pretty consistent for 40 years, yet a field that for centuries has been used for pasture and grazing will now receive 40 houses. That is not the fault of local residents, or because those residents do not recognise that more housing needs to be built, but because the council did not get its local plan in and the five-year housing land supply could not be evidenced, which meant that those speculative applications could be pushed forward. That community had decided through its own neighbourhood plan to find more houses than will be built on that field, which it was trying to save in order to preserve the overall look and integrity of the village. I find that very sad. There are many examples of that across my constituency, as I am sure there are in others. We have to get the local plan right if there is to be consent in the first place for the house building that we all know we need.

There is also frustration about the lack of infrastructure and forward thinking, because infrastructure sometimes comes only after the house building has begun. To some extent that is a function of the planning system, which we all accept and recognise is a necessity. I recognise that capital spending on schools, health and other public services is unlocked through the provision of housing in the first place, but it is the strategic infrastructure—the next level up—that is particularly important. Some of the problems are solved by the planning process, however imperfectly, but many are not.

In my part of the world, roads and railways are a real problem. Staveley, which lies partly in the north of my constituency and partly in that of the hon. Member for Chesterfield, is a former mining town that has huge potential and is seeking to regenerate and rejuvenate over the next 10 to 20 years, building on its proud mining heritage and industrial past. It has been looking

for a bypass for many years—I believe that one has been in the works since 1927. If we want the bypass to be built before the proposal celebrates its centenary, we need to shout about it at country, regional and county level, and as MPs, so that it can unlock Staveley's potential.

Let me give another example. In the south of my constituency, just outside Chesterfield, is a stretch of the A61 that has been congested for many years—since I was growing up in a nearby village. It has experienced a significant increase in traffic over the past 10 years. In truth, it is a problem that will be difficult to solve. The county council has introduced some welcome changes through the local enterprise partnership, but they will not solve the underlying problem: a road that cannot cope with the amount of traffic on it.

The fundamental point is that even though the council has messed up its local plan and we are not building as many houses as we need in certain parts of north Derbyshire, there are plots around the A61 for up to 2,000 houses over the next 20 years, including brownfield sites for new houses on the old Biwater factory in Clay Cross and on the old Avenue coking works near where I live. Although people often do not want houses built near them, people in my part of the world generally recognise that those are the places where they should be built: brownfield sites with lots of potential that were once engines of growth in our area and can be so again. However, there is no point in building 2,000 new houses to the south of Chesterfield and creating jobs for the people in them if massive traffic jams on the A61 are going to stop them from getting between the two. We need to take a coherent approach to these problems.

The south of my constituency also used to have several railway stations—even my small village was proud to have its own station when it was a significant mining area—but they have all gone. Over the past eight or nine years, the Government have looked into improving and recreating rail opportunities and have put new investment into rail where possible—the former Secretary of State for Transport, my right hon. Friend the Member for Derbyshire Dales (Sir Patrick McLoughlin), is sitting next to me. I think there is a case for a new station in or around Clay Cross. That has been an aspiration for several years, and I hope that we can make it happen.

Solving congestion on the A61, creating a bypass that has been in the works for more than a century, investigating the potential for a new commuter station in areas that will grow and improve over the coming years—these are the projects that we need to consider in my part of the world to give people confidence that we are putting infrastructure in place. Other hon. Members will have equivalent examples from their constituencies.

A few weeks ago, I took the Transport Secretary around the south of my constituency. We looked at the Avenue coking works and then went down to Clay Cross to see where the old station used to be, near Tupton. He was very interested, and I am very grateful to him for coming to talk to us about it. I understand that these discussions take time, and I do not expect solutions to come quickly, but we have to start talking about the options so that solutions can emerge in the long term. Later in the day I took him up the A61, and what happened? We got into a massive traffic jam, which did my job for me: as well as demonstrating the problem, it gave me the time to explain it. He was a

[Lee Rowley]

captive audience, because we were sitting there moving at 0 mph—a problem that my constituents experience daily.

[IAN PAISLEY *in the Chair*]

I know that the Government are doing hugely encouraging things on infrastructure. Since 2010 they have been at the forefront of pushing the case for increased investment in the regions and spending on new infrastructure projects that will benefit millions of people—unclogging roads, building rail stations, renovating hospitals and expanding schools. To the Government's credit, we have seen some of that in Derbyshire over the past eight years. A new train station at Ilkeston, just down the road from my constituency, opened a few months ago and is already thriving, demonstrating what can be achieved through strategic planning. Recent improvements to the M1—a key artery that serves our region and is so important for our economic growth—include an additional lane to increase capacity.

As east midlands MPs, we should be hugely ambitious about what we and our region can achieve in the coming years. The Government are making huge progress on unleashing our economic potential and building the housing needed to support it. The east midlands is often a victim of its own success and its quiet determination to get on and get going. We remain stubbornly low in our infrastructure spending, particularly on roads and rail.

I know that regional comparisons are often misused by Members of Parliament, who take narrow figures and extrapolate from them all manner of evils that have befallen their area. I have therefore used only figures that show the east midlands in a good light—what we are doing to outperform, rather than why we have such issues. However, I hope that the Minister will allow me to point out that the east midlands is the lowest funded region for transport per head of population. Much is being achieved, and more will flow from those achievements in the coming years, but just because in the east midlands we sometimes prioritise getting on with things rather than shouting about them, I would not want the Minister to think that the Government do not need to focus on our infrastructure needs and on how we can propel and power progress over the next 20 or 30 years.

All MPs have asks to make, and I am no exception. We all recognise that many others are asking for support and that some of them may take priority—I do not envy the Government their job. I am not sure that we will ever solve all the constituency issues that I have raised today, but I certainly want to see how we can mitigate and make progress on some of our congestion problems. For example, I want to work with our local councils to get the bypass moving in the north of Chesterfield and unlock the opportunity to bring thousands of proper houses and jobs there.

I know that the Minister knows that the east midlands is open for business. I know that he knows that we are doing our bit and will do more in future. However, I also hope that he will remember us when we talk about the need for further spending to continue our economic growth. We accept the need for more housing and recognise that it needs to be built in the right place, but the east midlands knows that it needs the infrastructure

to support that new housing. The Government are doing much, but I hope and am sure that in the coming years they will look favourably on us and do more.

9.57 am

Toby Perkins (Chesterfield) (Lab): It is nice to see you in the Chair, Mr Paisley. I congratulate the hon. Member for North East Derbyshire (Lee Rowley) on his speech and on securing the debate. He is right that many of the issues he raised also apply to my constituency.

The hon. Gentleman focused on the need to achieve more house building starts. I entirely concur. Chesterfield has had huge success in attracting new sites for house building, and I am proud to have seen many new house building starts there over the past few years. The old football ground is now a housing estate, imaginatively called Spire Heights; fortunately the Spireites have a good new ground. The old rugby ground, where I used to run up and down, is now a housing estate called Rugby Drive; we have a very good rugby ground to replace it. The GKN cricket ground is also becoming a new housing estate.

Chesterfield is a very attractive destination for house building sites, but it faces many of the difficulties between residents and developers that my hon. Friend the Member for Nottingham North (Alex Norris) raised. Interestingly, even on sites where just one or two houses are being built, there are often widespread problems. When it comes to getting planning permission, sometimes it seems more difficult to build two houses than 80 houses. That is a real issue.

It is important that we hold the Government's feet to the fire on their record on house building. I find it incredible that a Conservative Government are overseeing the lowest number of new people becoming homeowners, as has been the case in recent years. It really is a significant flaw in the Government's record.

I positively support the opportunity for people to get Help to Buy. A relative of mine is currently going through the process of getting on to the housing ladder through that scheme, and there is some value in it. However, there is a more fundamental issue, which I referred to previously: it is not in the interests of the house building industry for the number of houses being built to meet demand. We all know what happens if there is a shortage of supply—prices go up.

There is also a skills part of this conversation that has not really been referred to yet. At a time when far too many young people are in very insecure work and they do not have huge amounts of skills, it seems a tragedy that we are so short of the people who we need to be trained up in the construction industry. There is a skills part of this whole equation that is missing, and there is certainly a role for Government in that regard.

As a homeowner and mortgage-payer myself, I am not advocating in any way that we should try to orchestrate some kind of collapse in the value of house prices. However, there needs to be a recognition that if the average price of a new home is going to be six or seven times the average wage, it will be increasingly difficult for new people to get into the housing market. As I said in my intervention on the hon. Member for North East Derbyshire, there will be times when the house building industry is able to meet the level of demand, as it did at times in the early part of this century, but in many cases it will not. There is a role for Government there.

I entirely support people's aspiration to own a home. I remember unlocking the door for the first time on the day I bought my first home, at the age of 22 or 23. I was a young man on a very modest wage, but I was able to afford a small two-bedroom cottage. It is a magical moment for someone when they buy their first home, so I do not ever want to undermine or underplay people's aspiration to own their own home. However, at a time when there is so much homelessness and so many people are in insecure accommodation, we should recognise that there is also a real value to people securing their first council house and that council houses can also be a route towards home ownership. That part of the whole equation has also been lost.

In the debate on housing in the main Chamber yesterday, I said that the Government really should look at the issue of right to buy on brand new houses. That is because I know that in Chesterfield there will be a real desire to get more houses built; in a small way, the council are getting houses built. However, there is a real worry that if the council was to make a substantial development and get new people into all those new homes, within three or four years those houses would all be getting bought off and the council would be hundreds of thousands of pounds out of pocket. There is a role for Government in that regard.

Although I support right to buy in general as a principle, if councils were given a moratorium that said that in the case of new homes they did not need to have right to buy for the first however many years, we would actually start to see more houses being built. People would have a choice: they could either take up the opportunity to get a new council house that they recognise would not have the right to buy, or they could stay on the housing list for all the council houses that already exist, which are already massively over-subscribed.

That is something that the Government should think carefully about, as is allowing councils to borrow in order to build. If we are serious about ending the housing crisis but all we are doing is pushing the supply side and trying to make it easier for people to afford a house—even if there is some value in that—simply by effectively providing the deposit, then we will continue to fail to get the number of houses to meet demand. I urge the Government to consider more seriously the steps that can be taken to support councils to do more of this type of thing.

The hon. Member for North East Derbyshire also referred to infrastructure. Again, I do not find myself in disagreement at all with what he said about the need for infrastructure to keep pace with new housing developments. He alluded to a couple of specific infrastructure challenges that both his constituents and mine face on the A61 and the Staveley bypass, and I am very keen to work closely with him on both those issues.

I first came to Chesterfield when I worked at CCS Media, which was slap bang on the A61; it was just inside my constituency and on the border with the hon. Gentleman's constituency. He is absolutely right to say what he did. Right back in 1990, I was sitting in my old Ford Cortina in exactly the kind of traffic jam that he took the Transport Secretary to see 27 years later. He is right to say that these key infrastructure problems exist.

The previous Government made a massive investment in junction 29A, which was a really welcome and positive step in generating hundreds of jobs out of Markham Vale. However, it is a shame that the work on the

development of that junction did not continue through to include work at the Staveley bypass, which it should have done.

The Government need to be held to account on infrastructure spending. They came to power in 2010, at a time when all kinds of pressures were slowing the economy down. However, one of their first decisions—I still remember the former Deputy Prime Minister, Nick Clegg, and the former Chief Secretary to the Treasury, Danny Alexander, standing up to speak—was to cancel all the infrastructure spending. What we saw was two or three years in which all infrastructure spending was slowed down, and although the rhetoric changed from 2012 and 2013 onwards, the level of infrastructure spending in the period between 2010 and 2015 was pitiful. There is a real need for infrastructure, including transport infrastructure, and also for Government intervention in making sure that the people with skills are available, to make construction affordable and to get more houses and more civil engineering projects built.

I will also take up the point that the hon. Gentleman raised about the level of spending in the east midlands. In Chesterfield, we are slightly unusual in that we consider ourselves—I certainly do—to be northern but Derbyshire. The Government consider us to be from the east midlands, but, as I say, I think people in Chesterfield consider themselves more northern than east midlands.

Whatever people consider themselves, the truth is that the east midlands has been massively overlooked in terms of the spending. The hon. Gentleman referred to the amount of spending on both house building and transport. It is true that when someone from the east midlands comes down to London, they meet people who have 10 times more spent on their transport than people in the east midlands do.

There are a number of reasons for that. Part of it is that the east midlands does not fit neatly into successive Governments' views about how to regenerate areas. I apologise in advance to my hon. Friend the Member for Nottingham North, but we are not a region where the cities dominate and where it is all about the cities. Actually, we are a region of small towns and villages, predominantly—much as Nottingham and Derby might like to think that they are the spoke in the centre of our wheel, they are not entirely.

I remember being at an event where we got east midlands council leaders together. Up on the top table, as was always the case, were the leaders of Nottingham City Council and Derby City Council, and sitting quite a way back from them was the leader of Derbyshire County Council. Of course, the leader of Derbyshire County Council has far more constituents than either of the other two, given the size of that authority. Nevertheless, successive Governments have seen the cities as the way to regenerate regions. There needs to be much more understanding both of the role that towns play and of the make-up of the east midlands. I entirely endorse the point made by the hon. Member for North East Derbyshire about the need for greater infrastructure spending in the east midlands.

Edward Argar: The hon. Gentleman is absolutely right to emphasise the importance of small and medium-sized towns, but I urge him not to forget Lincoln, Northampton and Leicester as key cities of our region, alongside Nottingham and Derby.

Toby Perkins: I have no intention of forgetting anything. I was perhaps more Chesterfield-focused but, yes, it is important to remember those cities. We should also remember that the surrounding area of Chesterfield, with north-east Derbyshire and Bolsover, is a fairly coherent unit that is basically the same size as Derby city but does not have anything like the same sort of focus.

I want to pose a challenge regarding the desire for politicians to get together. There was a real opportunity with devolution. The Government spoke about it strongly in 2015 but my sense is that it has been petering out since the 2017 election. I was disappointed that Chesterfield did not join the Sheffield city region. There was a coherent unit there that had a long-standing track record of attracting infrastructure spending and there was some real dishonesty about the debate on the whole matter. Notwithstanding that, there is no replacement Nottinghamshire-Derbyshire deal, and I think that exactly what I saw in the run-up to 2015 is what I have seen since: petty political infighting, meaning that our area is unable to punch to its weight, let alone above it. I urge all political leaders to get together to ensure that we get a devolution deal for the north-east midlands.

I again congratulate the hon. Member for North East Derbyshire on securing the debate and raising many important points. Our area really needs to start performing to its potential.

10.12 am

Sir Patrick McLoughlin (Derbyshire Dales) (Con): I congratulate my hon. Friend the Member for North East Derbyshire (Lee Rowley) on securing the debate, moving the motion effectively and setting out clearly not just the problems facing his constituency but the solutions. Since he has been in this House, he has shown a positive way of working and of advocating for his constituency, which abuts mine.

I must admit that I do not quite recognise what the hon. Member for Chesterfield (Toby Perkins) said about infrastructure spending. Infrastructure spending overall in the east midlands—in the whole country—has been very positive and very large indeed. At the moment, massive work is going on at Derby station. There is a £200 million investment, and a new platform and new signalling are being put in. That is real investment for the future of the east midlands. Likewise, there has been a lot of investment in Nottingham station. When I was Secretary of State for Transport, I closed the station for six weeks one summer and saw men working all hours to complete the job in that time. A fantastic job was done.

I want to talk about two other large infrastructure projects. One is the upgrading of the A38 around Derby, which is due to start in 2019. That will be another £250 million, to deal with the three islands around Derby, and it will significantly improve the infrastructure as far as the city is concerned. Secondly, I was pleased to be in Nottingham at the final opening of the dualling of the A453—long awaited but delivered by this Government—and the improvements to junction 24 of the M1. Those are big infrastructure projects that we have seen in the east midlands and I think they will make a big difference. There is no doubt that the upgrading of the M1 to a smart motorway, at the moment between junctions 23 and 25—it has already been done between junctions 25

and 28—causes a lot of disruption, but the long-term benefit is important, including for the region. So we can say that we have had a good share of the infrastructure investment made by the Government.

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): Does my right hon. Friend, who has vast experience of infrastructure spending, agree that it is not realistic to compare spending in a city with spending in a region? If the figures are conflated, a misleading balance is often produced.

Sir Patrick McLoughlin: I completely agree with the Minister. There is always talk about the investment that goes on in London. At the moment, there is Crossrail, which is a big investment. It is a project that has been wanted in the city for more than 40 years. I was a junior Transport Minister when Cecil Parkinson first announced he had the go-ahead, and it will be completed by the end of the year. Yes, it distorts the figures as far as the rest of the country is concerned, but we in the east midlands should be pleased about Crossrail, because the trains that will go on it are being built by Bombardier. Projects such as Crossrail and HS2 are national projects and the thing to do is ensure that we get investment in companies right across the country. The fact that the Crossrail carriages are being built in Derby and will, hopefully by the end of the year, run on the Elizabeth line—the name of the Crossrail line—is a fantastic achievement and, what is more, a fantastic engineering achievement for our country. I want to pay tribute, in this year of the engineer, to those people who have been progressing the build and the design of Crossrail.

It is misleading for people to confuse the investment in London, saying, “We’re not getting the same as London”. The investment in St Pancras station is beneficial to the east midlands. I remember going there 20 years ago and at that time no one would have wanted to spend more than five minutes there, instead arriving just as their train was leaving. Now, for those arriving half an hour early it is a fantastic place to be, almost a destination in its own right. I believe that St Pancras station is good news for the east midlands, because journeys to the region from London start from one of the finest stations in the country—likewise with King’s Cross. We need to get that right.

Earlier this year, the Government announced some money out of their marginal viability fund—something from the housing investment fund I understand—dedicating £55 million to the east midlands for various schemes. Here I want to come on to something that my hon. Friend the Member for North East Derbyshire said. I ask the Government to consider how they say to local authorities that money will be made available for schemes that lead to housing development. On the Staveley bypass, my hon. Friend said there would be housing development within the scheme. When I was Secretary of State for Transport, I had something called the local pinch point fund. It was £170 million in one year and was allocated on the basis of developers and local authorities coming forward with plans for road improvements of up to £10 million, which would lead to either more jobs or more housing. That seems a little like the marginal viability fund. I say to the Minister that sometimes such things are overcomplicated and should be much more straightforward and that future plans should be made available.

Seeing as we are all plugging our own schemes this morning, one scheme I would like to see—I am sure my hon. Friend the Member for North East Derbyshire will not mind me saying this—is the Ashbourne bypass. It would fit well into this particular project. It has already been partly bypassed on the A52, but the bit that links the A52 up to the A515 still needs to be done. If that scheme took place, that would lead to more housing development in the corridor where the new bypass would be.

It is important that we get the whole question of large-scale infrastructure investment right so that the region has the ability to attract business and companies. In the east midlands, we should not sell ourselves short. If we look at the Derbyshire, Nottinghamshire and Staffordshire borders, we have world-class engineering in Bombardier, Rolls-Royce, JCB and Toyota. They are world leaders and world-beaters in engineering. There is no doubt that is important for the prosperity of the area.

I ask the Government to be more open about when the other funds will be available. Shovel-ready schemes are important so that work can be started and got under way very quickly. The annoying thing that people get really angry about is that plans for housing development seem to take forever before the houses get built. Also, having given planning permissions for schemes, I know that more attention should be given to what money goes locally, such as to local schools. Sometimes the funds available are kept a bit too quiet and not too public.

I take issue with the hon. Member for Chesterfield only in so far as in the 30 years I have been in the House of Commons, I have not seen infrastructure investment in the east midlands like that we have seen over the past few years and will see in the future.

10.21 am

Andrew Lewer (Northampton South) (Con): It is a pleasure to serve under your chairmanship, Mr Paisley. I am pleased to participate in this debate on such an important topic as housing, infrastructure and local government. It was introduced by a very close political colleague and friend, my hon. Friend the Member for North East Derbyshire (Lee Rowley). I refer to my entry in the Register of Members' Financial Interests.

In the midst of Brexit negotiations, we should not forget the urgency of local matters that affect our constituents so much. That was proved by the Chancellor when he announced the Government's commitment to a total of £44 billion of capital funding, loans and guarantees to support the housing market through to 2022-23. Reforming the housing sector is a priority of the utmost importance to the UK. The goal is to deliver 300,000 net additional homes a year by the mid-2020s, which will be the highest level since 1970. Some of the strategies that are part of this grand sectoral investment have already started, such as the £5 billion housing infrastructure fund. That fund is expected to deliver 200,000 new homes. Last month, the £866 million first wave of the fund was announced. The home building fund, which was launched in 2016 and was increased in the 2017 Budget, is set to deliver 88,000 homes. As of December 2017, the fund had contracted 153 schemes, worth more than £1.4 billion in loan funding.

Broadening the perspective, not enough significance is allocated to how transport infrastructure impacts on the housing crisis, hence the great value of this debate. Transport infrastructure is fundamental in delivering housing supply and in determining the type of housing provision, which can vary from the car-based, pollution-intensive, sprawling, isolated suburban extensions to sustainable, safe, people-focused and well-planned communities. Reliable transport networks are essential to that growth and productivity, which is why the Government are delivering the biggest investment in railways since Victorian times. A total of £40 billion will be invested between 2014 and 2019, and that will benefit millions of passengers across the country. It will mean more trains, more seats and better stations. My right hon. Friend the Member for Derbyshire Dales (Sir Patrick McLoughlin) has already talked about that in concrete terms.

That is the broad infrastructural sweep, but what about the east midlands and Northamptonshire in particular? The importance of strategic planning cannot be stressed enough, but homes are about people. The involvement of the local community and other organisations and groups is essential in helping local councils to shape a local plan and prevent the purely top-down imposition of housing and infrastructure that would not be right for that area.

Regarding my constituency of Northampton South, I am pleased to say that in February, the borough council cabinet agreed that the council and Northampton Partnership Homes should build or acquire around 1,000 homes, including affordable rented housing, market rented housing and housing for sale over the next 10 years. The council has requested a meeting with the Ministry to explore ways in which the Government can help and support the council in its efforts to maximise the supply of new homes in Northampton within that scheme and more broadly. There are positive prospects to look forward to with forthcoming major investment projects in my area. They include: the Northampton growth management scheme, the north-west relief road, the Sandy Lane relief road, the Daventry development link and the Towcester A5 relief road. That adds up to more than £118 million in funding.

To be hugely topical as a Northamptonshire MP, there is a case, very much added to by the particular circumstances of Northampton—it is not an uncontroversial topic—for looking at local government reform to facilitate more joined-up and efficient provision of much-needed housing growth with properly co-ordinated and functioning infrastructure. As discussed at length in ResPublica's report, "Devo 2.0—The Case for Counties", devolution should expand beyond cities and advance the reform of local government in the counties. I was a district councillor for 12 years. For my sins, I was on a planning committee for 11 of those. I was a cabinet member. I was a county councillor for 10 years, and that included time leading Derbyshire County Council. As well as being deputy chairman of the Local Government Association for many years, I have been its vice-president since 2014.

I am proud of the achievements of the local government membership, as I am sure many people in two-tier district and county areas are. Those who served on urban district councils and rural district councils can be proud of their achievements in their era, but it is no

[*Andrew Lewer*]

disrespect to that former era and the work that went on in local government under the previous structure to say that it may have had its day and a change is needed. Population growth has been a challenge that has been hard to deal with in some of the two-tier areas. Some 60% of single-tier county areas were able to meet demand and provide homes for at least 95% of new households with an average population growth of 5,100. However, only 30% of district councils in two-tier areas were able to meet the same target, despite having average growth of only 1,750. It is not just about numbers. We heard recently in the Communities and Local Government Select Committee, as it was then called, about how housing and social care functions being together has helped Sunderland deliver better services for older people. Such synergies are clear with transport and housing.

I became a twin-hatted councillor for 10 of those 12 years to prevent responsibilities from being passed from pillar to post, where people say things like, “On-street is county. Off-street is district”, or, “We are a waste collection authority, but they are the waste disposal authority”, or, “Yes, we do libraries, but they do leisure centres.” With hard choices ahead of us and the need to fully engage the community, there is a democratic and administrative case to be made here when housing pressure is so great. As was rightly stated in the report I referred to, the collecting authority does not have an incentive to ensure that it receives the revenue needed to deliver infrastructure investment through section 106. The top-tier council is responsible for infrastructure, but the lower-tier council is in charge of collecting contributions from developers for infrastructure projects, and failure to collect that contribution limits the activity of the top-tier council. Nevertheless, developments continue to get approved without always necessarily having the right funds.

Another problematic aspect is that although services drive costs and go hand in hand with planning, it is not the planning authority that has the responsibility for the bulk of the ongoing costs as a result of the development. For reasons that are well known, Northamptonshire is right in the middle of this debate. The Dorset proposals, which have some genesis in the time that I spent writing the LGA peer report on Dorset in 2013, are starting a change away from a unanimity requirement towards some more rapid change in local government structures. I do not think people have cottoned on to how big that is and how quickly it will happen. In Northamptonshire, we have Cheshire as our potential model of two unitaries.

Bigger is not always better. We would not have any councils at all if we extended that principle too far. The economies of scale argument can be tested to breaking point. It is also important to keep the history. Cheshire is still Cheshire, and Northamptonshire will still be Northamptonshire, so this is not about the 1974, Edward Heath-style policies of creating fictional counties that no one had any connection or association with, such as Avon and, particularly pernicious, Hereford and Worcester. We need to look to functional economic geography and thus to the heart of the debate on joined-up infrastructural housing and local feel and needs, and yes, making those savings as well.

Oxfordshire, for instance, has claimed that a move from a two-tier authority to a unitary would not only increase local accountability, but an independent study

has estimated that it would save £100 million over the first five years to enable that council to boost housing and infrastructure.

Once the more coherent network of unitary authorities is set up, local authorities in England need to be more sovereign, more respected and less lorded over by central Government than they have been for many decades. That will incentivise strong leadership, high standards of accountability and therefore better delivery of housing and infrastructure. The investment announced by the Government is a great commitment to helping solve the housing crisis, but part of the solution to the problem is also local. In my time as a Member of the European Parliament, I saw how places in Denmark and Holland have a completely different relationship and respect level between national and local government. In leaving the EU, we must not turn away from best practice elsewhere or turn inward or, worst of all, turn Whitehallwards. We need to really respect such practice from elsewhere and learn from it.

In this debate we have heard, and will hear, about different pressures and needs regarding housing and infrastructure across the east midlands. They are different in different places. The solution, as far as there ever will be one, is a serious commitment to localism.

10.33 am

Tony Lloyd (Rochdale) (Lab): I congratulate the hon. Member for North East Derbyshire (Lee Rowley) on securing an interesting debate that has covered a huge range—from Sandy Lane all the way through to Crossrail and investment in St Pancras. There have been important contributions across the piece on which I will comment as I go along.

Housing has shot up the political agenda dramatically. My own party has been banging the drum for some time, but it is good that the Government are beginning to talk about the fundamental importance of housing both as a social and an economic driver. That must be welcomed. However, we are still not where we ought to be: intelligent public policy, mixed with the private sector and working with local government. The hon. Member for Northampton South (Andrew Lewer) has already mentioned the importance of local government in the mix.

We ought to have a policy of housing replacement. The hon. Member for North East Derbyshire referred to the fact that in the east midlands there is a higher rate of housing formation than in most other parts of the country, but it will still take 135 years for it to replace its existing housing stocks. Houses that were built 50 years ago will not last the next 85 years, so we have to do massively better.

We need a mix of housing, but we do not have that in the east midlands. Of the roughly 15,000 new homes built in 2015-16, the overwhelming majority, 12,500, were built by the private sector for owner occupation. Some 2,000 were built by housing associations, but they are often for sale as well. Only 200 were built by local authorities. That does not provide the housing mix that allows people to be properly housed.

In Derby, for example, the average house price is just short of £170,000. Someone needs an income of £37,000 to £40,000 to service such a purchase, and that is above the levels of income typical in large parts of the

east midlands. We know there will always be a need for social rented accommodation and we must see local authorities as part of that mix. I endorse the words of my hon. Friend the Member for Chesterfield (Toby Perkins) about the need to look at the right to buy and how councils build houses that simply disappear from the stock. We must at least see adequate replacement.

We must recognise that houses are people's homes in their own communities. That emphasises the importance of infrastructure. If we do not integrate the planning process and make infrastructure an integral part of planning for people's homes, then we miss a huge trick. That means public involvement because only the public sector can have such a planning framework. However, there are problems with that.

People who know my background are aware that I spent time working on the devolution agenda in a very practical way. I profoundly believe that there should be devolution from central Government, who have been far too centralising. Frankly, Government Department does not talk to Government Department; it is much easier at the level of a Northamptonshire or Derbyshire local authority.

For the sake of brevity, I will not name every east midlands county. Localism is important for coherent planning. It is possible to integrate, although I recognise there are difficulties and different arm wrestles between counties and districts. I will not get into the local government reorganisation debate, but devolution is fundamental to the delivery of good infrastructure. We are not there yet across the country.

We must also recognise that the Government are preoccupied with London. I disagree with the right hon. Member for Derbyshire Dales (Sir Patrick McLoughlin). Crossrail might be necessary for London, but London should not get the lion's share of investment too often, whether it is for transport or across the piece. Of course the national capital is economically important, but we do not have a balance. It is not reasonable for public infrastructure investment in the east midlands to be only half that of London. In terms of economic investment, for example, it is only a third of that that goes into the national capital. That is not efficient for the nation's economy.

Hon. Members have rightly emphasised the importance of the industrial traditions of the east midlands. I have studied and worked in the east midlands, so I am well aware of both the challenges and the opportunities. To liberate the capacity of that industry, we need public investment on a more equitable footing. The Government have to begin to rethink their allocation processes. Interestingly, in the week when the Government re-committed to Crossrail 2, they announced that the electrification of the midland line would not go ahead. That was a symbolic and interesting commentary on the Government's priorities.

Sir Patrick McLoughlin: From the hon. Gentleman's previous experience in Manchester, he will know that HS2 and the whole concept of the Northern powerhouse, which was pushed heavily by the previous Chancellor, are very important. In the hon. Gentleman's area, there will be one of the biggest upgrades of Northern Rail in the next eight or nine months, with brand new rolling stock—something that was completely missed out when the last franchise was awarded under the previous Labour Government.

Tony Lloyd: Today's debate is not about the north of England, but clearly I welcome what the right hon. Gentleman has mentioned. However, I do not just live in the Greater Manchester area; as I travel around, I recognise that we have a long way to go. I recently travelled between Manchester and Nottingham, and the journey was frankly worse than many decades ago, when I lived in Nottingham as a young man. We have to do better. *[Interruption.]* It was many decades ago—hon. Members can check the record. The investment in St Pancras is welcome, but it has not been mirrored by the same kind of investment in Nottingham station. It is not of the same quality as our London stations.

Another issue is the atomisation of local government. I was talking to the deputy leader of Derby City Council recently, and he made the point that the building control and planning departments in his city council have been eroded over recent years, and that is typical of every local authority across the country. I welcome the fact that there will now be an increase in fees in this area, but the skills infrastructure in our local authorities has declined, and it will take time to rebuild that. We need to recognise that if infrastructure is destroyed, it takes time to rebuild it.

My hon. Friend the Member for Chesterfield made the point that we have the same issue with the skills mix in the construction industry. In the east midlands, we simply do not have the skilled workers for the great leap forward that we need. Those are major issues that we have to look at. Another issue that the Government have to address on infrastructure investment—this is another point that the deputy leader in Derby made to me—is that when Derby, for example, is trying to match its schools with its housing developments, because all new schools have to be academies and therefore delivered outside the local authority framework, a much more complicated balancing act is now needed to incentivise local people to look at section 106 funding to erect the structure for a new school to be built. That is not the right way to plan. We need better mechanics for our planning.

Statistics on the level of infrastructure may be misleading, but they are an important comparator. As a nation, we do not invest in our infrastructure. The World Economic Forum said recently that when it comes to infrastructure quality we have slipped from 16th place to 24th between 2006 and today. That is a major issue if we are to attract the inward investment into the east midlands and other parts of the country. Even the Government's present plans for infrastructure spending—about 2.8% of GDP—are below the OECD's recommended level of 3.5% internationally. We are falling behind even now, as the economic tide has changed after the global crisis. We are still lagging behind the levels of infrastructure spending that we need.

Within that, the east midlands does badly. Hon. Members on both sides of the Chamber representing communities in the east midlands should be jumping up and down on that issue. The spend on transport infrastructure in the east midlands is some 49% of the national average. That is a long way short of what the east midlands needs for the local schemes that Government Members have talked about. The spend on health is only 79% of the national average; on schools, it is some 78%. At important levels, the east midlands is sliding behind what the nation as a whole can deliver. Hon. Members ought to be concerned about that.

[Tony Lloyd]

East Midlands Councils, in its committee report, said:

"The recent trend has worsened...and in summary, Government statistics demonstrate that in 2015-16, the East Midlands has...The lowest level of public expenditure on 'economic affairs'...The lowest level of public expenditure on transport, in total and per head...The lowest level of public expenditure on rail per head...The 3rd lowest on health care...The 3rd lowest on education...The 3rd lowest total of public expenditure on services, in total and per head."

Frankly, if I were an east midlands MP I would be saying to the Minister, "It's not good enough. What are you going to do about it?"

The fundamental issue, which comes back to the important speech made by the hon. Member for Northampton South, is that central Government will never provide the joined-up structures that we need to deliver the infrastructure development that will liberate the houses of the future. With no disrespect to the Minister, he covers a huge range of issues. A Treasury Minister probably ought to be responding to today's debate, if we are to see real join-up in central Government. We also have to give our local communities, through their local elected representatives, the capacity for strategic planning both to build housing consistent with local communities, and to plan public infrastructure, so that schools, hospitals, health services, roads, and transport systems are provided for those houses and those communities.

This is a very important debate, and I congratulate the hon. Member for North East Derbyshire on securing it.

10.46 am

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): It is a pleasure to respond to this debate. In line with tradition, I intend to leave my hon. Friend the Member for North East Derbyshire (Lee Rowley) a minute or two at the end to wind up.

I will rattle through some of the contributions. First, I congratulate my hon. Friend on introducing the debate, and on the elegant and forceful way he put the case for his constituents. He is the first Conservative Member of Parliament for his constituency since 1931 and, my goodness, he is doing a fantastic job. It was great to have a contribution from the hon. Member for Strangford (Jim Shannon), and I know that my hon. Friend the Member for Cannock Chase (Amanda Milling), as a Government Whip, has been champing at the bit to champion her constituency. She took the opportunity over the weekend to lobby me about Rugeley power station. In addition, the electrification of the Chase line—something I know that she has been a huge advocate for—is a great demonstration of the Government's investment in infrastructure. My hon. Friend the Member for Charnwood (Edward Argar) made a great contribution, showing that the fox's county still has a couple of wags left in its tail when correcting the hon. Member for Chesterfield (Toby Perkins), saying that he had forgotten Leicester. It is unfortunate that my hon. Friend has gone to wag his tail somewhere else for the conclusion of the debate.

The hon. Member for Chesterfield spent some time castigating the Government for the number of houses that we are building. I gently point out that we inherited

a housing system in which we were building fewer houses than we were in the 1920s, because of the recession caused in part by the Labour party. Recently, we have seen figures showing that the number of house-starts in construction increased by more than three quarters between 2009 and 2016. Just a few weeks ago, the Halifax survey showed that the number of first-time buyers is at its highest for 10 years.

The hon. Gentleman also spent some time saying that we should address youth unemployment and skills. I am pleased that we now have more people in employment than at any time since the 1970s, particularly with the introduction of T-levels and the Government's drive to create 3 million high-level apprenticeships. That will ensure that young men and women come through our education system with the necessary skills to build an economy fit for the future.

My hon. Friend the Member for Northampton South (Andrew Lewer) talked about devolution. I would happily have an entire debate devoted to that subject. In my view, devolution should be the golden thread of Brexit. When more than 60% of my constituents voted to leave the European Union, they did not do so to bring more powers back to Whitehall; they wanted to bring more power back to themselves and, in my case, to east Lancashire. Of those areas that voted remain, the vast majority—London, Manchester, Liverpool, large parts of Wales and Scotland—already benefit from devolution, which shows that where people feel more connected with local government and government in general, they were, in my opinion, more likely to vote to remain in the European Union.

My hon. Friend the Member for Northampton South also correctly pointed out that there is huge pent-up demand for devolution and for local government reorganisation. Eric Pickles famously said that he had a nickel-plated, pearl-handled revolver in his desk drawer for the first MP to come and ask him about local government reorganisation. Recent progress in that area shows that the Government's position has changed and we would now welcome discussions from any area about local government reorganisation. That big change, led by Dorset, may be the trickle that leads to a torrent.

My right hon. Friend the Member for Derbyshire Dales (Sir Patrick McLoughlin) delivered a masterclass on transport and infrastructure. I was interested to hear how he has made himself massively popular by closing Nottingham station for six weeks—I am sure that was a pretty difficult thing to do. His point about housing infrastructure having to come before development, in order to support development, reflects a lot of the debate today. There are legitimate concerns about whether buses can take the capacity of new houses and whether local primary and secondary schools have the capacity. That is exactly why the Government set up the housing infrastructure fund; it is an acknowledgment that people want infrastructure first. That is what we are doing.

The announcement of the second phase of bids to the housing infrastructure fund is due to take place tomorrow. I say to all right hon. and hon. Members whose areas have submitted a bid that, even if the bid fails, Homes England has committed to continuing to work with areas to bring forward both the infrastructure and the housing development of the good bids.

My right hon. Friend the Member for Derbyshire Dales will of course be aware that our right hon. Friend the Member for West Dorset (Sir Oliver Letwin) is

working on the Government's plan to bring forward sites for development. It is a common problem across the country that people refer to anecdotally, saying that there are more planning permissions granted in their area than are being built out. Our right hon. Friend is looking at how we can tackle that issue.

I agree with comments from the Opposition spokesperson, the hon. Member for Rochdale (Tony Lloyd), about the idea of replacing housing. It is a very interesting area. Houses built in this day and age do not seem to last as long as the fantastic Victorian terraced houses that I have across my constituency. Of course, I remind the hon. Gentleman that when the Labour Government left office in 2010 there were 400,000 fewer social homes than there were when they took office. I would have hoped that they would spend a bit more time devoting themselves to delivering social homes, rather than removing them from our national housing stock.

The hon. Gentlemen used the issue of house prices in Derby interestingly and well to demonstrate the crisis in affordability. It neatly demonstrates that the housing crisis is a national crisis. When people talk about the focus that the Government are putting on tackling the housing crisis, all too often they talk about the housing crisis as being a problem in London. It clearly is not; it is as much a problem in the midlands engine or the northern powerhouse as in any other area of our country. Through the £5 billion in the housing infrastructure fund, the changes we are making to the national planning policy framework and other matters outlined in the housing White Paper and the Budget, we have set out an absolute determination to tackle the housing crisis not just for London and the south-east, which we have talked about a lot today in terms of spending, but for our entire nation and constituents all over the country.

With that in mind, on 1 February the Government announced the first wave of funding from the housing infrastructure fund: some £886 million for 133 local projects. I am delighted to say that £55.2 million of that went towards 49 projects in the east midlands, which shows how we are using housing infrastructure to drive development. It includes £2 million to Sleaford West to unlock 1,400 new homes, creating a new roundabout to unlock development; £3.6 million to the Desborough North project, creating 700 new homes, where the housing infrastructure paid for a school and community facilities; and £2 million to Hogshaw and the Granby Road sites in Buxton, which released 675 new homes by making new road junctions and improvements.

My hon. Friend the Member for North East Derbyshire mentioned the A61 corridor. He raised specific concerns about that corridor. From the Ford Cortina traffic jam to the Secretary of State for Transport traffic jam, the problem is obviously ongoing. We are taking action and have given £1.9 billion to the midlands through the local growth fund, which includes support for transport connectivity, as well as skills and support to grow the local economy. Some £257 million of that funding was earmarked for the D2N2 local enterprise partnership, which has been putting that money to good use, including by investing £12.8 million in improvements to the A61 corridor into and through Chesterfield. That will improve infrastructure and unlock opportunities for major housing development, including some of the houses we have

discussed today, and the growth of Chesterfield and North East Derbyshire over the months and years to come.

A good way of demonstrating that commitment is the Avenue project in North East Derbyshire, which my hon. Friend referred to. I will conclude with that example because it is a particularly pertinent example of good practice. The project is located in Wingerworth—I am sure my hon. Friend will tell me after the debate whether I have pronounced that correctly—on a former coking works, once described as the most polluted site in the entirety of England. A completion ceremony is taking place on the site this very morning to mark the end of remediation and the new chapter of building homes. With support from Homes England, the site has been transformed and will deliver 489 new homes, all starting in the spring, a new primary school, 2.8 hectares of employment land, road improvements, including new access to the A61, and a wildlife habitat and country park.

That example, one of many we have heard about today, is a demonstration of how this Government, together with Homes England, working in partnership with local authorities, are prioritising the delivery of homes. My hon. Friend started the debate by saying that it is still an ambition of people across this country to own their own homes. I absolutely agree. When I travel across the country, people will say that what they most desire to be able to afford is their own home. The Conservative party is the party of home ownership and this Government are on the side of all those aspirational young and old people who would like to own a home in the east midlands.

10.58 am

Lee Rowley: I thank everybody who has contributed today. It has been a positive debate that occasionally deviated into much larger areas around policy and housing for the future. On the whole, the message from the debate is clear: the east midlands is open for business and wants to get on. To help us get on with getting on, we need infrastructure support, which we are getting and need to continue to get in future.

I welcome the Minister's comments and I thank him for his support in many of the areas we have discussed today. He is absolutely right that if we are to get this moving and ensure that regions such as the east midlands can move forward in the way that we all hope, devolution is vital. I look forward to supporting additional devolution measures when they come forward, and changes to governance structures where necessary, as my hon. Friend the Member for Northampton South (Andrew Lewer) indicated.

I am very pleased with the discussion today and grateful to all hon. Members for making the time and taking the opportunity to talk about the issue. The Minister spoke about the Avenue project, which is a crucial project in my part of the world. In order to bring forward more Avenues—more brownfield sites that were once the most polluted parts of the country and can now bring forward the kinds of homes we need to support the aspiration of home ownership—we need support for infrastructure. I know that the Government are committed to doing that and that there will be more Avenues in future, consented to and supported by local

[Lee Rowley]

people, because they will see the benefits of the economic growth that they can bring to the local area, helped by the infrastructure support from the Government.

Question put and agreed to.

Resolved,

That this House has considered investment in local infrastructure to secure new homes in the East Midlands.

Truth and Reconciliation Commission: Sri Lanka

11 am

Paul Scully (Sutton and Cheam) (Con): I beg to move,

That this House has considered the establishment of a truth and reconciliation commission in Sri Lanka.

It is a pleasure to serve under your chairmanship, Mr Paisley. I am delighted to be joined by fellow members of the all-party parliamentary group for Tamils. The turnout represents the depth of feeling, particularly among the Tamil diaspora, in our constituencies. Yesterday, I led a debate in this Chamber on cystic fibrosis, which was the first time I have seen it with standing room only. The fact that there are fewer Members here for this debate does not negate its importance. Every Member in this Chamber represents many thousands of members of the Tamil diaspora, who remain concerned about what is happening in Sri Lanka and the Sri Lankan Government's slow progress in meeting the terms of UN Human Rights Council resolution 30/1, which the Sri Lankan Government co-sponsored.

Tom Brake (Carshalton and Wallington) (LD): I thank the hon. Gentleman for securing this debate. He is right that there is all-party agreement on this issue. Does he agree that one of critical things we need from the Sri Lankan Government is a commitment to the timescales by which they will have delivered the commitments they have made?

Paul Scully: I thank the right hon. Gentleman for that intervention. I absolutely agree. One of the things we need to say today is that we are nearly three years into this. Resolution 30/1 has been extended for a further two years, and we are halfway through that intervention. None of us wants to reach an impasse in a year's time and go back to the UNHRC in Geneva to say, "Okay, guys, what has happened? Nothing."

When the all-party group spoke to the Minister a little while ago, we said that if we get to this stage and still not much is happening, alarm bells will ring. I remember asking the Minister what the alarm bells meant. The hon. Member for Ilford North (Wes Streeting) and I went to the UNHRC, and there seemed to be a sense that there is not a lot it can do, which is slightly concerning.

Joan Ryan (Enfield North) (Lab): I congratulate the hon. Gentleman on securing this debate and on the work he is doing as chair of the all-party group. Although not much is happening and the UNHRC does not seem able to move forward, there has been appalling sectarian violence in Sri Lanka in recent weeks, which has resulted in the imposition of a state of emergency for the first time in seven years. Does he agree that, unless the Sri Lankan Government finally tackle the culture of impunity on the island and provide a genuine reckoning with the past, which I think he is arguing for, the country will be unable to lay the foundations of a sustainable peace?

Paul Scully: I thank the right hon. Lady for that intervention. I apologise to hon. Members that this is only a 30-minute debate, so they may not have as much

time as they wish to share their views on behalf of their constituents. I am sure the Minister is pleased that he has got a bit more time to go out and talk to the Sri Lankan Government and other people, rather than spend time here.

On the issue of sectarian violence, the right hon. Lady is absolutely right. There was recently an outbreak of violence: petrol bombs were thrown at Muslim homes, shops and mosques. That is of real concern because there is an ongoing pattern of systemic violence by the authorities and a number of other issues, which I will try to touch on.

One of the things I try to do when I look at countries in the area—I have just come from an International Development Committee meeting about Burma and Bangladesh—is to triangulate what is happening in these countries. The sectarian violence against Muslims in Sri Lanka has real echoes of what is happening in Burma to the Rohingya Muslims. Indeed, there are Rohingyas in Sri Lanka. Unless we ensure there is a truth and reconciliation mechanism that has the confidence of the diaspora and the people left in Sri Lanka, the cycle will repeat. We need only look at how party politics works in Bangladesh now. There are still echoes of the war of independence and its aftermath, some 47 years on.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on securing this debate. As the right hon. Member for Enfield North (Joan Ryan) said, in the past one of the key issues was freedom of religion, and the persecution and murder of people because of their faith. We would very much like to see truth and reconciliation. Does he agree that, for trust to be rebuilt in a community ravaged by guerrilla warfare and terrorism, people need to believe that there is a way of trusting a new generation? Support for and education of children is a driver for securing a future and hope for a war-torn nation. People need freedom of religion and the freedom to worship their God in the way they wish to.

Paul Scully: The hon. Gentleman is absolutely right. The way to move on, in addition to truth and reconciliation, is through education. I am going to a Tamil school in my constituency this Saturday, I think. When we go to that sort of cultural event, we always welcome the fact that British Tamils celebrate their heritage. They do so through song, dance and poetry, but they also remember. We recently held Holocaust Memorial Day here, which is a day on which we look back on the atrocities that ravaged Europe. Tamils similarly look back at what happened at Mullivaikal.

One of the toughest things that the hon. Member for Ilford North and I had to do was to listen to the testimony of survivors of Mullivaikal, who talked about people who had gone missing and those who had literally been ripped in half during the shelling of a hospital, which was deliberately targeted by the army. Normally in armed conflicts, the co-ordinates of hospitals and buildings of that sort are given out so that they are avoided. That hospital looked like it had been deliberately targeted.

We can see why people are so emotional, even now. To go back to Bangladesh for a second, it is the 47th anniversary of independence, and last Saturday I was speaking to a veteran of that war, who was in tears

recounting his story. That was 47 years ago. In the case of Sri Lanka, we are talking about 2009—just the blink of an eye—so it is no surprise that the emotions are so raw.

UNHRC resolution 30/1 does not just talk about the truth, reconciliation and justice mechanism; it talks about human rights in general. It says that the Prevention of Terrorism Act needs to be ripped up and started again to bring it up to modern standards. It talks about land-grabbing and the return of land to people. The hon. Member for Strangford (Jim Shannon) talked about religious tolerance. Buddhist structures have been popping up in the north and the east of the country, which antagonises Tamils there. The UNHRC resolution talks about setting up an office of missing persons. Although that has been signed off, we need to see that office properly established and doing its work. If the international community and the UN help it do its work, that would be welcome. I hope the Sri Lankan Government will respond positively to such requests.

When we were in Geneva, we saw a traffic-light or RAG—red, amber, green—system for rating how the Sri Lankan Government have been progressing on implementation of the resolution. There were far too many red lights for our liking. Some things are low-hanging fruit, such as the Government having a list of the disappeared that has never been published. They have the list. Why can they not just publish it?

We met mothers of the disappeared, a small group of people who had lost not only their children but their husbands and their grandchildren. We met them and took some photos, but we did not want to share those photos for fear of what people might have to go back to. That cannot be right. Those people, who have had so much pain and suffering, are in fear for their lives and of reprisals when they go back to their home country. It is important that we look into such matters to move forward.

Wes Streeting (Ilford North) (Lab): Does the hon. Gentleman agree with me that the people in Sri Lanka who do not want the resolution to be implemented are, in effect, engaged in a war of attrition—both with more progressive elements in their own Government and with the wider international community? They hope that, as time passes, as personnel such as the UN High Commissioner for Human Rights move on or Governments change, we will just forget about it. They think that they will be able to move on with impunity. That is exactly why the international community needs to keep up external pressure on the Sri Lankan Government to ensure that they sign up to the commitments they made, alongside the rest of the international community, in that important UN Human Rights Council resolution.

Paul Scully: The hon. Gentleman makes a very good point, which goes back to what the right hon. Member for Carshalton and Wallington (Tom Brake) was saying as well: it is too easy for the situation to drift. It is too easy for us to get to next year, as I was saying, and to find that nothing has happened. That is why a time-bound plan, as the hon. Member for Ilford North suggests, is the right way forward. That would mean that we can look at staging posts along the way to ensure that action is happening.

Tom Brake: The hon. Gentleman is generous to give way again. Does he agree with me that the Sri Lankan Government have nothing to fear from this? An office for missing persons, for example, or a truth and reconciliation commission, would look at what happened on both sides, which would be of benefit to everybody in Sri Lanka, not only to one group or another.

Paul Scully: The right hon. Gentleman makes an absolutely valid point. That is true: implementation is a way of moving forward for both sides, and it needs to move forward.

Under the European Union's generalised scheme of preferences, Sri Lanka has just received back GSP-plus or most favoured trading status, much to the frustration of our all-party parliamentary group. We all want Sri Lanka to succeed—of course we do: we want the economy to be developed for the sake of all the people of Sri Lanka, Tamils and Sinhalese alike—but none the less the fear is that the pace is too quick and that we are releasing all our levers of influence before having any sense of meaningful progress. Moving things on through a time-bound plan, we believe, is the way forward.

When we were in Geneva, we met representatives of the missions of Germany, Macedonia, Canada, India and the EU mission itself. They all seemed incredibly supportive of keeping the heat on Sri Lanka to ensure that it adheres to the resolution that it co-sponsored. But when we asked what would actually happen when we got to next year, the answer was really a bit of a shrug of the shoulders: they could come up with another resolution, or the UN Security Council might be another way to do something, although that is a very different arm of the UN—a very different instrument. Going down that route would get us into a whole other dynamic of geopolitics. We are talking about human rights, not necessarily security: two separate issues.

What other avenue does the UNHRC have? I fear that there is not one, so we have to look at the validity and purpose of the HRC. It needs to be seen to be effective, because otherwise the institution itself is undermined. That might result in situations in which people feel that they can do what they want. Again, to return to somewhere such as Burma, if it can do something without any punishment, any repercussions or a forward view, why not do what it wants to do? What is needed is for the international community to be able to act, and to be able to act effectively.

Joan Ryan: I thank the hon. Gentleman for giving way again. Does he agree that the restoration of GSP-plus by the European Union seems to be giving a signal that things are moving forward when in fact nothing has moved forward? When the Minister responds, it would be useful to know exactly what line he took on the restoration of GSP-plus and how firm he was with the European Union on the matter, because I do not think for a moment that that status should have been restored.

Paul Scully: I thank the right hon. Lady for making that point. As I said, GSP-plus absolutely has its place in building Sri Lanka's economy, but its restoration was far too early. Nobody wants to hold a country such as Sri Lanka back, because too many people are affected by lack of development of the economy. None the less, the Sri Lankan Government—who, frankly, have their

own problems, as we have seen in the recent elections—need strong leadership. More to the point, the Sri Lankan people need strong leadership. It is not for us to run their country or tell them how it should be governed, but we are here, as critical friends, to ensure that human rights abuses do not continue and that historical human rights abuses are dealt with firmly but fairly.

Finally, I will move on to the main body of the debate, which is not about the ongoing human rights situation, but about settling what has happened, and that relates to the truth and reconciliation commission. We have talked about the office of missing persons, the Prevention of Terrorism Act, the ongoing systemic use of violence by the police and the land-grabbing. What Sri Lankan people need, and not only those in this country—such as the 2,500 or so of the Tamil diaspora group in my constituency, with similar numbers in the constituencies of other hon. Members present in the Chamber today—and throughout the world, in Canada, Australia and all places, but Tamils in Sri Lanka, is a system of reconciliation and justice that includes international and independent representation so that people can tell their story and bring some to book, confident that they are not standing before those who might have perpetrated such crimes or their friends. People who appear before such a commission want confidence that they will get justice, and that reprisals will not follow for them or their family.

People want to make it safe not only for those in Sri Lanka to remain in their communities but, ultimately, for the diaspora to go back and forth to Sri Lanka and, more to the point, to invest there—that comes back to GSP-plus and the wider view of the economy. The diaspora in this country has done very good things economically, making a great contribution to this country, so if we can get them to have the confidence to go back and invest in Sri Lanka, that would be great for everyone there. If we can move the judicial process on with our support and international support, that has to be a good thing.

Will the Minister ensure that he keeps the pressure on? Perhaps he will detail what more we can do to secure a time-bound plan and, ultimately, if Sri Lanka does not adhere to resolution 30/01, what are the next moves that we can take?

11.18 am

The Minister for Asia and the Pacific (Mark Field): I congratulate my hon. Friend the Member for Sutton and Cheam (Paul Scully) on securing this debate. I pay tribute to his passionate commitment to Sri Lanka, which predates his arrival in this House, although since then he has been an energetic leader as the chairman of the all-party parliamentary group for Tamils and on a range of issues in Burma too, as discussed.

Needless to say, I am also grateful for the attention and commitment of the other Members present: the right hon. Members for Enfield North (Joan Ryan) and for Carshalton and Wallington (Tom Brake), and the hon. Members for Ilford North (Wes Streeting) and for Strangford (Jim Shannon). I will try to respond to all the points made.

Let me offer my condolences to the families and friends of those who were killed in the recent intercommunal violence in Sri Lanka. Right hon. and hon. Members

will know that that violence was not Sinhalese-Tamil, but Sinhalese against other communities, and it came in the immediate aftermath of highly contested local elections. Inciting violence in the name of religion or ethnicity clearly has no place in any civilised society. We support the Sri Lankan Government's swift action to bring the violence to an end, but equally we implore the authorities properly to respect human rights in doing so.

We welcome the ending of the state of emergency that was announced yesterday morning, but we urge the Sri Lankan Government to ensure that there is an independent judicial holding of the perpetrators of that violence to account. Those events are yet another reminder of the continued importance of rebuilding trust and mutual respect between the communities and of the potentially tragic cost when that does not happen. The establishment of a truth-seeking commission is and always was an essential part of that process. I would like to update the House on Sri Lanka's progress on reconciliation and on the UK's action bilaterally and within the international community to support that process.

Sri Lanka's co-sponsorship of Human Rights Council resolution 30/1 as long ago as October 2015 was a truly historic moment. It was, at least verbally, a strong commitment to address the legacy of its long-running and devastating civil war, a commitment subsequently extended by two years last year in resolution 34/1. In co-sponsoring those resolutions, Sri Lanka pledged to establish a commission for truth, justice, reconciliation and non-recurrence, to sit alongside other mechanisms as part of a comprehensive truth and justice process. The UK, understandably and rightly, enthusiastically supported those resolutions. It is right to say that the Sri Lankan diaspora in this country—disproportionately Tamil as it is, for obvious reasons, rather than Sinhalese—on all sides was very much in favour and made that plain to the UK Government.

We remain absolutely committed to the full implementation of those resolutions as the single best way to secure the lasting reconciliation and peaceful future that are in the interests of all Sri Lankans, and which they so richly deserve. There has been some small recent progress, but in all candour I must tell the House that it has been slower than we would have anticipated or liked. An office of missing persons is close to being operational and has appointed seven commissioners. The Sri Lankan Government have passed a law to prevent and criminalise enforced disappearances. I understand that a draft law to establish an office of reparations has been approved by the Sri Lankan Cabinet. I also understand that draft legislation for a truth-seeking commission—an important part of this whole process—has been prepared, drawing upon the work of a country-wide consultation taskforce.

Tom Brake: The Minister may be about to come on to this, but in the UK's pressure on the Sri Lankan Government, what have the UK Government been saying about when they want the truth and reconciliation commission to be established?

Mark Field: I will come on to that, but when I visited Sri Lanka last year, that was the No. 1 priority—to discuss exactly what progress was being made, what the stepping stones were and, in legislative terms, what

the difficulties or delays were. That is very much in mind, and obviously it is in the mind of our high commissioner in Colombo in his regular interactions with members of the Sri Lankan Government.

The legislation is under review, given the consultation that has just taken place, and is not yet publicly available. We hope to have progress on that shortly. I very much hope that it can proceed without further delay, together with work to establish the planned judicial mechanism, on which there has also been regrettably little progress.

This week marks the first anniversary of resolution 34/01. The UK will lead a statement at the Human Rights Council in Geneva tomorrow on behalf of the core co-sponsors: Macedonia, Montenegro, the United States and the UK. The statement will review Sri Lanka's progress against its commitments following the update report to be presented tomorrow by the High Commissioner for Human Rights.

It would probably not be appropriate for me to pre-empt the final wording of the co-sponsors' statement here, but I expect that it will reflect our assessment that: first, Sri Lanka is safer and freer now than it was in 2015; secondly, it continues to engage constructively at times with the international community; and thirdly, it has the opportunity to advance towards long-term, sustainable reconciliation. However, the statement will also make it clear that the pace of progress has been disappointingly slow and that much remains to be done, including on the implementation of transitional justice mechanisms, of which the truth and reconciliation commission is an important part.

I will touch on the point on the GSP-plus, which the right hon. Member for Enfield North made. I recognise the concerns that she raised and would like to make it absolutely clear that, although there has been progress and we have allowed some recognition of the efforts that Sri Lanka has made so far, I would not want the Sri Lankan Government to be under any illusion that being allowed to go for the GSP-plus somehow gets them off the hook. We feel that is an entirely acceptable position.

Wes Streeting *rose—*

Mark Field: I am afraid I am running out of time and I want to finish this point. Subject to the scheme's rigorous monitoring for ensuring continued compliance, the first report was published in January and we will have further reports.

On the diaspora point that was made powerfully by my hon. Friend the Member for Sutton and Cheam, he is right that we need to try to encourage the Sri Lankan diaspora here in the UK to play their part. Improving the economy and the GSP-plus is part of that. In that sense, it is a slightly positive way forward, but I would not want there to be any misapprehension about what was going on.

Last October I met Foreign Minister Marapana in Colombo and encouraged the Government to focus on four steps that the UK Government believe, if implemented together, would enable conditions for stability, growth and long-term prosperity for all Sri Lankans. They are: to deliver meaningful devolution through constitutional reform; to establish credible mechanisms for transitional justice; to return to the rightful owners all remaining private land that is still held by the military—right hon.

[Mark Field]

and hon. Members will know that that is a major stumbling block; and to replace the Prevention of Terrorism Act with human rights compliant legislation, which we have not had in Sri Lanka to date. We will continue to press the Government of Sri Lanka to make real progress in those areas.

The UK diplomatic work, through our funding of more than £6.5 million from the bespoke conflict, stability and security fund, is having at least some positive impact. When I visited Jaffna in the far north of the country, I saw at first hand how our funding is helping to clear landmines. That is vital to families who have already been waiting far too long to return to their ancestral homelands and to rebuild their lives. Our long-running community policing programme is also helping police officers to serve all communities better, and to give greater support to women and children and their rights.

All that activity remains worth while, but I am proud of the UK's continuing role working alongside local communities in the east of the country to promote inter-faith and intercommunal dialogue, in a part of the country where there is a much more mixed population than in others. Through the UN's Peacebuilding Priority Plan, together with other international donors, we continue to provide technical support on reconciliation efforts that include transitional justice.

The UK's message to Sri Lanka remains resolute: we absolutely expect the Government to implement in full their commitments made in good faith in the aftermath of a time of terrible conflict. As a close partner but also as a candid friend, we shall continue to support and encourage the Sri Lankan Government to make further and faster progress, particularly on transitional justice.

Right hon. and hon. Members will be well aware that part of the difficulty is that national elections are looming and there is more political instability than perhaps we might have anticipated back in 2015. As a consequence, I share the very great frustrations that have been raised in the debate about the slow pace of change. However, as we know full well from our experience in Northern Ireland, progress on reconciliation is vital to redress historical grievances, to strengthen human rights and the rule of law, but also to lay the foundations for the lasting legacy that all Sri Lankans rightly crave. That process could be a lot slower than we all wish, but the great prize is there for the taking. I believe it is what all Sri Lankans deserve.

Question put and agreed to.

11.29 am

Sitting suspended.

Local Authority Financial Sustainability: NAO Report

[MR NIGEL EVANS *in the Chair*]

2.30 pm

Mike Amesbury (Weaver Vale) (Lab): I beg to move,

That this House has considered the National Audit Office report on the financial sustainability of local authorities, HC 834.

It is a pleasure to serve under your chairmanship, Mr Evans. I will start by doing something very simple that we do not do enough in this place, or in the political world more broadly: saying thank you. I want to say thank you to our councillors, mayors and local government staff. [HON. MEMBERS: "Hear, hear."] As a former councillor, I know that local government holds our communities and services together and makes our towns and cities what they are. Our local government leaders take decisions and hold responsibility for budgets that directly affect their constituents just as much as, if not more than, many Members of Parliament. They deserve more recognition and respect for that than they are sometimes given. However, since 2010 their very challenging job has become almost impossible. The National Audit Office report makes it clear that funding has been cut by nearly 50%.

Stephen Lloyd (Eastbourne) (LD): I thank the hon. Gentleman for securing this important debate. *The Times*, which is not known for its hyperbole, stated recently in an editorial:

"All politics is local, and local government is going bust".

Does he agree that the Government are culpable and must take responsibility for their funding decisions, and that it is down to them to stop local government going bust?

Mike Amesbury: I do. As a result of that 50% cut, services have been drastically reduced. Pressures and demands are increasing, but the Government have failed year after year to provide councils with fair and sufficient funding.

Derek Twigg (Halton) (Lab): Will my hon. Friend give way?

Mike Amesbury: I give way to my colleague and constituency neighbour.

Derek Twigg: I congratulate my hon. Friend on securing this important debate. He knows that Halton Borough Council, which serves our constituencies, is under extreme pressure. It is one of the smallest councils, and its budget will have been cut by nearly 60% by the end of the Parliament. Does he agree that that puts the council's sustainability and its ability to deliver its statutory duties, particularly for social care, at great risk?

Mike Amesbury: Of course. Things have been particularly difficult for local children's services and adult services, about which we have recently lobbied Ministers.

Some 66.2% of councils now have to use their reserves for social care provision. These figures are not mine or the Labour party's; they are in the National Audit

Office report. Last year local authorities overspent by £901 million. Minister after Minister has ignored the crisis or tried to pretend that using calculations such as core spending power can somehow mask the level of the cuts that councils face, especially those in highest need.

Stephanie Peacock (Barnsley East) (Lab): I congratulate my hon. Friend on securing this important debate and echo his thanks to our councillors and local government workers. Does he agree that it is outrageous that my local authority, Barnsley Council, faces cuts of 30% between 2015 and 2020? Such cuts put an unfair burden on local authorities and have a significant impact on local services. It is clear that the Government should take responsibility and do something about that.

Mike Amesbury: I agree. It took the Conservative leader of Surrey County Council to threaten a referendum on a 15% council tax rise to get any response at all from the Government. Even then, they just placed further accountability on local taxpayers. I am surely not the only person who was a little concerned that a financial crisis so grave that it required a 15% council tax rise in one of the wealthiest areas of the country appeared to go unnoticed for so long by so many local MPs. It is all the more worrying that those MPs include the Minister of State for Housing, Communities and Local Government, Ministers of State for Education, the Secretary of State for Health and Social Care, and the Chancellor of the Exchequer. Is it any wonder that Ministers do not appear to realise that we have a cash crisis in councils, schools and the NHS?

Thelma Walker (Colne Valley) (Lab): The NAO report shows that the number of looked-after children has increased by 10.9% since 2010, but the Chancellor failed to offer local authorities any additional support to address that in the Budget or the spring statement. Does my hon. Friend agree that the Government must act to provide more funding to support looked-after children?

Mike Amesbury: Certainly. In fact, there will be a £2 billion shortfall by 2022, so there is a real crisis in children's services.

One of the other Surrey MPs happens to be the Environment Secretary. Given his experience of dealing with the outcomes of difficult referendums, I cannot imagine why he was not keen to support that one.

Many colleagues in the Chamber and beyond will know that although cuts have hit the poorest areas hardest, the damage is not limited to them, as the Local Government Association rightly points out. Rising pressures on social care, transport and other services cut across borough and political boundaries. As such, I wish the Defence Secretary all the best with his petition to save bus services in Staffordshire—I hope he gets a sympathetic ear from the council. Many in the Chamber might have been a little surprised that he addressed his concern locally rather than nationally, where the real fault lies, but raising it nationally might have resulted in the Chancellor informing him to shut up and go away—a statement that the Defence Secretary is all too familiar with.

Afzal Khan (Manchester, Gorton) (Lab): I, too, congratulate my hon. Friend on securing the debate. We both served on Manchester City Council, a great council with great leadership that has been devastated by cuts.

Greater Manchester leaders say that they may be close to bankruptcy in four years if Government cuts continue in the same way. Does he agree with the report's finding that, instead of blaming councils, the Ministry of Housing, Communities and Local Government should recognise that it has failed in its duty to monitor and mitigate the impact of budget cuts on our local authorities?

Mike Amesbury: I agree with my hon. Friend and former colleague on Manchester City Council.

Councils of all colours and types are near breaking point. Indeed, Conservative-run Northamptonshire County Council has already reached that point, although, as the report shows, any suggestion that its funding challenges are unique is wide of the mark. Some 10.2% of local authorities have less than two years' reserves. They are at breaking point, and we could face another 15 being served with section 114 notices. It is only through the sound financial management of most councils that we have not seen more local authorities topple.

Warnings have come from councils across party politics and from the cross-party Local Government Association. The National Audit Office report confirms what those at the frontline of local government have been saying for years: funding is down by almost 50%, while demand for services such as adult and children's social care and homelessness support rises. Lack of central Government support has meant that the tax burden has shifted to local taxpayers. The National Audit Office concludes that:

"As funding continues to tighten for local authorities and pressure from social care grows, there are risks to statutory services."

Those findings are stark and should alarm us all, and not just in politics but well beyond. The picture that the report paints is familiar to Halton Borough Council and Cheshire West and Chester Council in my constituency, as it will be across the country. Pressures on some areas of children's services have increased by 26% in Cheshire and by 83% in the more deprived Halton, as my hon. Friend the Member for Halton (Derek Twigg) pointed out, yet the recent Budget failed to offer more money for that vital area of responsibility. That would be damaging enough when taken in isolation, but when we consider the human and future economic costs of failing our vulnerable children, it is truly damning. By 2020 the shortfall for children's services will be a massive £2 billion.

Matt Rodda (Reading East) (Lab): One of the great problems for many children's services departments operating in areas of high housing cost is that it is particularly difficult to recruit staff. We have a severe problem with that in Reading. We are outside the boundary for outer London weighting, which stops at Bracknell, even though that is an area of lower housing costs, and we suffer from a severe shortage of skilled workers to work in our children's services departments. I understand that is a common problem for local authorities, and particularly for those in areas of high housing costs. There are issues with both pay for staff at those grades and the ability of local authorities to provide their own council housing. Reading had a plan to build 1,000 council houses, which sadly was stopped by George Osborne. Would my hon. Friend like to comment on the twin problems of low pay for key staff and the inability of local authorities to build housing for them?

Mike Amesbury: Indeed, those factors are highlighted in the report. Perhaps its most concerning aspect is the finding that the Government do not have a long-term funding plan for local authorities. That confirms the fear of many councillors and mayors I have spoken to. They have been offered no clarity about how 100% business rate retention will work, especially for those areas that will be net losers. Other councils talk of reaching a cliff edge in 2020.

My question to the Minister is simple. Does she have a long-term funding plan for local authorities and, if so, what is it? Councils need to know now. At what stage in the near future will she legislate to ensure that local authorities can use 100% of the money they raise locally for the good of their residents? If she cannot give our councils the stability and guarantees they need, she should not be surprised if future ambitions around homes, schools and services fall even further short of the mark than they do now. Between 2010 and 2017, spending fell on planning and development by 52.8%, on housing by 45.6%, on culture by 34.9%, and on highways—we are all familiar with potholes and everything else—by 37.1%. Again, those are not Labour party figures, but figures from the National Audit Office report.

A national Government who try to lecture local government about financial stability and saving for the future have no credibility to do so when their own watchdog makes such a serious statement about their short-sighted approach. The status quo can no longer continue. Our councils, our communities and the dedicated staff who work in them deserve and demand better.

2.45 pm

Fiona Onasanya (Peterborough) (Lab): I thank my hon. Friend the Member for Weaver Vale (Mike Amesbury) for securing this important debate. In February I asked the Chief Secretary to the Treasury how my authority is expected to meet the rising demands of adult social care and children's services, despite devastating funding cuts. She argued that councils have been given the ability to increase council tax levels to pay for those services. However, that new flexibility—namely, to increase council tax to pay for social care, as my council has had to do—and indeed the introduction of the improved better care fund, have associated conditions that might limit the flexibility of some local authorities to spend on social care funding as well as local priorities, thus disproportionately harming low-income families. Austerity is expensive. It has not tackled the deficit; rather, it has passed it on to public services.

In March 2018 the National Audit Office reported that many local authorities rely on their savings to fund local services and increasingly find themselves in an unsustainable financial position. We cannot keep cutting their funding and expect them to do more with less. In my constituency there has been a real-terms cut of 10.6% in adult social care, almost double the national average, and the Government have committed no further funding for social care in the Budget. The money offered to councils in the local government finance settlement is nowhere near enough to calm the crisis.

My constituents have repeatedly described social services as a nightmare. In Peterborough, 17,638 people are over the age of 65 and, of them, 2,171 are unpaid carers and 6,802 live alone. Cambridgeshire and Peterborough clinical commissioning group would have received an extra

£30.3 million if it was funded in line with the national average. The CCG was ranked 204th out of 207 for the level of funding received from NHS England.

Services are overstretched, and the recent trends in the level of funding are unsustainable and unacceptable. Peterborough's needs have been attended to on the cheap for far too long. As a consequence, cracks are beginning to appear in our services. Our needs have not been properly or adequately addressed, and the current settlement is blatantly below par.

2.48 pm

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): I thank my hon. Friend the Member for Weaver Vale (Mike Amesbury) for securing the debate. My constituency covers both the Conservative-controlled East Riding of Yorkshire Council and the Labour-controlled Hull City Council, and the messages coming out of both councils are very similar. This is not fake news. Instead, it is the hard truth and reality of the cuts faced by both councils.

Hull City Council's social care spend equates to 60% of its entire budget, and it is rising as a proportion of its total spend by 4% to 5% every year. It told me that it spends 37% of its total budget just on adult social care. It spends 23% of its total budget on children's services. Yet since 2010 the council's budget has been reduced by a staggering £126 million. This year it received £5.3 million less than it did the year before. Is it any wonder that it does not have the money to repair the potholes in the roads, or to invest in many other needed services?

Recently we had a situation in which Hull City Council was desperately trying to move money around to fund the rising demand and cost of adult social care and children's services. One of the things it was looking at having to cut was its peer-to-peer support for breastfeeding mothers. In the end, it was able to find some money, but that means money coming from elsewhere. When I talked to the council about that, it was not because it wanted to take support away from breastfeeding mothers, but because every choice is an impossible choice. Either it takes money away from supporting breastfeeding mothers, or it cannot give it to support homeless projects in the constituency, to repair the play equipment in the parks or to deal with the increasing pothole problem. Every choice the council makes is an impossible choice.

Hull West and Hessle is a wonderful place to live, with great people. I am particularly delighted to see two of my constituents sitting in the Gallery and delighted that they can be here today. We are very proud of where we live, but we would be lying if we said that it did not have some significant problems. It is the third most deprived local authority in the whole country. A report by End Child Poverty has revealed that more than 20,000 children in Hull are living below the poverty line. That is one third of all the children in Hull living in poverty. In East Yorkshire, over 20% of children live in poverty.

As austerity continues to bite, the demand for social care continues to grow and Hull City Council simply does not have the council tax base from which to fund it. Some 68% of properties in Hull are in band A. We would be hard pushed, looking around our surroundings here in Westminster, to find a single property that is anything below band C. The number of people over 65

in Hull is forecast to increase by 6% by 2020, which of course will increase demand, but only 7% of people needing adult social care can self-fund it; everybody else is reliant on the council. Two thirds more residents in Hull require social care compared with the national average.

The picture I am trying to paint for hon. Members is of a city that simply does not have the ability to raise its own money to fund a problem that is greater, and growing more quickly, than in many other parts of the country. Hull City Council will get the lowest amount per head from the social care precept of any Yorkshire and Humber council. It has a very low tax base. If people want to raise the precept by 1%, fine, but in Hull that will raise £2.90 per head, compared with £7.08 per head in the City of London. They simply cannot be compared. Hull City Council is 81% reliant on the revenue grant from Government. It does not have the ability to self-fund, but still, even with all these problems so clearly laid out, it will have to cut another £16 million from its social care budget, or find cuts in all the other budgets.

It angers me that there are Liberal Democrat councillors in Hull criticising the council for making those cuts and for the consequences. I wonder how long their memories are. I wonder whether they remember that they were part of the coalition Government who in 2010 voted through all those cuts. When they stand there and criticise Hull City Council for not being able to repair the parks or the potholes, I wonder whether they could cast their minds back to being the people who took away that money in the first place.

Conservative-controlled East Riding of Yorkshire Council has said that the additional £2 billion for adult social care announced in the 2017 spring Budget was welcome, but said,

“if it is the Government’s wish to continue to safeguard some of the most vulnerable people, this scheme needs more investment and the human cost of failure in such an essential service is huge.”

That is a quote from the Conservative-controlled East Riding of Yorkshire Council. Even that council says that it does not have the funds needed. I know it has already spent all the reserves it has. Where is it going to find the money from in the future? It wants the Government to look at extending the additional £2 billion beyond 2019-20.

Cities such as Hull, with high needs, significant deprivation and a very low tax base, have limited ability to generate income. It is therefore essential that the Government’s future financial settlement calculations recognise and make allowances for those differences, challenges and variations. It is positive that the National Audit Office recommendations seem to be informed by a realistic understanding of the national position facing local authorities. If the recommendations were implemented in full, there would hopefully be some potential improvement.

While councils and their partners are making and continue to make strenuous local efforts to protect statutory services and to cope with the great pressures affecting children’s services and adult services in particular, it is simply the Government who must ensure that the national system is fit for purpose. People in Hull West and Hessle are tired of “make do and mend.” They are tired of tough and impossible choices. As East Riding of Yorkshire Council put it, “Salami slicing from other grant streams is not sustainable.”

We want our roads fixed, we want our parks to have new equipment and I know how much Friends of Pickering Park want their aviary back, but none of that can happen with the year-on-year cuts at the same time as the rising demand. My constituents deserve so much more. There is no justification for the continued underfunding, and the previous Liberal-Tory coalition’s mantra, “We’re all in this together,” just rings empty. It is time to end austerity, implement the National Audit Office’s recommendations and fund our local councils properly.

2.56 pm

Dan Carden (Liverpool, Walton) (Lab): I am delighted to serve under your chairmanship, Mr Evans. I congratulate my hon. Friend the Member for Weaver Vale (Mike Amesbury) on securing this important debate. It is a shame that we will not even hear a Tory Back-Bencher heckle, never mind make a speech or an intervention, because not one has turned up to speak on behalf of their local councillors in this important debate.

As others have identified, the National Audit Office report raises grave concerns about the sustainability of local authority finances. Even more worryingly, this Government show no sign of changing direction, regardless of the consequences. The spring statement showed that there is no plan to abandon the austerity project, meaning that services delivered by local councils will be put under even more pressure. This Government have presided over the slowest recovery since at least the 1920s. Austerity has not tackled the deficit; it has passed it on to public services and plunged them into crisis, from the NHS to schools, to councils even going bust.

The Tory cuts to local government are deeply unfair, hitting the most deprived councils with the greatest need the very hardest. Since 2010, Liverpool’s funding has been cut by a staggering 64%, or some £444 million, and council services have lost 3,000 staff. Those cuts have stripped our communities bare and left our services stretched to the limit. One of the biggest financial pressures on our councils nationally is adult social care. More than 400,000 people can no longer access social care, which faces a £2.5 billion funding gap by 2020. The other main growing pressure on council budgets is children’s services. The number of children taken into care is at its highest since 1985, yet, according to the National Children’s Bureau, more than one in three carers are warning that cuts have left them with insufficient resources to support those children.

Liverpool City Council has rightly shielded those services as much as possible from the full force of Government cuts, but that means that funding for other vital services is being squeezed, from housing to road maintenance to refuse collection. Cuts combine and converge to create increased hardship, risk of homelessness and pressure on other services. Liverpool City Council’s impact analysis shows that the biggest impact is on disabled people, women, families with children, younger people and social sector tenants aged between 40 and 59.

The council has set aside £50 million to protect the most vulnerable, including £11 million to tackle homelessness, which has more than doubled under this Government; £3.3 million for discretionary housing payments for those affected by botched welfare reform and hardship—70% of which are because of the bedroom

[Dan Carden]

tax alone—and £3.1 million for crisis payments to help with the cost of food, fuel, clothing and furniture. I could go on.

It is right that local authorities step in when the Government fail the most fundamental maxim: that a society is judged by how it treats its most vulnerable. However, those resources should be going on early intervention programmes, youth centres, community centres, libraries—facilities that give people the means to realise their creative capacities and live full and independent lives. Instead, local authorities, alongside a network of food banks and community and volunteer groups, are forced to act like a sticking plaster over the worst effects of Tory austerity.

Of course, the impact cannot be explained by figures alone. The stories of ruined lives that I hear at my advice surgeries and deal with through my office every day collectively amount to a national tragedy. Current trends of growing overspends and dwindling reserves are unsustainable, and the Local Government Association has raised concerns that there remains no clarity on how local government will be funded after the four-year funding deal runs out in March 2020.

We know that all this is down to political choices, not economic necessity. The Conservative Government chose to give tax handouts to the super rich, corporations and bankers, and it was paid for by the rest of us. In the autumn statement, they chose to hand almost £5 billion to the biggest banks by cutting the bank levy—money that could have been used to fund our children's services. A recent report by the Equality Trust found that, in the UK, the 1,000 richest people now have more wealth than the poorest 40% of households put together, their wealth having increased by a staggering £82.5 billion last year. Meanwhile, UK workers have not had a pay rise for 10 years and continue to suffer real-terms pay cuts.

It was never about tightening our belts. We were never all in it together. It is time to call austerity what it is—and it ends the day the Labour party takes office.

3.2 pm

Laura Pidcock (North West Durham) (Lab): I thank my hon. Friend the Member for Weaver Vale (Mike Amesbury) for bringing this extremely important debate to the Chamber. I echo my hon. Friend the Member for Liverpool, Walton (Dan Carden) on the lack of representation from Conservative Members. I hope that is symbolic of how they will do at the local elections.

I have seen Durham County Council staff work extremely hard in a punishing fiscal environment. Along with other Members, I have seen the systematic decimation of our local authorities. I put on the record my sincere thanks to every single council worker and every single Labour councillor. They work extremely hard in these terrible circumstances.

Each time there are further cuts, we wonder if it will be the last year. What else could those who oversee budgets possibly do to cut more money because of repeated Government demands? What more could local authority workers possibly do, with the workload that is piled upon them? Durham County Council has seen its funding cut by half since 2011. It has to make savings of

£43.7 million over the next four years, on top of the Government-inflicted cuts of £209 million since 2011-12, with £15.3 million cut this year alone. That is simply unjustifiable. Local governments across the country are at breaking point.

Millions of pounds cut from spreadsheets means very little, in numerical terms. Everyone here knows the figures. What we know, more than all the numbers, is the devastating impact on our communities. It is the stretch and the strain on child protection services and social services. It is the community centres, which are so cherished by local communities, that have closed. It is the reduced library hours or the closing of libraries. It is swimming pool prices increasing as subsidies dwindle, pricing out the poorest people from being able to go to a local swimming pool. It is the reduction of drug and alcohol services. It is the threadbare social care services. It is the thousands of civil servants and council workers who lose their jobs.

The feel of our communities becomes impoverished. The help that people need, and the way in which people can enjoy their communities, has been stripped bare because the Government do not believe in local government. They wish local government to be vessel entities for privatisation, rather than democratically controlled mechanisms for public ownership.

Let us be under no illusion: cutting the millions of pounds from local government was ideologically driven, with little or no care for the devastating impact it would have on our communities. The Government have stripped bare our local government services. We know how convenient it is for the national Government to devolve cuts to local government when they are Labour-run authorities, because the Government can devolve the blame. I would love the upcoming local elections to be a referendum on the way the Government have treated our local communities. The idea that raising council tax rates, which residents quite rightly dread because they feel the strain on their wages, or business rates retention are some kind of miracle remedy for the years of this punishing Government regime is an absolute joke.

I would love the Minister to come to North West Durham and justify that strategy—to say to my constituents' faces that this is a serious remedy for the millions of pounds stolen from my area and my council. Councils have faced these funding cuts for nearly a decade now, and for what? What has been achieved? The poorest areas have been hit the hardest and, as always, those who rely on public services the most—those who graft so hard and who are so passionate about their communities—are being punished by the Government.

I wonder how the Government will possibly justify this damning record in our local communities. That will be really difficult. I urge the public to demand so much more from their Government. It is only what they deserve.

3.6 pm

Jo Platt (Leigh) (Lab/Co-op): I thank my hon. Friend the Member for Weaver Vale (Mike Amesbury) for securing this vital debate. Local authorities across the country are at a tipping point. Eight years of Tory austerity have decimated our local councils, with my local authority of Wigan facing an additional 30% cut to its budget, which will mean £160 million taken out of its budget by 2020.

Prior to coming to the House, I was a local councillor. I saw at first hand the impact of the cuts inflicted to services, particularly on the most vulnerable. It is really important to note that cuts to local authorities are not just cuts to their services—the cuts to support services are just as barbaric. For example, in my area there has been a 20% rise in domestic violence, which is little wonder when local registered charities also lose their funding due to the financial pressures on local authorities via commissioning streams. The same can be said for homelessness, in which we have seen a huge surge nationally. Local cuts to early intervention and prevention grants have only exacerbated the problem. I urge the Minister to take that into consideration when she next thinks about the causes of homelessness.

Councils should have the resources to provide emergency accommodation and council housing to those most in need and to offer the support to transform people's lives. However, the Government have time and again shifted the responsibility on to local authorities while dramatically cutting their budgets. Quite simply, our local councils are unable to cope any further with the increased responsibility placed on them by central Government without the means to deliver.

Without the resources to deliver, where do councils turn? As my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) mentioned, they turn to their reserves. However, reserves are not pots of money that councils sit on for fun, as they are often characterised by the Government. Local authorities rely on these reserves to transform their services, as has been the case in my local authority. They are also called on in emergencies to ensure that councils remain operational.

Emma Hardy: My hon. Friend is absolutely right about reserves. In 2007, Hull was hit by terrible flooding, which caused a lot of damage. One thing reserves are used for is for emergencies like that—to deal with unforeseen disasters. What will happen if we have a similar flood situation again and the council has spent all its reserves?

Jo Platt: I completely agree. We could all mention many instances where the reserves have come into play.

The scale of cuts faced by councils has meant that many have been forced to eat into the reserves to provide the everyday essential services that we all rely on. That is not only unsustainable, but reckless—we cannot play Catch-22 with the fate of our vital local councils. Doing so has led to the frankly astonishing reality of the National Audit Office warning that 10% of councils will exhaust their reserves within three years.

For me, there is another elephant in the room: Brexit. As the Brexit process continues, local authorities are still unaware of the impact that leaving the EU will have on their finances—business rates retention, for example. They also have to deal with the loss of EU structural funding: both areas on which the Government have not given sufficient assurances.

Our councils face the greatest crisis in living memory: an assault on their funding while also adopting ever more responsibility. Put simply, they have been passed the buck without the bucks. The Government's unsustainable position must come to an end. If they are serious about delivering on housing, about social mobility and about giving powers to local communities, they need to provide the funding that our councils deserve.

3.11 pm

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate my hon. Friend the Member for Weaver Vale (Mike Amesbury) on securing this absolutely crucial debate today. I thank the many Labour Members who have contributed, particularly those who made speeches: my hon. Friends the Members for Peterborough (Fiona Onasanya), for Kingston upon Hull West and Hessle (Emma Hardy), for Liverpool, Walton (Dan Carden), for North West Durham (Laura Pidcock) and for Leigh (Jo Platt). They speak up on behalf of their communities, who are really struggling in the face of eight years of Tory austerity.

I find it bitterly surprising that there is not a single member of the parliamentary Conservative party here, save for the Minister and her Parliamentary Private Secretary. I cannot believe that after eight years of cuts and the destruction and decimation of our public services, there is not a single member of the Conservative party willing to stand up for their communities and to say to the Minister and the Government, "Enough is enough!"

Emma Hardy: I have already spoken about the cuts facing the East Riding of Yorkshire Council. My constituency represents a very small part of that council, but the Conservative Members of Parliament that represent the council, such as the hon. Member for Beverley and Holderness (Graham Stuart), are not here. Why is it left to Labour MPs to give the Government the message about what is happening in their own Conservative-controlled councils?

Andrew Gwynne: I agree wholeheartedly with my hon. Friend. As I said, I find it bitterly surprising. When we talk to Conservative Members in private, they are as concerned about what is going on in their own communities as Labour Members are. When we look at what is happening across local government, it is not just the Opposition raising concerns.

Wera Hobhouse (Bath) (LD): I was a councillor for 10 years in a local authority in the north of England and I totally agree with the hon. Gentleman. It is time for everybody to speak up against the cruel cuts that completely demolish local authorities. People say, "The Lib Dems were also involved in this in the coalition years." We need to take responsibility and say, "Yes, there was a point when we agreed to that, but enough is enough." We have to stand up and say it is no longer acceptable. Our local services are no longer any services to speak of and everybody suffers.

Andrew Gwynne: I am grateful to the hon. Lady. I will be kind to her because she was my son's German teacher at Audenshaw School. She is right to acknowledge the role that the Liberal Democrats played in this matter. I know she was not a Member of this House when the cuts were made, but some of the most damaging and deepest cuts made to local government happened under the coalition Government. Not a single Liberal Democrat Member of Parliament stood up, spoke out and voted against those cuts, so I am afraid the Liberal Democrats do have a responsibility for the state that local government is in today.

[Andrew Gwynne]

However, the hon. Lady is absolutely right to say that enough is enough. Local government is in crisis—and it is not the Labour party saying that, but the National Audit Office and the Tory-controlled Local Government Association.

Fiona Onasanya: In my constituency, Peterborough is run by a Conservative council, which has come to me and said, “Will you join us and lobby Government and say enough is enough? Stand up for Peterborough. We do not have enough funds. We cannot continue to do more with less.” Does my hon. Friend agree that the Government need to listen to their own voices from within and stop the cuts?

Andrew Gwynne: I absolutely agree. The Tory-controlled Local Government Association and Tory-controlled County Councils Network speak with one voice in the local government family, which is that local government is on its knees, our public services are struggling and local government cannot carry on if the cuts continue over the coming years. We know what is happening because it is happening today. Tory-controlled Surrey County Council, in one of the richest parts of the country, is complaining that it does not have enough money. If Surrey County Council has not got enough money, what hope have the Liverpools, the Tamesides and the Hulls of this world?

Dan Carden: I am delighted my hon. Friend has made that point. We are trying to argue that this matter is not economic, but political. When Liverpool has 60% of its properties in band A, what hope have we got of raising council tax to pay for all our services?

Andrew Gwynne: My hon. Friend makes a very important point. One of the two local authorities that I represent, Tameside Metropolitan Borough Council in Greater Manchester, has a £16 million social care funding gap this year. A 1% increase on the council tax brings in about £700,000. The Tamesides of this world will never be able to fill the gap in the cuts from central Government, so the point my hon. Friend makes is absolutely crucial. The authorities that we represent are grant-dependent for a reason, because no amount of business rates retention and increases in local taxation through the council tax within the referendum framework will ever make up the difference between the cuts that have been made centrally.

Lilian Greenwood (Nottingham South) (Lab): My hon. Friend makes a powerful point. The situation is similar in my own local authority of Nottingham City where the amount required for adult social care in the year ahead is £12 million, and the social care precept raises around £3 million. Does he think that the Minister expects us to provide each elderly or disabled person with just a quarter of the care that they need, or should we simply pick a quarter of them and show that they have the care, leaving the other three quarters without the care that they require? What does he think the Minister’s advice would be?

Andrew Gwynne: I will let the Minister speak for herself. We know that local authorities have to provide social care and that it is not the social care services that

necessarily get squeezed, but all the other services that many of our residents access on a day-to-day basis. Most of our constituents do not access adult social care unless they have an elderly relative who needs it and they do not access children’s social care unless they have a child in the system, but they expect their parks to be well maintained, their streets to be adequately surfaced, street lighting to be fixed, and litter to be picked up. They expect basic decent services, and it is those services that are being cut.

Emma Hardy: Exactly. There are cuts to the local library service, for example. Local libraries have had to reduce their opening times, and yet the move towards universal credit means that everybody is expected to apply online. They were told, “Go to your library and use the computers there,” but there are not enough computers in the local library and it is not open as much as it used to be. That is another consequence of the cuts and it shows a lack of joined-up thinking, a lack of forward planning and a lack of consideration and regard for the people in the poorer parts of this country.

Andrew Gwynne: Absolutely. Those are the pressures facing our communities. We talk about local services as though they are isolated from one another, but they are the life blood of many towns, villages and communities. Library services, welfare support and advice, and housing services are crucial elements of what makes communities tick and brings them together.

I speak not only in my role as shadow Secretary of State for Housing, Communities and Local Government but as someone with a fundamental belief in local government’s power to make a difference. I spent 12 mainly happy years, and my wife is nearing her 18th year, as a Tameside councillor. I want to add to the thanks that my hon. Friend the Member for Weaver Vale expressed in his speech. We do not thank nearly often enough those, of all political parties and none, who serve as councillors and elected Mayors, or the staff and officers who implement councillors’ decisions. I offer thanks and appreciation to all those who work in our communities as elected members and local authority staff and officers. They are on the frontline of defending public services. Not only that, but they are the last line of defence when it comes to making the tough decisions that the Government have forced on them. I recognise the way many of them value and take pride in their position as councillors.

The National Audit Office’s assessment of the Ministry of Housing, Communities and Local Government makes for rather uncomfortable reading. Fundamental to the argument presented by the NAO is the failure of the Ministry to present a long-term strategy for the sector. As a result, even the four-year settlement that we were told was intended to offer some financial stability just kicked the can down the road. Authorities face major funding uncertainties beyond 2019-20.

Even within those four years of supposed certainty, local government has had to deal with rapidly shifting priorities from central Government—often announced at relatively short notice. It is reported by the NAO that the majority of case study authorities with social care responsibilities that it spoke to said that central Government funding outside the settlement had changed a number of times. An example was the new homes bonus being repurposed to fund adult social care.

We are told that

“The Department’s view is that these changes reflect considered responses to new pressures and risks”.

Anyone who has been following the issue would know that those pressures and risks have been growing since the beginning of the decade. As will ring true for many of my hon. Friends who have spoken today, over the decade from 2010 to 2020 Tameside will have lost close to £200 million in funding. Stockport will have lost well over £100 million. We can, as I have said, never fill those gaps with council tax alone. Although Stockport has a slightly better and more advantageous council tax base than the Tameside part of my constituency, this year it will have to find a further £18 million of savings—or cuts, as I like to call them—which is leading to consultation of residents about some drastic changes to the delivery of social care.

Tameside has said that demand for its services is at unprecedented levels. That is because of the wider impact of austerity on the public purse. If we operate in silos, there should be no surprise when cost-shunting presents itself as a problem on the town hall doorstep. Whether it is the closure of Sure Start centres or early intervention and family support, or the reduction in the number of domestic violence officers who used to be employed by the police, resulting in children being presented as safeguarding cases to the local authority, everything moves one way—from one part of the public sector to another. It may be councils pushing on to the NHS or police pushing on to councils, but it is a merry-go-round of self-defeating prophecy. We must stop that, and fund services properly.

Elsewhere in the report, we were told that the Government are working towards implementing the fair funding review. However, the implications of that are not yet clear. I must be honest with the Minister: anything that comes from a Minister’s mouth and that includes the words “fair”, “funding” and “local government settlement” sends shivers down my spine. We sure know what that means: that the Tamesides, Stockports, Liverpools, Durhams, Leighs, Wigans and Hulls—I could rattle through all the areas—will almost certainly end up with less money. As sure as night follows day, that is what happens when the Tory Government instigate funding changes to local government. Yet we have real social need, and are not able to raise money directly. What we see is the culmination of a crisis facing local government across England. What certainty can the Minister give our councils that they will get a fair funding settlement reflecting the areas’ needs and their inability to make up funding gaps through other sources? So far that has been badly lacking.

I want to end by discussing today’s crisis. Tory Northamptonshire is the first council effectively to declare bankruptcy, but it will almost certainly not be the last. The NAO reckons that in the next few years, unless the funding settlement improves considerably, one in 10 councils with social care responsibilities will have exhausted their reserves and, almost certainly, be in a similar predicament.

How did Northamptonshire, which by any standard is a wealthy part of the country, with a good council tax base, end up with an overspend at this year end of about £21 million, and reserves depleted to about £17 million? I will tell the House how it happened: it took the advice of the former Secretary of State,

Sir Eric Pickles, who said that rather than complaining about cuts councils should spend their reserves. Once reserves are spent the money is gone; once the assets are sold, the asset base is gone. Once the money is gone, councils have to make cuts and take difficult decisions.

Fiona Onasanya: Does my hon. Friend agree that the situation is a clear case of knowing the price of everything and the value of nothing?

Andrew Gwynne: It absolutely is, but if it was compounded by Tory mismanagement at local level in Northamptonshire, the root cause of the problem undoubtedly came from the Tory Government. They have, as we heard from my hon. Friend the Member for Weaver Vale and the National Audit Office, presided over cuts of almost 50% in central Government funding to councils. That is unsustainable. If we want councils and councillors to facilitate services of such a quality as to provide dignity to the elderly and the best start for the young, and to provide the general population with quality public services, that must be funded.

Emma Hardy: We have talked a lot about percentages and money, but I want to mention something a little more individual: the incredible increase in the number of looked-after children in my constituency, which has gone up by 140. We have one of the highest numbers in the country, and that is a consequence of the cuts. That is what happens when cuts take place.

Councils do not have the money for early intervention or the other services that used to provide that extra family support. Such support does not exist anymore, because all that is left is the statutory service. Sure Start used to be available for wider family participation; groups that anybody could take their child to are now open only to a small number of people who have a particular identified need. That all contributes to the increasing number of looked-after children. We cannot just sit here and ignore it: 140 children’s lives have been changed forever.

Andrew Gwynne: My hon. Friend is absolutely right. Indeed, it is worse than that because we need to rebuild these services, yet over the past eight years we have lost thousands of dedicated council workers and staff. We have lost the corporate knowledge and history that was embedded in our local authorities. This is not just a question of money; it is difficult to rebuild overnight that capacity in our local councils.

The reality of Government cuts is laid bare in the National Audit Office report. Planning and development has been cut by 52.8%. If we are to meet the Government’s targets for new homes, who will be the strategic planners of the future to identify the land? Who will be the planning officers who implement planning applications? Who will be the planning enforcement officers and ensure that homes and buildings are built in accordance with the plans? Transport funding has been cut by 37.1%. These are our bus routes and the vital links between communities; these are our roads, pavements and cycleways. These cuts are unsustainable.

Emma Hardy: The Government talk the good talk on social mobility and say how important that is, but at the moment there are young apprentices who live in rural

[Emma Hardy]

areas and cannot afford to do an apprenticeship or attend college, or they cannot get there because there are no local transport services for them to use.

Andrew Gwynne: Absolutely. This is about our museums, heritage, and cultural services—the glue that makes our communities tick. It is about who we are and that sense of place, yet funding has been cut by 34.9%. Housing services are not just about ensuring that people have roofs over their head. They are about support for the homeless and ensuring that our housing market works correctly. They are about tackling the scourge of rough sleeping, yet funding has been cut by 45.6%.

When a Government have created a £5.8 billion gap in local government funding, when everyone is saying that social care is on its knees, and when children's services need an additional £2 billion, this Secretary of State, this Minister and this Tory Government stick their heads in the sand. They fail to give our services the money they need, and they ignore the crisis that is happening on their watch to our services and communities. We need a Government who are committed to our local councils and to rebuilding our communities. We need a Labour Government for the many, not the few.

3.33 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler): It is a pleasure to serve under your chairmanship, Mr Evans—for the first time, I believe. I congratulate the hon. Member for Weaver Vale (Mike Amesbury) on securing the debate. For the record, I am married to a councillor, and I employ a councillor.

This is an important issue that the Government take seriously, and we recognise the hard work of our councillors, councils and council staff. The report sets out the National Audit Office's view on the financial sustainability of the sector. I wish to take this opportunity to set out what the Government are doing to support local authorities and to design a fairer and more transparent system of funding that gives them more control over the money they raise. Every day, local authorities deliver vital services to the communities they serve. Like the rest of the public sector, they have had their part to play in helping to bring down the deficit. It is to their credit that they have continued to provide high-quality services, while delivering a better deal for the taxpayer. Indeed, so good are they that non-ring-fenced reserves have increased by 47% since 2011, to £21 billion in March 2017.

We take the funding of local government very seriously. That is demonstrated by the package of measures that we provide to local government as part of the 2018-19 finance settlement, which Parliament approved last month. The settlement confirmed a real-terms increase in resources for local government over the next two years, from £44.3 billion in 2017-18 to £45.6 billion in 2019-20. That is the third of a four-year deal, and it has reinforced our commitment to delivering more freedom and fairness, and greater certainty to plan and secure value for money. The deal has given English councils access to more than £200 billion of funding in the five years to 2020.

We recognise that pressures are growing, particularly in the light of higher than expected inflation—I was delighted, however, to hear today's announcement that

inflation is down to 2.75%—and pressures on services such as adult and children's social care. That is why in the settlement we sought to strike a balance between addressing the pressures on services and the burden placed on taxpayers, by increasing the core council tax referendum principle by 1% to 3% for authorities in 2018-19.

Andrew Gwynne: But that is not a single penny extra from central Government. All the Minister has done is shift the burden from central Government on to local taxpayers. As I explained, a 1% increase in Tameside brings in £700,000. It is not enough, is it?

Mrs Wheeler: I thank the hon. Gentleman for that intervention and repeat: the money from this Government has increased from £44.3 billion in 2017-18 to £45.6 billion in 2019-20. The National Audit Office rightly noted that local authorities are increasing their spending on the social care services that councils provide to our elderly and vulnerable citizens, in the face of growing demand. This is why at the spring Budget in 2017 an additional £2 billion was announced for adult social care. This year we have seen how that money has enabled councils to increase provider fees, provide for more care packages and reduce delayed transfers of care.

Mike Amesbury: That still equates to a 3% reduction from 2010 to 2017. It is a real-terms reduction.

Mrs Wheeler: I am always delighted to hear the dexterity of mathematicians in this building. It is £44 billion up to £45 billion, which I see as an increase. [Interruption.] I will move on. Local government and the NHS have worked in collaboration this year to deliver significant improvements in care. That is highlighted by the 26% reduction in delayed transfers of care, when comparing February this year with February last year. That is not all, however, because a further £150 million is being made available in 2018-19 for adult social care support grants. That, alongside the freedom to raise more money more quickly through the use of the adult social care precept, and the improved better care programme, means that councils have access to £9.4 billion in dedicated adult social care funding over the three years from 2017-18 to 2019-20.

Fiona Onasanya: Listening to the figures being presented, I understand the proposition that there has been an increase in funding. However, as Labour Members have said in their contributions, in real terms this is not an increase because supply is not keeping up with demand. I feel that this is like the emperor's new clothes—the emperor seeks to describe the elegant, flamboyant gown that he is wearing, but actually he is completely naked. The amounts that the Minister is talking about do not keep up with the demand. These are demand-led services, and that is the point we are seeking to make.

Mrs Wheeler: The hon. Lady makes her point very elegantly, but I prefer the dress she is wearing today to ones I might imagine.

Alongside the £150 million for adult social care support grants, there is the freedom to access £9.4 billion up to 2019-20. I make it absolutely clear that real improvements are being made in adult social care services. That is in relation to the delayed transfers that have happened and

the change whereby the NHS is working so much better by working hand in hand with local government. There has been such an improvement.

Like the NAO, we recognise the importance of investment in prevention and in high-quality children's services. That is why the Government have invested almost £250 million since 2014 to help the children's social care sector to innovate and redesign service delivery to achieve higher quality and better value for money. We have also invested £920 million in the troubled families programme, reducing the number of children in need.

I would like to say something about our work to deliver a fairer funding settlement for local government—I do appreciate the comments from the hon. Member for Denton and Reddish (Andrew Gwynne) on this matter. We all know that we live in a changing world. Over the years, the current formula for budget allocations has served councils well, but what is right today might not be right tomorrow. The conditions that councils face, including demographic shifts in some parts of the country and new risks, mean that the system of financing local government also needs to change. We need an updated and more responsive way of distributing funding that gives councils the ability to meet the challenges of the future. That is why we are currently working with councils to undertake a review of local authorities' needs and resources. There have been widespread calls for a thorough review, and we will deliver that.

We are committed to using the most up-to-date data available and, as far as possible, taking an evidence-based approach to both current and future demand. What we are looking to do is very important. We want to devise a new funding system that more fairly reflects modern needs. The Government aim to implement a new system, based on their findings, in 2020-21. Alongside the new methodology, in 2020-21 the Government are committed to giving local authorities greater control over the money they raise.

Wera Hobhouse: Will the Minister ensure that no council gets less money as a consequence of the new funding formula that she is proposing?

Mrs Wheeler: Much as I would love to do that, I think the safest thing I can do is refer the hon. Lady to the new funding for schools. Every single school has not had a reduction under the new fairer funding; every single school has had an increase of at least 1%.

Thelma Walker *rose—*

Emma Hardy: Will the Minister give way?

Mrs Wheeler: No, I am going to carry on. As I said, alongside the new methodology, the Government are committed to giving local authorities greater control over the money they raise, which we are doing through our plans for increasing business rates retention. Local authorities are the engines of local growth. They know best the levers to pull to boost their business rates, which is why business rates retention is an important move. Our aim is for local authorities to retain 75% of business rates from 2020-21, with the other 25% going to councils that do not have a large business rates take.

Emma Hardy: On that point, if I am not able to make the point that I was going to make previously, I want to ask this: will the system make allowances for councils

such as Hull? Currently, 81% of its income comes from the Government revenue grant and only 19% can be raised locally.

Mrs Wheeler: Yes, indeed. Forgive me for repeating myself, Mr Evans: 25% will go to the councils that do not have large business rates retention.

Emma Hardy: The Minister says 25%. Hull City Council currently relies on the Government revenue grant for 81% of its income, not 75%.

Mrs Wheeler: The business rates for the City of London are many, many millions of pounds. The money that is split out goes to the rest of the country.

Andrew Gwynne: Of course, this is not just about the councils that are unable to raise enough business rates to support their services now. Will adequate funding mechanisms be in place to ensure that if a large employer were to close and leave a council that is currently sustainable in terms of business rates, it would in effect get the shortfall created by the employer moving out or closing down?

Mrs Wheeler: I would be devastated if that happened and I cannot imagine why it would happen, with the growing economy that we have.

We will continue to work with the sector to identify opportunities to increase the level of business rates retention further at the right time. We are already making progress towards that. The Government have announced an expansion of the piloting programme for business rates retention into 2018-19. In the latest round of pilot bids, more than 200 authorities put themselves forward, demonstrating local government's enthusiasm for business rates retention. We are enthusiastic about working with them to take that agenda forward. We will be taking forward 10 new pilots, covering 89 authorities, instead of the five that we originally planned. A further pilot will begin in London in 2018-19, and existing devolution pilots will continue in 2018-19. The 10 that we have selected, taken alongside the existing pilots, give a broad geographic spread.

Mike Amesbury: At what stage will the Government legislate, as they previously stated they would, to ensure that there is 100% business rates retention? And surely, as part of the funding mix, an area-based grant needs to be retained.

Mrs Wheeler: I am afraid that the hon. Gentleman will have to wait for that to happen.

I referred to a broad geographic spread. That was carefully thought through, as we want to see exactly how the system works across the country, and the pilots will ensure that that happens. The expansion of the pilots, and our plan to do more piloting in 2019-20, is how the Government are listening to the voice of local councils. The precise benefit to the areas involved will depend on the economic growth that they achieve. I am very keen to see what we can learn from these and the other pilots. We should be clear: the system of business rates retention is helping local authorities to benefit from the proceeds of growth.

Dan Carden: Does the Minister agree with us that, actually, a fair funding formula is about the requirements of the citizens who live in the area, and that that has to be the responsibility of not just local government, but national Government? I invite the Minister to come to Liverpool to see what would be the consequences of any business rates changes before they take place.

Mrs Wheeler: I thank the hon. Gentleman for that kind invitation; I am sure that eventually that will happen. Thanks to the business rates retention scheme, local authorities have had approximately an additional £1.3 billion of funding to support local services in 2017-18. That is over and above their core settlement funding.

Investment is important, but it is also vital that local government continues its work to deliver better value for money. Local government has a strong track record on efficiency, setting an example to other parts of the public sector. My right hon. Friend the Secretary of State and the Under-Secretary of State, my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), who is responsible for local government, are keen to continue to work with the sector to increase transparency and share best practice and to harness the power of digital to transform services.

I am glad that we have had this chance to discuss the National Audit Office report. It is good that the NAO has recognised the positive work of the Department in getting to grips with the challenges across local government. I believe that the Government have shown that we are alive to the challenges that the sector faces and have a coherent plan for reform.

I thank the hon. Member for Weaver Vale for calling a debate on this important issue. I look forward to working closely with many colleagues over the coming months and discussing some of the challenges and opportunities facing the local government sector, and I look forward to hearing the hon. Member for Weaver Vale winding up the debate now.

3.48 pm

Mike Amesbury: I thank you, Mr Evans, and the Minister. Of course, I too am disappointed at the austerity clearly displayed on the Government Benches—that symbolises the Government's relationship these days with local government.

It is clear that we are at a watershed moment. The National Audit Office paints a stark picture, highlighting the genuine risk to statutory services. It is clearly time to change the record. Austerity is not working. It is a political choice. Certainly, as my hon. Friends have pointed out, it is not a sound financial one. Councils are crying out for certainty and are desperate to fund vital services and create better, healthier, more prosperous communities for all. We are a wealthy nation and must get our spending priorities in order. Rather than giving the richest corporations and individuals billions of pounds in tax cuts, let us fund local government services and help the most vulnerable to thrive and reach their full potential. We demand and need fair funding for all, now.

Question put and agreed to.

Resolved,

That this House has considered the National Audit Office report on the financial sustainability of local authorities, HC 834.

3.49 pm

Sitting suspended.

Vauxhall Factory, Ellesmere Port

[ANDREW ROSINDELL *in the Chair*]

4 pm

Justin Madders (Ellesmere Port and Neston) (Lab): I beg to move,

That this House has considered the future of the Vauxhall factory in Ellesmere Port.

It is a pleasure to serve under your chairmanship, Mr Rosindell. When I am at home in my constituency, I get up to go to work and I head off in my Astra, of course. I go past many houses where Vauxhall employees and pensioners live, and many houses where the family and friends of people who work at Vauxhall live—and that is before I get to the end of my street. At the end of the street, I drive past a newsagent that relies on trade from Vauxhall employees, like many other local businesses. As hon. Members will understand from what I am saying, Ellesmere Port is synonymous with Vauxhall Motors.

The first Vauxhall Viva rolled off the production line in 1964. As the plant grew, so did the town. There is virtually nobody who lives in Ellesmere Port who does not have some connection with the plant. At its height, it employed around 12,000 people. Sadly, with recent job losses, the number is about a tenth of that today, but it is still substantial. We also have to take into account the fact that for every person employed at the plant, three other people are employed in the local economy. There is also the potential for greater numbers should we increase from single-shift production again in the future.

Vauxhall remains a big part of the local economy. We should build our future success on such jobs: highly skilled, permanent jobs that manufacture something of national and local pride. Vauxhall's advertising material makes much of the significance of its being a UK manufacturer, but this is about more than being a UK manufacturer, or a key part of the local economy.

John Spellar (Warley) (Lab): My hon. Friend is right to stress that Vauxhall is a UK manufacturer. Is it not absurd, and frankly disgraceful, that so many public bodies—including police forces—buy vehicles from abroad? Some use Astras, but many others buy from companies that do not even have a presence in the UK. Should we not take that issue on?

Justin Madders: My right hon. Friend is absolutely right. We have had debates about that before. He reminds me of the time when we talked about the police in France using Citroëns and Renaults; the police in Germany using Mercedes and BMWs; and the police in Spain using SEAT vehicles. As a nation and as an economy, we should do much more to take advantage of our procurement power.

Ms Angela Eagle (Wallasey) (Lab): I congratulate my hon. Friend on securing this important debate. Does he recognise that my constituency contains Vauxhall workers as well? Their economic future is reliant on the Government's decisions in the Brexit negotiations, particularly given that they have decided to leave the single market, which puts those jobs at risk.

Justin Madders: My hon. Friend is absolutely right that the footprint is much wider than Ellesmere Port—it goes into north Wales, and hon. Friends from that part of the world are present. Brexit is key to the plant's future, and I will go on to address that shortly.

It is not just about economic impact. The plant is a big part of the town's local identity. From the 30 kids' football teams that play under the name "Vauxhall's", to the sports and social club that has had huge investment in new 3G pitches and the kids at school who see working at the plant as part of their family tradition, it is a major part of our community, and we do not want to lose it.

The plant has regular fights for survival. Every five years or so, when the next model is being discussed, plants across Europe are effectively pitted against one another to bid for the next job. In the past, the productivity and co-operation of the local workforce, combined with the tremendous leadership of Unite the Union, of which I am a member, in its work with management, have put us in the best possible position to secure future work. That partnership is an exemplar of how to conduct employee relations for the benefit of everyone.

Ian C. Lucas (Wrexham) (Lab): My hon. Friend is making a powerful case. Is that partnership of unions, employers and Government working together not the reason why the UK has been effective in beating off competition from mainland Europe to secure jobs in the past? That is what we need to do in the future.

Justin Madders: My hon. Friend is absolutely right. Initiatives such as the Automotive Council have seen the UK car industry go from strength to strength. As we know, however, every time a model comes up for renewal, it gets a little harder, the demands are greater and the workforce have to sacrifice a little more. It is a challenge we have always been equal to in the past, but the convergence of factors undoubtedly makes securing the next model our biggest challenge yet.

The latest edition of the Astra became European car of the year in 2016. It enjoyed great success, particularly in the sports tourer model, which led to 80% of the vehicles built in Ellesmere Port being exported to Europe. Despite that, in recent months, tastes have changed and there has been a dramatic slowdown in sales for that type of vehicle.

Mike Amesbury (Weaver Vale) (Lab): Does my hon. Friend agree that our Vauxhall plants, including Ellesmere Port, are among the most productive in the PSA Group family?

Justin Madders: Yes, I would like to say that they are, but we are now being judged by a new benchmark. I will go into some detail about how things are being counted against the workforce's excellent productivity.

The cuts in sales have led to cuts in the workforce, with 400 jobs going in October and another 250 earlier this year. In the past, a downturn has led to agreements between the unions and management about reduced hours to protect jobs, but the new owner, the PSA Group, has shown a different approach. That must act as a warning that we cannot expect any sentimentality from it, and that, as it has said consistently from the day it took over, plants will be judged on their efficiency.

History tells us that the local unions and management are well capable of meeting that challenge, but numerous factors are at play that will impede their ability to do that. It is our job—not just the job of the Opposition, but of the Government—to help them to overcome those obstacles in a highly competitive market.

Let us start with the big challenge: Brexit. Uncertainty across a sector can have a real impact on investment decisions. As we know, investment decisions in the automotive sector are traditionally made three to five years in advance, so decisions about investment in the post-Brexit world will begin to be made shortly.

In that respect, the timing could not be worse, as the current model in production in Ellesmere Port is due to be discontinued around the same time, in 2021. The chief executive of the PSA Group recently said:

"We cannot invest in a world of uncertainty."

Some might say that is an excuse. Some might call it a distraction. I do not mind what it is called, as long as we do not ignore it.

After the Prime Minister's Mansion House speech, the PSA Group and other manufacturers in the sector made similar points about the lack of the clarity, so I asked her to provide certainty by confirming that the trading arrangements in the automotive sector will be no less favourable than they are now. I am sorry to say that her answer did not give any clarity and there was certainly no unequivocal guarantee.

Frank Field (Birkenhead) (Lab): Might I put on record what we have spoken about in private, that we should go to see the Secretary of State for Exiting the European Union and push for a sectional deal, particularly for Vauxhall and other companies producing cars and vans in this country? A second stage could be that we get unions and management in France and Germany to effectively lobby their Governments.

Justin Madders: My right hon. Friend is absolutely right to say that the sector is too important to be left on its own. It directly or indirectly employs around 800,000 people and generates almost 10% of the country's manufacturing output. Half of all the UK's car production is exported to the EU, and that figure goes up to between 70% and 80% for the Vauxhall plant in my constituency.

Matt Western (Warwick and Leamington) (Lab): I concur with my right hon. Friend the Member for Birkenhead (Frank Field). Does my hon. Friend agree that the statement made by the CEO of the PSA Group, Carlos Tavares, is a canary in the mine? It is the first warning about Brexit and the serious impact it will have on our economy.

Justin Madders: That is certainly a huge concern locally. We do not want to get into a game of pointing fingers; we want action, certainty and investment in the plant, but it will be a challenge. A report by the Business, Energy and Industrial Strategy Committee recently concluded that

"leaving the EU without a deal would undoubtedly be hugely damaging to the UK automotive sector, more so than to other European countries... Overall, no-one has argued there are advantages to be gained from Brexit for the automotive industry for the foreseeable future."

[*Justin Madders*]

Now that we are leaving the EU, it is important to recognise that there is no upside for one of our most vulnerable and important sectors. We must do everything possible to safeguard jobs and investment, because history shows us that once manufacturing jobs are lost, they very rarely come back.

So far, the Government's response has been denial. We need them to work tirelessly to reassure major international companies that their future competitiveness will not be fatally undermined by tariffs or regulatory divergence, and that they can invest with confidence. I want us to get into a position in which Brexit cannot be used as an excuse not to invest in UK manufacturing. A clear and unequivocal commitment to a customs union would help, so that the many parts that travel back and forth across the continent can do so without impediment and without the final product becoming uncompetitive. The Society of Motor Manufacturers and Traders has estimated that failure to properly cater for such issues in the negotiations could result in an increase of more than £1,500 in the average cost of a vehicle. What business can absorb that without a massive impact?

There is a school of thought that says that some sort of customs union will prevent us from striking up trade deals on our own, but as the BEIS Committee said, the reality is that there are no advantages for the automotive sector from Brexit. If asked to choose between preserving trade with up to 80% of existing customers or knowingly jeopardising existing trade in exchange for the chance of some new business with unspecified countries at an unspecified future time, I believe most people would go for the former and protect existing jobs.

All I have seen from Cabinet Ministers who have been pressed on the issue is bluffing, complacency and dangerous fantasies about a green and pleasant land. The automotive industry will survive and flourish only if we protect it now. I do not expect the Minister's reply to provide the laser-like clarity that has been missing so far, so I will focus instead on matters that are wholly within the Government's gift, that are not down to negotiations, that can make a real difference now, and that would still be key to securing the plant's future even if a new model were announced tomorrow.

The first such matter is business rates, which can have a deterrent effect on investment and can mean that efficiencies have to be sought in alternative areas. Some 60% of the total property tax bill of the former Opel group came from the UK, even though the UK accounted for only 8% of the group's total footprint. In Germany, significant rate reductions are provided to large companies that are intensive energy users.

Alison McGovern (Wirral South) (Lab) *rose*—

Andrew Rosindell (in the Chair): I call Angela Rayner.

Alison McGovern: All red-headed women are actually the same, Mr Rosindell, so do not worry.

Is my hon. Friend aware that I went to see Treasury Ministers well over a year ago about the business rates problem in car manufacturing, but they were simply unable to do anything? Does he agree that when it comes to meeting the challenge of Brexit and keeping manufacturing jobs in this country, that sort of approach is just not going to work?

Justin Madders: My hon. Friend is absolutely right. The motor industry has been pressing on the business rates issue for several years, and it pressed again this year; I know that hon. Members with an interest in the subject have pressed on it, too. The case argues itself. An EY study has demonstrated that de-rating certain types of plant and machinery, not just in the automotive sector but across manufacturing, could stimulate additional investment of more than £8.7 billion and support an additional 33,000 jobs per annum. That is something we can do, and the argument for doing it is clear.

Let me give another example that relates to Brexit. If Vauxhall invested in solar panels on the site in the attempt to save on energy costs, it would attract a higher business rate. That does not seem in tune with much of what the Government are trying to achieve. Vauxhall has learned that its energy costs per MWh are twice those of plants in France. That has a massive impact on the competitiveness of the vehicles that it manufactures. I am grateful to the council and the local enterprise partnership for their work to address the issue by helping to source a local low-carbon supply for the plant. That will inevitably require some infrastructure investment, so I urge the Minister to keep in close contact with the LEP to ensure that everything possible is done to facilitate the proposal.

The final piece of the jigsaw is about taking a challenging part of the current set-up and reusing it to enhance the site's overall viability. A good deal of land on site is surplus to requirements; as the number of people employed there has shrunk, so has the need for the land that the plant sits on. At the moment, only about a quarter of the Astra's parts are sourced from the UK supply chain, and there has long been an ambition to increase that substantially. Given the uncertainties over future customs arrangements, the opportunity to utilise spare land to help local automotive suppliers to base themselves closer to the manufacturing site has many benefits. It will reduce transportation costs, improve productivity by providing more certainty about delivery, and benefit the wider community and environment by reducing lorry miles and thus emissions. Most of all, it will be a bulwark against a disadvantageous future customs arrangement.

David Hanson (Delyn) (Lab): My hon. Friend will know that approximately 400 people from north Wales work at the plant. I urge him, along with the Minister, to contact the National Assembly for Wales. The Welsh Assembly Government, in co-operation with the UK Government, can help with infrastructure and with many of the issues that he raises.

Justin Madders: I thank my right hon. Friend for his intervention. He and I work with many other hon. Members in the all-party group on Mersey Dee North Wales. We recognise the symbiotic relationship in the north-west between Cheshire, Wirral and north Wales, and the interchange of people who move between those areas' economies. I will certainly work with him and his Welsh Assembly colleagues on the matter.

Reshoring the supply chain is a clear element of the Government's industrial strategy, although so far I have seen no financial or practical steps taken to deliver it. We need the Government to designate the area around the plant as a local enterprise zone to incentivise suppliers to relocate there. That would benefit the local supply chain, boost the local economy, provide more jobs and

raise productivity. It would be a tremendous vote of confidence in the plant, so I urge the Minister to come back with a positive response as soon as possible. It would not only help Vauxhall, but help to improve the competitiveness of other motor manufacturers in the region.

The Vauxhall plants in Luton and in Ellesmere Port are among the most productive in the PSA family, and some of the most popular vehicles in the country are made there. We know that we are in a time of uncertainty and enormous challenge, but I do not see decline and closure as inevitable. We need to build on the positives. There can be no doubt that the ability to say that it supports British manufacturing boosts the company's sales. Nor can there be any doubt that the local management and workforce are committed to delivering the best. That commitment must be matched by the Government, ideally in the ways I have set out today, so that the owners are in no doubt that this is a community and a country that they want to invest in. When I go home, I want to be able to tell my friends and neighbours that Parliament is united and determined to give them all the backing they need to enjoy another half-century of production at Vauxhall Motors.

4.17 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): It is a great honour to serve under your chairmanship, Mr Rosindell. I perfectly understand your mistake in confusing the hon. Member for Wirral South (Alison McGovern) with the hon. Member for Ashton-under-Lyne (Angela Rayner); I myself am regularly mistaken for my hon. Friend the Member for Northampton North (Michael Ellis). I have sued people for less, but I am sure that that will not be necessary in this case.

I congratulate the hon. Member for Ellesmere Port and Neston (Justin Madders) on securing this debate, and all right hon. and hon. Members on their contributions. I take the automotive industry very seriously, which is why I asked for it to be included in my portfolio—not just Vauxhall at Ellesmere Port, but the automotive industry in general. I have met quite a few people in the industry since I first became responsible for it, and further to this debate I will be happy to meet any Members for constituencies in the area; it might be better if we organised that through the all-party group, but I leave the decision to them. I hope that right hon. and hon. Members know that my door is always open, and I really mean that—it is not just a platitude. They have said some quite critical things about the Government, but that is their job and I quite understand it.

I know that Vauxhall's history is very important to it. The PSA senior management, from Carlos Tavares down, have made clear to my right hon. Friend the Business Secretary the value they place on Vauxhall's historic brand and the commitment of its workforce. They have emphasised their intention to build on those strengths. That positive message was reiterated when the PSA Group launched its turnaround plan in November, which it called PACE, aiming to bring Vauxhall and its sister brand Opel, which were with General Motors, to profitability by 2020. Mr Tavares again made a clear commitment to Vauxhall and expressed the intention to avoid forced redundancies or the closure of any Vauxhall plants. He has consistently said that he wishes to exploit in full the company's potential in the UK.

We have regularly met senior management, within both Vauxhall and the PSA Group, and we will continue to do so. Discussions have been based on the future strategic direction for the PSA Group and Vauxhall, and on the outstanding and supportive environment that exists here for advanced manufacturing businesses and investment.

I was disappointed, as I am sure everyone in this Chamber was, at the announcements in October last year and in January on the voluntary reductions in the workforce at Ellesmere Port. Vauxhall has made it clear that the decision was taken to safeguard the competitiveness of the plant in an ever more challenging environment across Europe. I accept what hon. Members have said about the impact of those announcements on their constituencies and about how few people now work at Ellesmere Port compared with the past, as well as about the importance of those people to the local economy and their supply chain.

Ministers—more recently including myself—have stayed in touch throughout with key decision makers from both Vauxhall and the PSA Group, and very helpfully with leaders from Unite and other unions, too. We have pressed the case for Vauxhall's plants and highlighted the excellent UK workforce, and we will continue to do so.

The hon. Member for Ellesmere Port and Neston made a fine speech—I do not want him to think that I objected to much of it, because I agreed with a lot of it—but I reject his claim that we are in “denial” about what is happening. I will come on to Brexit business in a moment, but I do not think that claim is true, and I would tell him that privately or publicly on the record.

We have shown that auto investment is important in the UK. Recently, Toyota announced that its new model would be built in its plant at Burnaston and there have been other announcements in the last year from Nissan, BMW and Lotus. We can do it, and global demand for vehicles designed, engineered and manufactured in the UK is strong.

Christian Matheson (City of Chester) (Lab): I am most grateful to the Minister for giving way. There is a Toyota plant next to my constituency, in the constituency of my right hon. Friend the Member for Delyn (David Hanson). Are not investment decisions such as those the Minister has mentioned taken three years in advance? That decision by Toyota had already been taken and was known even before the Brexit referendum had taken place.

Richard Harrington: I thank the hon. Gentleman for his intervention, but I do not believe that that is the case; if Toyota was concerned, particularly about the Brexit issue, whatever decision it may have taken was certainly not finalised until well after the referendum. By the way, I look forward to visiting the Toyota plant in the constituency of the hon. Member for Wirral West (Margaret Greenwood)—I think it is in her constituency—quite soon.

David Hanson: It is in Deeside.

Richard Harrington: I do beg your pardon—in Deeside. Well, I look forward to visiting it anyway, and if I was invited to visit Ellesmere Port I would be very pleased to do so, subject to an agreement with the Conservative Whips.

Ms Angela Eagle: I thank the Minister for giving way. All of us who have an interest in this issue welcome his interest in the automotive plant, but we want a little more from him than that, since he is the Minister. Can he give us an answer on the issue of rate relief? Will the entire area be given the special status that my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) asked for?

Richard Harrington: Well, I have seven minutes and I will do my best to satisfy hon. Members, but as I say my door is open to anybody—

Ms Angela Eagle: Just say yes now; it does not take seven minutes to say yes.

Richard Harrington: The hon. Lady has been in government herself, so she knows that sometimes seven minutes is not enough to deal with these matters.

The automotive industry is very important for the industrial strategy, which is our cornerstone policy. We have announced quite significant sums of money—£80 million—for battery scale-up facilities in the west midlands, and I believe that the automotive industry, with the advanced propulsion centre and everything else, is absolutely critical to us. I hope that can help the situation at Ellesmere Port, because it will provide a framework for a modern industry of the future.

As far as Brexit is concerned, I recognise exactly the uncertainty that has been mentioned by the hon. Member for Ellesmere Port and Neston, and others. It is very important; we are not in “denial” about it. However, what I would say is that the automotive industry has been used as a model by my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy. For example, it was well publicised that at Chequers the automotive industry and its interlink with all of the companies in the supply chain, and everything in Europe, was used as an example; what my right hon. Friend would call, quite rightly, an “exemplar”.

Yesterday’s conclusion of the negotiations between the Brexit Secretary and Michel Barnier, with the transition period, showed that exactly the sort of thinking that we need for the automotive industry is recognised by our own Government and by the European Union. I am confident that that is largely the result of successful Government lobbying by the automotive industry—in which, of course, Vauxhall has taken part.

Alison McGovern: I thank the Minister for giving way. Is he saying that, given that the automotive industry was used as such an “exemplar”, the kind of arrangements agreed for the period of transition are those that we can expect to help the automotive sector in perpetuity?

Richard Harrington: Yes, I would hope so. I accept the fact that we are leaving the European Union, but I believe that common sense will prevail about the frictionless and free movement of trade between ourselves and the European Union. I think the hon. Lady is quite aware of my views on that.

Yesterday’s milestone on the implementation period will help in the short term to alleviate some of the fears mentioned by Mr Tavares and others.

Justin Madders *rose*—

Richard Harrington: I will not take the intervention, but only because of the time; under normal circumstances, I would be happy to take it. I do not want to annoy Mr Rosindell on this subject, and I am determined to do as much as I can. We as a Government are certainly determined to ensure that the UK continues to be one of the most competitive locations in the world for automotive and other advanced manufacturing.

Our vision is of a UK that is a “champion of free trade based on high standards”, not on low standards, and we hope that global Britain will forge “a bold and comprehensive economic partnership with our neighbours in the EU, and reaches out beyond to foster trade”, which I hope will help Ellesmere Port.

The right hon. Member for Delyn (David Hanson) said that we should be involved with the Welsh Assembly and others; I am very happy to meet Welsh Assembly Members. I have heard very good reports about the local enterprise partnership and it seems a very sensible idea to work with it. I would be happy to include the Welsh Assembly within any discussions on this matter.

To conclude, we are absolutely committed to a successful Vauxhall, so that it remains and thrives in the UK, both at Ellesmere Port and at the company’s plant in Luton. We have made our strong commitment absolutely clear to the company and it has full access to the support available through our industrial strategy. We want Vauxhall to be successful and—

Ian C. Lucas: Will the Minister give way?

Richard Harrington: I have not got time. We want Vauxhall to be part of a thriving economic situation. *[Interruption.]*

Andrew Rosindell (in the Chair): Order.

Richard Harrington: I do beg your pardon, Mr Rosindell. People were asking me to give way, but I have only two minutes.

I am happy to continue this debate offline, and to have a meeting with the hon. Member for Ellesmere Port and Neston and any colleagues. Perhaps we could do that through the all-party parliamentary group; I leave it to them to decide. Some important questions have been asked, but I assure the hon. Gentleman that we are not in “denial” and we want a prosperous Vauxhall. We want Ellesmere Port to be part of that.

Andrew Rosindell (in the Chair): You still have a minute and a half.

Richard Harrington: Yes. Thank you, Mr Rosindell.

Ms Angela Eagle: Mr Rosindell—

Andrew Rosindell (in the Chair): Order. The debate is over, I am afraid. The Minister has offered to continue the debate after this, so I suggest that you speak to him later.

Question put and agreed to.

Scottish Welfare Powers

4.30 pm

Bill Grant (Ayr, Carrick and Cumnock) (Con): I beg to move,

That this House has considered Scottish welfare powers.

It is a pleasure to serve under your chairmanship, Mr Rosindell. I extend my thanks to Members from both sides of the House who have turned out to debate this important issue for Scotland.

The Scotland Act 2016, which was delivered by a Conservative Government to the people of Scotland to implement the recommendations of the Smith Commission, has elevated the Scottish Parliament to one of the most powerful devolved legislatures in the world. It has unprecedented power at its disposal, including over some welfare and social security elements. I am proud of my party's record on devolution. It is the Conservatives who are delivering on devolution. It is this party that gave the Scottish Parliament the powers to top up existing benefits, make discretionary payments and even create entirely new benefits. In total, the Government have devolved 30% of working-age benefits in full, meaning that Scotland has significant control over its welfare system. The question now is how those powers are used.

Between the powers held by this Parliament and those rightly held in Holyrood, the welfare system in Scotland should, I believe, be based on three overarching principles. First, we must always ensure that adequate support is available for the most vulnerable in our communities, and we are rightly proud that in this country we have a system designed to offer a safety net to those who need it most. Secondly, any welfare system must be flexible and, where possible, personalised. Far too often we approach these debates with a singular focus on numbers and statistics. We must remember that behind every one of those numbers is an individual or a family with their own set of unique circumstances, and any welfare system must be able to work for each and every one of them.

Chris Stephens (Glasgow South West) (SNP): I thank the hon. Gentleman for most kindly giving way on my birthday. Does he believe that social security is also a human right?

Bill Grant: That is an interesting question. We cannot see people going without entirely, so yes, I would lean towards its being a human right. Social security is a safety net that in this country, and in Scotland, we can be proud of providing, and I hope that we are able to do so for a long time to come, through a good, strong economy and people in employment.

The third principle is that the welfare system should give those who can and want to work the opportunity to do so. That is an essential part of its modernisation. It has rightly been the guiding principle of welfare reforms across the UK in recent years, and we should not underestimate the dignity and sense of fulfilment that accompany employment.

It is with those principles that I have approached the debate today, but one further important requirement underpins them all, which is that the system works. That sounds very simple and easy, but I am increasingly

concerned that the Scottish Government are simply not moving fast enough to ensure that it does. Hundreds of thousands of people receive the benefits, so it is vital that the devolution of powers is delivered safely and in an orderly way. It is vital also that people know what will happen under the new system, that the Scottish Government think through policy properly and that they have the structures up and running to take over the important responsibilities.

Neil Gray (Airdrie and Shotts) (SNP): Has the hon. Gentleman articulated any of those concerns directly to the Scottish Government?

Bill Grant: I can honestly say no, but I believe that it is not my role to do so at this juncture. The hon. Gentleman may have a different view, which I fully respect. If there is a need to do so, I will certainly take him up on that.

This is no easy feat. I accept that we cannot just magic up a new welfare system. I do not underestimate how much work must be done. We have known the timeline for the devolution of the powers for quite some time now, yet there is still no real detail about how the Scottish Government intend to use the important main powers. The fact is that Scottish National party Ministers in Scotland are proceeding exceptionally slowly with implementing this aspect of devolution. I suspect that the SNP is now beginning to realise that creating a welfare system that is fair to everyone, including taxpayers in the UK and in Scotland, is not an easy task. That I accept.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Disabled people across the UK have suffered a cut in their disability benefit of £30 a week under the Welfare Reform and Work Act 2016, and the Institute for Fiscal Studies says that some 10,000 disabled claimants in Scotland will have to find £1,400 a year. Does the hon. Gentleman believe that to be fair?

Bill Grant: Disability funding has increased over this Parliament, and will continue to do so. Fairness is a double-sided coin. The hon. Gentleman will learn that in the Scottish Government. Fairness must apply to the taxpayer and to those who receive assistance. I am sure that he agrees.

Alison Thewliss (Glasgow Central) (SNP): The Equality and Human Rights Commission produced a report last week that suggested that 75% of cuts have fallen upon Pakistani families in England. Does the hon. Gentleman think that is fair?

Bill Grant: I have to take the hon. Lady's word for that. I have not seen that report. I have no reason to doubt it, but I would have to know more about it before I agreed to apply the word "fairness."

Disability benefits are being devolved by April 2020, and we have been promised that a new Scottish social security agency will be up and running, ready to take on the handling of welfare issues, in time for the next Scottish election. Time is moving on, yet many of the details are still desperately lacking. For example, we do not know how the system will interact with and work in parallel with the UK system and the Department for

[*Bill Grant*]

Work and Pensions. Might the Minister be able to indicate whether he has discussed that with his Scottish counterparts? That might reflect on the hon. Member for Airdrie and Shotts (Neil Gray) tasking me with that job.

That lack of detail and policy is a concerning feature of the SNP Government's approach to welfare. We know that they will take over responsibility for benefits such as disability living allowance and personal independence payments. What we do not know, however, is precisely what their policy will be on disability benefits. What assistance do they propose for people with disabilities? How will claims be made, assessed and processed through the system? How much will people be able to receive?

Neil Gray: With due respect, the hon. Gentleman is clearly not following proceedings in Holyrood. At the Committee stage alone we discovered from the Scottish Government—supported, I think, by the hon. Gentleman's colleagues in Holyrood—that the medical information required for the assessments will be gathered by the social security agency so that there will be a reduction in the need for face-to-face intervention. That is just one area in which we know there is clear detail from the Scottish Government.

Bill Grant: That progress is fairly slow, but I welcome it.

Stephen Kerr (Stirling) (Con): Reference was just made to the Scottish Social Security Committee report. In its conclusions, it in fact states:

“There have been a number of consistent concerns raised about the Bill, in particular the balance between what is contained in the Bill and what will be in regulations.”

The distinct lack of detail in the Bill is causing parliamentarians and outside interest groups grave concern.

Bill Grant: I thank my hon. Friend for that intervention.

Neil Gray: Clearly the hon. Gentleman's colleague is also rather behind the times on how the process works in Scotland. That report came before the Social Security (Scotland) Bill went to its Committee stage in its passage through Holyrood.

Bill Grant: I will not be the referee on what is right or wrong in the report, but the truth will be in there somewhere.

Most worryingly, the detail we have from the SNP simply has the look of an attempt to move away from Westminster systems and be different just for the sake of it. Take disability benefit assessments, for example. One of the first and only changes that the SNP has announced is over the role of the private sector in those assessments. It has yet to justify that approach, and I am not clear what the actual benefits will be.

Chris Stephens: The hon. Gentleman is being most generous in giving way. Is the role of the private sector in assessments not best covered by the recent Work and Pensions Committee report, which documented individual men being told by the DWP that they were in actual fact pregnant? Does that not tell us that there is something wrong with the private sector dealing with assessments?

Bill Grant: I do not think that I would pass judgment on the private sector system based simply on that one example. You can pick out poor examples from any system. Any identified problem will be rectified. The Government have been rectifying issues over a long period of time.

Patricia Gibson (North Ayrshire and Arran) (SNP): Are you seriously coming to the Chamber today and telling us that since you have been elected, no constituent has come to you to complain about the way their applications for DWP assessments have been treated? Is that what the hon. Gentleman is telling us? If he is telling us that, it must be the only constituency in Scotland where that is the case.

Bill Grant: I respect the hon. Lady's intervention, but for clarity, I never indicated or suggested—sorry if you have interpreted it as such—

Andrew Rosindell (in the Chair): Order. I remind Members that the word “you” refers to the Chair.

Bill Grant: My apologies. I checked with the office. Cumnock jobcentre went live on 25 October last year, and in February this year the two other jobcentres in my constituency, Ayr and Girvan, went live. I think we have had six inquiries in total in that time. By the time my office staff got back to them, I think two or three of them had self-resolved and the system had resolved the others. The dark side of universal credit in terms of the changes is not self-evident.

Stephen Kerr: I am grateful to my hon. Friend for his generosity. Surely the whole point of this debate is not the issue raised in the previous intervention by the hon. Member for North Ayrshire and Arran (Patricia Gibson), but what will happen to social security in Scotland in future. That is what my constituents have grave concerns over.

Bill Grant: I thank my hon. Friend for that. It may be prudent for us to focus on the purpose of the debate. The SNP appears to be unprepared for the powers it has demanded for so long. It has repeatedly demanded powers—it could be called a power grab—and it has now been granted them. We urgently need to know whether the Scottish Government will be ready to take on responsibility for welfare by 2020, as is planned, or whether they will have to ask the UK Government to delay the process. I hope that later in the debate the Minister will touch on some of the contingency plans we must have, as we cannot allow the Scottish Government's delays to impact on those who rely on these benefits.

Drew Hendry: At the very least, the hon. Gentleman is being generous in taking interventions. Can I clarify something with him? He is saying that the Scottish Government are not taking action ahead of time. Does he support the hundreds of millions of pounds that the Scottish Government have put into mitigating the bedroom tax in Scotland?

Bill Grant: I have no issues. That is the choice of the Scottish Government, and I respect their choice. They have chosen to do that.

From what we do know of the SNP plans, we can see that they are likely to be incredibly expensive. The Scottish Fiscal Commission said that devolved welfare spending—this is an astronomical rise—will increase by nearly 50% between 2017 and 2023, going from £330 million to £470 million of taxpayers' money. It is never the Government's money; it is the tax raised from the hard-earned income of those in employment. Of course any system must be able to cope with the needs of those who depend on it, and do so adequately, but my concern is that the Scottish Government might devise a social security system that is so expensive that it will not provide fairness to taxpayers. The balance of need and affordability must be carefully considered.

Alison Thewliss: The hon. Gentleman seems to be suggesting that people are either claiming benefits or paying tax. Does he not agree that that is not the reality? Some people supported through tax credits are working.

Bill Grant: It might be my Scots accent that is causing an issue, because I did not indicate that. I said that the welfare system is generally dependent on those who earn money and pay tax, but there is a middle group. There are those who earn and who are not dependent on the welfare system, and those who are wholly dependent on it and are perfectly entitled to that support. The hon. Lady is right that there is a middle group where there is a balance of work with tax credits and assistance, and that is to be welcomed.

Chris Stephens: Will the hon. Gentleman give way?

Bill Grant: If the hon. Gentleman will bear with me, I want to make a wee bit of progress. Just like the policies themselves, there is little detail on future costs. It is important that we know how much things will cost and how taxpayers will be expected to fund the Scottish system. Are we going to see yet more tax rises for the people of Scotland, or will other services begin to see cuts? My Scottish Conservative colleagues and I have spoken regularly in this place about the need for Scotland's two Governments to work effectively together, and that is true for welfare.

Neil Gray: Has the hon. Gentleman read the financial memorandum that was published for the Bill on Friday? Has he considered the Scottish Government's remarks that suggest we will always pay for the social security system out of the funds we have in Scotland and any efficiency savings that come forward? Clearly the finances are there.

Bill Grant: I welcome the hon. Gentleman's comments. I certainly hope that there are efficiency savings in that regard, but I am a bit sceptical.

Take universal credit, for example. The Scottish Government have made use of the flexibilities available, and they are well within their rights to do so, but consultation and information sharing with the DWP could be much better. In Scotland, claimants can choose to have the housing element of their universal credit paid directly to landlords. In England, the DWP does not simply pay people money and turn its back on them. If somebody has fallen two months in arrears with rent payments, a UK-wide system of alternative payment arrangements is triggered and rent can be

paid, where needed, directly to landlords. It is best if individuals can manage their own money to match the working environment. It is important that they are allowed to manage their own money where they can and that there is a system to support them.

Chris Stephens: I thank the hon. Gentleman for giving way again. In terms of flexibilities, does he not accept the evidence that has been given to the Work and Pensions Committee, and to the consultations on the Social Security (Scotland) Bill, is that those moving on to universal credit who have been in work are paid weekly and fortnightly. The majority are paid that way, not four-weekly.

Bill Grant: I think I have indicated in the debate today that flexibility is a good thing. I welcome such things for people until they, for want of a more elegant phrase, get on to an even keel. It is a support system; it is not a permanent system. Where the system would benefit from flexibility, I welcome that.

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): The hon. Gentleman is talking about the flexibility now afforded to the Scottish Government in the payment of universal credit. Does he not agree that it is regrettable that his party and his favourite sparring partners the SNP voted down the Labour amendment to ensure that women in particular can be protected from financial abuse by being able to split universal credit?

Bill Grant: I support that. I think discussions are going on between the UK Government and the Scottish Government to resolve that. It is a serious issue, particularly in terms of abusive relationships and so on. I respect and support that point.

I am conscious of time. It is not clear how Scottish flexibility and the UK-wide alternative payment arrangements system will work together in the future, and both Governments must provide further clarity on that. Universal credit is an area where the Scottish Government have already exercised their devolved powers. While it is rightly a reserved benefit, it is also right and correct that it should be tailored to Scottish needs, but these flexibilities throw up issues that must be worked out between the two Governments. People in Scotland who opt for the flexibility of two-weekly payment may not be able to access things such as direct debits to secure lower utilities prices. Will the Minister commit to working with the Scottish Government to resolve such issues in the devolved system?

Providing welfare is one of the most important and complex tasks a Government delivers. As we move into the 2020s, the Scottish Government will rightly take on more and more responsibility in this area. By 2021, the leadership of the Scottish Government might look rather different—it might look much the same—but it must be ready regardless. We simply cannot afford for the SNP not to be ready. We know that it is a party that prefers complaining to governing, but that has to end now—the stakes for these individuals are far too high.

The UK Government promised devolved welfare and have kept up that end of the bargain. The SNP Government now need to get on with the work to secure a welfare system in Scotland. They need to be 100% focused on what to do with the powers. They need to ensure that

[*Bill Grant*]

Scotland is ready for this significant and important change. We are not there yet, but there is still time. Let us all hope that, for once, they rise to the occasion. Finally, I thank the staff of the Department for Work and Pensions, in offices around Scotland and the United Kingdom, for their continuing commitment to the needs of their clients on a daily basis, and for embracing change and digital technology.

4.50 pm

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Thank you, Mr Rosindell, for your expert chairmanship of the debate. We have had a spirited introduction from the hon. Member for Ayr, Carrick and Cumnock (Bill Grant), with some interesting re-writing of history regarding the Tory party's legacy when it comes to defence of the welfare state in Scotland.

At every stage of the process of devolution, it is Labour that has led the charge. During the passage of the Scotland Act 2016, although the welfare provisions were agreed by the Smith commission, it was only the amendments tabled by my hon. Friend the Member for Edinburgh South (Ian Murray) that extended the new benefits in devolved areas, and top-ups in reserved areas. It was only his action that forced that change in the Lords, and pressure from the Labour party that ensured that that provision was included in the Act.

A huge opportunity has been presented to the Scottish Government with the extension of welfare powers. That is exactly what devolution was intended to do. Remember that the spirit of devolution was set up in the face of rampant Thatcherism and the rolling back of the industrial and welfare settlement that Scotland had enjoyed since the end of the second world war.

Stephen Kerr: On a point of information, Mrs Thatcher left office in 1990. The devolution settlement the hon. Gentleman is referring to occurred under Tony Blair's Government, eight years later.

Mr Sweeney: I think I referred to the "spirit" of devolution. If the hon. Gentleman recalls his history, devolution, which of course the Tories implacably opposed throughout, was born in the 1980s. Likewise, the popular campaign for a Scottish Parliament was born out of the 1980s and the reaction against Thatcherism, the policies of which were anathema to the Scottish people. Devolution was born in the face of Thatcherism. If I am not mistaken, it was the former Secretary of State for Scotland, Sir Malcolm Rifkind, who referred to Thatcher as the midwife of the Scottish Parliament.

Clearly, Labour led the charge at every stage in the process. Although there is a great opportunity for the Scottish Parliament to be what it was designed to be—a bulwark against Tory austerity, not a conveyor belt for it—we have seen a weakness in the Social Security (Scotland) Bill, which was built on empty rhetoric, not substance. Again, it has been Labour pressure that has led the charge against the SNP pulling off an audacious power grab, without any scrutiny or accountability, in the Bill's development in the Scottish Parliament.

Scotland has the powers to create its own social security system, to change the lives of disabled people, to tackle poverty, and to reinforce the safety net, but there is still so much missing from the Bill. The Bill at

stage 3, as it goes through the Scottish Parliament, will be very different from the form it was issued in last June. That has been achieved through campaigners lobbying, and Labour holding its ground, seeking to deliver real change to improve the lives of the people of Scotland. I want to be clear about how it has progressed through the Scottish Parliament, for the avoidance of any doubt and any rewriting of history.

In June 2017, a briefing was circulated to all MSPs highlighting that the Bill contained no top-up to child benefit, no rules setting out how the Government should create new benefits in devolved areas, and no ban on the private sector, going back on the Scottish Government's word from April 2017. There was also no hard commitment on uprating, going back on their word from June 2016, and no scrutiny through the legislative process. By the end of that summer, during stage 1 Labour had secured the following concessions in the Bill: scrutiny and parliamentary procedure, a right to independent advocacy, a right to payment cash as default, and a statutory duty to maximise incomes.

However, the Minister for Social Security in Scotland continued to block protections for recovering overpayments made by office errors, which is more onerous than the UK system. She also blocked inflationary uprating—that is to say, the Minister wanted to do less than the UK system—and redeterminations, as they wanted to replicate the UK system. She also blocked the banning of the private sector, and the setting of binding targets to encourage the uptake of £2 billion in unclaimed benefits. However, since January we have seen a U-turn on all those issues, by laying or supporting amendments and seeking Labour's support, while antagonising the third sector and civic society in the process.

During stage 2 of the Bill, the SNP and the Tories voted down amendments to secure human rights in the Bill. For months, a key and fundamental part of SNP rhetoric focused on how the system would be built on dignity and respect, yet when put to a vote they teamed up with the Tories to vote that down. That rightly angered the third sector, and some of the Scottish Government's key supporters, who have long called for the right to social security to be part of the legislation. The Scottish Council for Voluntary Organisations said in response to this issue:

"This 'due regard' amendment...was to ensure that the principles in the Bill, something we have heard a lot about from the Scottish Government, could be realised in practice.

Astoundingly, despite the Scottish Governments rhetoric around a social security system based on human rights, the amendment was not agreed and no such duty will exist in the Bill.

Confused? You should be."

That is a shameful indictment of the Scottish Government's true commitment on this issue.

Stephen Kerr: I thank the hon. Gentleman for giving way again. I congratulate him on his powerful speech, even though I do not agree with everything that he is saying. Does he agree that the evidence that he is presenting shows how difficult it is for the Scottish Government to get their arms around the issue of providing a social security system in Scotland? It is a complex issue, is it not?

Mr Sweeney: I agree that the complexity of the social security system should not be underestimated, but none the less we should have committed at the outset to the

objectives and the vision that we wanted to see, which we share. Surely they should live up to their rhetoric on this issue.

Patricia Gibson: The hon. Gentleman says that the Labour party has been leading from the front on this issue. In the light of that statement, I ask him whether he regrets, and would like to apologise for, the fact that 184 members of his party abstained on the Welfare Reform and Work Bill in 2015, thereby letting through £12 billion of welfare cuts.

Mr Sweeney: I am afraid that is a total misrepresentation of what Labour was voting for in that case. If anything, the SNP should apologise for abstaining on the Third Reading of the Tory Finance Bill just last month, when we were all in Parliament. I cannot speak for colleagues who were not elected at the time she refers to, but I can accuse the hon. Lady of that act just last month.

On the progress of the Social Security (Scotland) Bill and how complex it has been, even at stage 2 in February, Labour continued to challenge the Scottish Government to deliver a number of further improvements, which have been resisted. For example, a child benefit top-up of £260 per year was blocked by the Tories and the SNP voting together. Changes that would prevent the winter fuel payment as well as disability and industrial injuries benefits from being means-tested were backed unanimously by Labour, the SNP, the Tories, and the Greens—a good concession. Binding targets to boost the take-up of all benefits were also backed, and protection for carers from inflation—the current carefully crafted Scottish Government plans look set to save £5 million—was backed unanimously.

However, a requirement in law to secure the automatic splitting of universal credit so that women are protected from financial abuse was blocked. The competency of that is contained in section 30 of the Scotland Act 2016. The Tories and the SNP blocked that by voting together—just days before, somewhat ironically, the hon. Member for Central Ayrshire (Dr Whitford) introduced a Bill in this place on the same issue. It is an example of how the SNP talks a good game at Westminster, yet acts very conservatively at Holyrood. An attempt to secure a higher legal threshold to prosecute claimants who fail to notify a change of circumstances was also blocked when the Tories forced a vote on it.

There is clearly much more scope to improve the quality of the social security system in Scotland. The only party that has driven real change and a real defence of working people in Scotland who rely on a social security system and a safety net has been the Labour party at every stage. We should not forget that the only force that will ensure that we have real, radical change for disabled people, that we tackle poverty, and that we reinforce the safety net will be a Labour Government at Holyrood in Edinburgh, and at Westminster in London.

Several hon. Members *rose*—

Andrew Rosindell (in the Chair): Order. There will not be time for everyone to speak in the debate unless everyone keeps their remarks down to just over a minute. We have only eight minutes before we have to move on to the SNP spokesman. We will have to be very strict with that timing, because there is very little time left. I call Luke Graham.

4.59 pm

Luke Graham (Ochil and South Perthshire) (Con): I will try to keep my remarks as close to one minute as I possibly can. Welfare is one of the key elements of the modern British state. We launched the NHS together and we built the welfare state together. It started at the turn of the 20th century and was built throughout the last 100 years. Beveridge was the son of a Scottish civil servant and helped lay the infrastructure in which we operate today.

Welfare is also one of the biggest issues that I have experienced as an MP. Constituents regularly come to me with a whole range of welfare issues and my staff and I work incredibly hard to make sure that we resolve them. We have been able to successfully resolve 94% of the universal credit inquiries we have had in just a few days. The greatest concern when we get into the politics of the devolution of welfare powers is the impact on constituents. I have already had constituents coming to me in a state of confusion because they do not know whether to go to the local authority, the MSP or the MP, and that is just with the current system, before we create a whole other agency with a whole other bureaucracy and the costs that go with that.

The Smith commission put the powers in—

Andrew Rosindell (in the Chair): Order. I apologise. I call Patricia Gibson.

5 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I will try to be brief. I am bewildered about what this debate is supposed to achieve. The hon. Member for Ayr, Carrick and Cumnock (Bill Grant) agreed with many of the points we put to him—for example, that social security is a human right. I wonder what the Minister will think of that.

We will take no lessons from the Labour party. It does not matter what the hon. Member for Glasgow North East (Mr Sweeney) says, £12 billion-worth of cuts on welfare went through in 2015 and 184 Labour MPs abstained. That is why we need to have people in here protecting Scotland's interests.

The hon. Member for Ayr, Carrick and Cumnock talked of the need for mitigation. By definition, if we need to mitigate Tory cuts in Scotland, that suggests that the Tory cuts should not be taking place.

In setting up the new welfare system in Scotland, there has been widespread consultation. For the hon. Gentleman to suggest that it is some dark secret and nobody knows what is happening is clearly nonsense. His colleague, Adam Tomkins MSP, talked about the welfare legislation in Scotland as being landmark legislation and the great consensus around it. It is a pity that the hon. Gentleman cannot agree with his Tory colleagues in the Scottish Parliament. Adam Tomkins MSP congratulated the Scottish Government on bringing the legislation forward in the form that they did. It is very clear that the only people who are standing up for the people who find themselves relying on benefits—

Andrew Rosindell (in the Chair): Order. I call Stephen Kerr.

5.2 pm

Stephen Kerr (Stirling) (Con): Having made a number of interventions, I will take a few seconds simply to say that what concerns me most about the passage of the

[Stephen Kerr]

Social Security (Scotland) Bill, as outlined by the hon. Member for Glasgow North East (Mr Sweeney), is the disregard that the Scottish National party in Government in Scotland show to due parliamentary process. They are reluctant to expose their legislation in detail. They are reluctant to allow that legislation to be properly scrutinised. They make bad laws. They have a consistent record of making bad laws. They ram legislation through the Parliament. We have an example right now with the wrecking Bill that is going through Parliament with very little time for scrutiny. This is another typical example. The Social Security (Scotland) Bill as it was originally presented included enormous powers reserved to Ministers—called Henry VIII powers here. They are practitioners of reserving powers to Ministers for regulations of the highest order and that is why sometimes when they speak in this place, their actions in Government in Scotland should be set against what they say.

5.3 pm

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): I am delighted to serve my community and to stand up for the most vulnerable in society. It has not always been easy in public life, but it is easy to stand up for what is right.

I am so sick of seeing the impact of the SNP and Tories on my constituents. On a national level, we have seen jobcentres closed. We have seen DWP offices closed. We have seen housing benefit for under-25s scrapped. We have seen support for local authorities across the United Kingdom slashed. We cannot forget that many of the decisions taken by the Tories in London and the SNP in Scotland have taken money out of the pockets of people in need. I am ready for real change.

That is why I am delighted that Richard Leonard has become the leader of the Scottish Labour party. Under Richard, we will see radical change for disabled people and plans to tackle poverty, and we will reinforce the safety net. This is not and should not be political. It is about a better future for the people of Scotland.

5.4 pm

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): Like, I suspect, most hon. Members, I got involved in politics to make people's lives better and to make our country a better place. A large part of the casework I have to deal with revolves around welfare and ensuring that people get what they are entitled to from the safety net that the state rightly provides. That is why I find it so annoying and so frustrating that the SNP chooses to make party politics of this. While they constantly condemn the choices that the UK Government make about welfare, when this Conservative Government gave the Scottish Parliament even more powers to take those decisions itself, the SNP Government have dithered and delayed and pushed the powers back for as long as they possibly could to avoid making the tough choices and taking responsibility for being in government, and would rather just stoke up the politics of grievance. The voters see through it. We see through it. It is about time the SNP stood up for the rhetoric that it is so keen to articulate and actually took responsibility for being in government.

5.5 pm

Chris Stephens (Glasgow South West) (SNP): It is a pleasure to serve under your chairmanship, Mr Rosindell.

So far we have been subjected to what one can only call buzzword bingo. I am only waiting on one from either the Labour or Conservative Benches.

The hon. Member for Ayr, Carrick and Cumnock (Bill Grant) complained, on the one hand, that not enough was being done and then, on the other hand, complained about what has already been announced. It is incredible behaviour. It can be summed up like this: the UN committee on the rights of persons with disabilities has criticised the UK Government for grave and systematic violations of the conventions on the rights of persons with disabilities and, at the same time, it has praised the Scottish Government for engaging with disabled people and the organisations that represent them.

If we are building a social security system—not a welfare system as the Conservatives talk about, as if it is some sort of handout—

Stephen Kerr: No. That is not—

Chris Stephens: It is not a handout; it is a human right. Language is important. The hon. Member for Stirling can shout all he likes—it is social security we should be talking about, not welfare. That is a big difference between my party and his in terms of how we view the issues. We need to ensure—

Andrew Rosindell (in the Chair): Order. I call Drew Hendry.

5.6 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The hon. Member for Ayr, Carrick and Cumnock (Bill Grant) has brought this debate to the Chamber and was largely complaining about two things: cost and time. I do not have much time and so I would refer the hon. Gentleman to some of the speeches I have made about the misery of universal credit in my constituency since 2013, which he is invited to come and see.

Let me just make a point on cost. The UK Government have already lost in court, being found to have unlawfully discriminated against disabled people—a move that could cost billions. So there is the cost. In terms of dates, the Scottish Government will introduce the first of the devolved benefits, carers allowance, in the summer. It will bring in the best start grant in summer 2019, funeral expenses assistance in summer 2019, and the young carers' grant—a £300 payment for young people—in autumn 2019. Recipients will also benefit from free bus travel from 2021. The Benefits Expert Advisory Group will extend winter fuel payments to families with children on the higher rate of disability living allowance and not means-test them. That is the way to deliver with the very limited powers that have been at the disposal of the Scottish Government, in terms of the best value for money and the best value for people.

5.8 pm

Neil Gray (Airdrie and Shotts) (SNP): It is a pleasure to speak in this debate with you in the Chair, Mr Rosindell. I congratulate the hon. Member for Ayr, Carrick and Cumnock (Bill Grant) on securing the debate. As has already been evidenced, it has allowed us to highlight the rather stark differences in the approach to social security in Holyrood and here at Westminster.

I also feel a wee bit sorry for the hon. Gentleman as, when he secured the debate, he really must have thought it was going to be a chance to get another “SNP bad” story on the Scottish Government for failing to deliver on their promises. Of course, the Scottish Government are proceeding quite nicely as they build the new Scottish social security agency. He must have been choking on his kippers at breakfast this morning as he read the headlines about his Prime Minister selling out the Scottish fishing industry. Today is really not the day for Scottish Tories to talk about promises to the electorate, when the SNP Government are keeping theirs.

Tommy Sheppard (Edinburgh East) (SNP): Last week, the Equality and Human Rights Commission published its report on the cumulative effects of the UK Government’s tax and benefit policies, which showed that the very poorest in our society—the bottom 10%—are the ones who have suffered the most, and the ones who have suffered the least are the richest 10%. In other words, it is a system that is in direct and converse relationship to what it should be. Does my hon. Friend agree that, given their legacy, Government Members have a bare-faced cheek to try to attack the Scottish Government?

Neil Gray: I absolutely concur.

The hon. Member for Ayr, Carrick and Cumnock suggested that the Scottish Government are not following due process in preparing for the new system, and that they are not ready for the new powers because there is a lack of detail in the plans. I politely suggest to him that both statements cannot be true. Indeed, both are false. He himself acknowledged many of the areas in which the Scottish Government have used their powers to act. The Bill to create the new Scottish agency passed Committee stage at Holyrood—it did so with remarkable consensus, given the topic of discussion—so the process has been followed in a timeous fashion.

The Scottish Government are in regular contact with the hon. Gentleman’s colleagues in the DWP about how the two systems relate to each other. I wonder whether the Minister has done the groundwork that the Scottish Government have. We have yet to see evidence that he has. On the process point, the hon. Gentleman is clearly wrong.

Luke Graham: Does the hon. Gentleman agree that benefits across this country should at least be of one high standard? We have to be careful that, in creating another agency, we do not end up duplicating services, creating more cost for our taxpayers and delivering a worse service for our constituents. In other words, there has to be an incremental benefit, not duplication, more cost and bureaucracy.

Neil Gray: I agree with the hon. Gentleman’s constructive intervention to a point. That is why the Scottish Government are taking time to consider setting up the agency and are doing what they can to liaise with the UK Government about how the systems will operate in tandem.

The hon. Member for Ayr, Carrick and Cumnock is also wrong on the detail point, which relates to our readiness. From the Bill’s progress in Committee alone, we know that private companies will not be involved in delivering assessments. A new benefit will be provided to overcome his Government’s removal of housing benefits from most 18 to 21-year-olds.

John Lamont: Will the hon. Gentleman give way?

Neil Gray: To paraphrase Mike Russell, I am afraid I have too few minutes and too much to contradict the Tories on. I am very sorry, but I do not have enough time. I have taken other interventions.

We will establish an independent scrutiny body—the Scottish commission on social security—and we have a legal duty to scrutinise proposals for regulations and have regard to human rights. The new agency will seek medical information at the outset of an application—applicants will not be required to collect it at appeal stage—so face-to-face assessments will be reduced. The legislative process required to deal with the successful transition of 11 benefits is still going on in Holyrood, so there may be more detail to come.

Those who contradict the hon. Member for Ayr, Carrick and Cumnock are not restricted to SNP Members. I am keen to quote a couple of his colleagues in the Scottish Parliament. On 19 December, the Tory spokesperson on social security, Adam Tomkins, described the Scottish Government’s Bill as “landmark legislation” and said that

“the general principles of the bill should be supported.”

His colleague, Michelle Ballantyne MSP, went even further on the same day, and said that our Bill

“has the potential to revolutionise social security in this country.”

It is interesting that the hon. Gentleman has chosen this topic for debate, given that his colleagues up the road are not quite so keen to denigrate the Scottish Government’s actions. That is one of the reasons why I asked whether he had written to the Scottish Government at any stage about any of his concerns. You will be shocked to learn that he has not, Mr Rosindell. Call me cynical, but I think motives other than just inquiring about the progress in this area might have been at play when he called this debate.

The Scottish Tories were supposed to be coming to Westminster to vote as a bloc to protect Scottish interests and advocate for Scotland. Instead, they have used Westminster as a platform to try to denigrate the Scottish Government to the point of farce. Perhaps if the Scottish Tories had spent less time trying to do the job of MSPs, which many of them left, and more time watching what their own Government are doing, they would not be in the fisheries mess they currently find themselves in.

That leads me to my main questions for the Minister. How are the UK Government’s plans for the new Scottish social security agency going? What work has the Minister commissioned to ensure there is no delay to the smooth progress, which is currently on track to be delivered by the Scottish Government? What work have the UK been doing to keep up with—

Andrew Rosindell (in the Chair): Order. You are out of time, I’m afraid.

5.13 pm

Margaret Greenwood (Wirral West) (Lab): It is a pleasure to serve under your chairmanship, Mr Rosindell. I welcome this debate, and I thank the hon. Member for Ayr, Carrick and Cumnock (Bill Grant) for securing it.

It is important that we debate the impact of the Westminster Government’s cuts to the social security system in Scotland and the whole of the UK. Although the Scottish Government’s response takes steps in the

[Margaret Greenwood]

right direction, is not without problems. I pay tribute to my Labour colleagues in Scotland who have worked hard and continue to do so to ensure opportunities are not missed in the Social Security (Scotland) Bill, as my hon. Friend the Member for Glasgow North East (Mr Sweeney) said powerfully. They have used every opportunity available to them to improve the legislation, but we are concerned because, for all the Scottish Government's warm words, progress has been slow.

I will not go through every aspect of the Bill, because many have been discussed today, or the powers available to the Scottish Government, but I want to raise some key issues that we need answers to. The previous Labour Government strengthened the social security net to lift 120,000 children and 110,000 pensioners in Scotland out of poverty, but ground has been lost since Labour left office. More than one in four children in Scotland now live in poverty.

The Westminster Government's decision to limit the cap on uprating to 1% from 2013-14 to 2015-16, and the subsequent freeze on the majority of social security payments, have caused low-income households to suffer a significant deterioration in the adequacy of social security support. The freeze to payments and support is having a detrimental impact on millions of people on low incomes across the UK. Inflation has more than doubled in the past year. It hit 3.1% in November, and it is now at 2.7%. Meanwhile, food inflation is at 3.3%. The Child Poverty Action Group states that

"the failure to uprate benefits in line with inflation is the single biggest driver behind child poverty."

Will the Minister explain why the Government refuse to listen to CPAG and many other expert charities and organisations, and why they will not end the freeze?

I want to see the uprating of social security support both in Scotland, via the powers given to the Scottish Government in the Social Security (Scotland) Bill, and in the rest of the UK. Unfortunately, the Government here have refused to do that, but the Scottish Government still have the opportunity to take action.

Danielle Rowley (Midlothian) (Lab): Does my hon. Friend agree that the Conservative Government's handling of welfare changes has been absolutely shambolic, and that the SNP Government in Holyrood have dragged their heels? At the centre of this are people, and the finger pointing on display here does nothing to reassure them.

Margaret Greenwood: My hon. Friend makes a really important point, but I am so short of time.

In Scotland, some 50,000 households with three or more children are in receipt of tax credits. From April 2017, families no longer received support through child tax credits or universal credit for any third or subsequent child born on or after that date. That also applies to new UC claims. On top of that, the abolition of the family element of the child tax credit for all families whose third child is born after the April 2017 deadline will affect thousands of families who will lose £545 a year. Yet in Scotland the SNP blocked Labour's plan to introduce a child benefit top-up of £260 each year, which would have lifted 30,000 children out of poverty. After housing costs, 26% of children in Scotland were

living in relative poverty in 2015-16—approximately 260,000 children. Does the Minister think that is acceptable? Why does he refuse to act?

On top of that, the switch to universal credit will cause up to 100,000 families in Scotland who are currently in receipt of housing or council tax benefit to lose an average of £1,196 a year in state support for childcare costs. Universal credit is clearly not fit for purpose, so why does the Minister refuse to pause the roll-out and fix the problems to make the system work?

Members have spoken about the flexible payment system, which is important—we have been calling for one for the rest of the UK—and the system of split payment. I would be grateful if the Minister explained to us whether there are any practical reasons why split payments cannot be the default position. There is a great deal of concern about the impact that the current system has on the safety of people living in situations of domestic violence.

Labour has long campaigned for the abolition of the bedroom tax right across the UK, so we welcome the Scottish Government's action to mitigate its impact. Like the bedroom tax, the imminent changes to support for mortgage interest is another Conservative policy that will hit those on low incomes. Right now, 11,000 people in Scotland who rely on the current scheme have little more than a month to decide whether to take out a loan or pay for the shortfall. I am eager to hear what the Minister has to say about that devastating yet avoidable change. Will he delay the impending changes and review the impact of the options before him?

We welcome the Scottish Government's agreement with Labour that the new social security agency in Scotland should have a duty to ensure take-up, but we should go further. Will the Minister commit to considering a duty for the rest of the UK? We need a social security system that is reliable, is there for us in our time of need, and provides support should any of us become sick or disabled, or fall on hard times. I am interested to hear how the Minister intends to address that in the light of the changes his party is pursuing.

5.18 pm

The Minister for Employment (Alok Sharma): It is an absolute pleasure to serve under your chairmanship, Mr Rosindell. I congratulate my hon. Friend the Member for Ayr, Carrick and Cumnock (Bill Grant) on securing this debate on a key issue for the citizens of Scotland.

We have had an incredibly spirited debate, in which a range of views have been expressed. Of course there have been disagreements, but that demonstrates, as my hon. Friends the Members for Ochil and South Perthshire (Luke Graham) and for Berwickshire, Roxburgh and Selkirk (John Lamont) noted, that ultimately we all care about our constituents and want to do the best by them. That is why we need to work together, across all parties, to ensure that we deliver for the people of Scotland.

Margaret Greenwood: Will the Minister give way?

Alok Sharma: No, I will not, if the hon. Lady does not mind. A lot of comments have been made, and I want to deal with them.

The devolution of welfare powers represents a considerable and positive change, but it will require strong collaboration and co-operation from all sides if

it is to be a success. The hon. Member for Airdrie and Shotts (Neil Gray) asked about the UK's commitment. I can tell him that we have set up and resourced dedicated teams to lead on Scottish devolutions; we have shared—and we continue to share—our learnings and experience with the Scottish Government; we have run more than 100 workshops and operational visits; and we have shared many hundreds of pieces of information. We are absolutely committed to working in partnership with the Scottish Government to ensure a safe and secure transfer of the welfare powers for which they now have responsibility.

Scotland is an integral part of the United Kingdom, and our economic and welfare reform policies recognise that. Unemployment in Scotland is at a near historic low, which we should all welcome, and more people see greater security in retirement. Following the decisive result of the 2014 independence referendum and the ensuing Smith commission, we are delivering on the promises we made to people in Scotland by devolving £2.8 billion in welfare powers.

Neil Gray: If we are working together and in partnership, will the Minister support the private Member's Bill of my hon. Friend the Member for Central Ayrshire (Dr Whitford)? That would negate the need for the Scottish Government to have to negotiate with the Department for Work and Pensions and would pay for the DWP to deliver split payment services under universal credit.

Alok Sharma: If I may, I will come on to how we are co-operating with the Scottish Government. At the end of the day, there is of course also a requirement on the Scottish Government to play their part. Many of the powers are being devolved: that involves not only a right for the Scottish Government, but a requirement for them to deliver.

The Scotland Act 2016 was an historic moment that created a shared welfare space for the first time. Since September 2016, the Scottish Government have had power to deliver employment programmes for disabled people and those at risk of long-term unemployment, and to vary the housing cost elements of universal credit through the universal credit choices. They have also had the power to top up reserved benefits using their own resources and to create new benefits in areas of devolved responsibility.

We have seen progress in some of those areas, with the DWP providing considerable support to enable the Scottish Government to deliver their transitional employability programmes from April 2017. From April this year we will support the introduction of their successor employment programme, Fair Start Scotland, which relies on Jobcentre Plus work coaches playing a key role in the referral process.

Since 4 October last year, we have been delivering universal credit Scottish choices through the universal credit system. That has allowed those living in Scotland who make a new universal credit full service claim a choice on whether they are paid twice monthly, instead of monthly, and whether their housing element is paid directly to their landlord. Since January this year, regulations allow for those universal credit Scottish choices to be extended to those who were universal credit full service

claimants before 4 October, as well as to those claimants transferring from live to full service, once their claim has been established.

We are yet, however, to see any proposals for how the Scottish Government intend to use their powers to top up benefits or to create new benefits in areas of devolved responsibility. The Scottish Government are proposing to pay a carer's allowance supplement to carers living in Scotland from this autumn, but they have still not put forward proposals on the disability benefits such as personal independence payments, disability living allowance and attendance allowance for people in Scotland.

My hon. Friend the Member for Ayr, Carrick and Cumnock asked about joint working. As he may know, there is a joint ministerial working group on welfare, which is jointly chaired by the Secretary of State for Scotland and the Cabinet Secretary for Communities, Social Security and Equalities in the Scottish Government. It continues to oversee the transfer of the new employment and welfare responsibilities. The Secretary of State for Work and Pensions also attends the working group. My Department has worked hard to share our knowledge and experience and has invested significant resource to support the Scottish Government's thinking and planning.

It is two years this week since the Scotland Act received Royal Assent, and I agree with my hon. Friend the Member for Ayr, Carrick and Cumnock that the public need clarity, as there is still much to do. Meaningful devolution in such areas cannot happen until the Scottish Government make their policy intentions clear and put in place the infrastructure to deliver them.

The hon. Member for Airdrie and Shotts asked specifically what we were doing with the Scottish Government. I can tell him that, obviously, we have been supporting them in a whole range of areas, as outlined, but we are keen to understand in greater depth the Scottish Government's plans for post-wave 1—when I say that, I mean the disability benefits that I have already outlined.

The reality is that if the Scottish Government fail to deliver those welfare powers by 2020, the people of Scotland will need to be protected. Plans are in place to ensure that the DWP will be able to continue to administer and deliver the devolved benefits, as we do now, under an agency agreement for a defined time. We will ensure that we provide the greatest support and the greatest protection for the people of Scotland.

Neil Gray: Given that the parliamentary process is proceeding in a timeous fashion and to time, what evidence does the Minister have to suggest that the Scottish Government will not proceed to time unless the UK Government have not done the groundwork?

Alok Sharma: My intention is not to create any kind of ranking—we want to work with the Scottish Government. The point that my hon. Friend the Member for Ayr, Carrick and Cumnock made, rightly, is that he has concerns about the pace at which things are moving. I repeat: the faster the Scottish Government move forward, the faster and more easily we can work together to deliver, ultimately, for the people of Scotland. That is what are here to talk about—not the politicians, but the people of Scotland.

Luke Graham: It is good to hear about the support that the Minister is providing to the devolved

[*Luke Graham*]

Administration, but will he assure me and other Members that, although some devolution of powers will be helpful, he and his Department will work with them to ensure against duplication and our constituents receiving a lower standard of service? Creating a new welfare agency is another layer of bureaucracy and cost. Benefits are already confusing enough for our constituents. Will he make that guarantee? We are MPs in this place to influence Government directly for all the UK, not to devolve our responsibility away.

Alok Sharma: As I said, we are here to work together to deliver for the people of Scotland. I know a number of colleagues have castigated universal credit, but it is a welfare system that has simplified the whole infrastructure of welfare. Having gone to jobcentres around the country and talked directly to claimants, I can say that for them that has made a big positive difference.

I only have a couple of minutes left, so I will deal with a couple of points made during the debate. One was with regard to disabilities. There was an implication that we may be cutting disability benefits, but that is not the case. In fact, PIP and DLA are just one part of more than £50 billion that we will be spending this year alone to support disabled people and those with health conditions.

The hon. Member for Glasgow Central (Alison Thewliss) mentioned the Equality and Human Rights Commission. We do not accept the commission's analysis, because it only represents a partial picture, does not consider the effect of spending on public services and makes unevidenced assumptions about income sharing in households. She made a specific point about women of Pakistani origin. We are committed to increasing opportunity for them, which is why, as part of the work we have done in the race disparity audit, we have identified 20 challenge areas in which to have pilots, to ensure that we can get people into work.

In conclusion, we look forward to the Scottish Government ultimately making progress with the ideas outlined. We, of course, stand ready to work with them to deliver for the people of Scotland. That is certainly the case that my hon. Friend the Member for Ayr, Carrick and Cumnock made in his opening speech, and I commend him for that.

Bill Grant: It is left to me simply to thank all Members and the Minister for coming along this afternoon—and indeed you, Mr Rosindell, for chairing the debate.

Question put and agreed to.

Resolved,

That this House has considered Scottish welfare powers.

5.29 pm

Sitting adjourned.

Written Statements

Tuesday 20 March 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Competitiveness Council

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): The Competitiveness Council (Internal Market and Industry) took place on 12 March in Brussels. I represented the UK.

EU industrial policy

Ministers had a wide-ranging discussion on the future of EU industrial policy and the need for European industry to adapt to changes in the global economy and the digital revolution. The UK noted that its recently published industrial strategy identified many of the same challenges and drivers of growth, and stressed our commitment to an open, liberal market economy based around fair competition and high standards. Commissioner Bienkowska updated Ministers on the first meeting of the “Industry 2030” High Level Roundtable which took place in February. The roundtable would work towards a future vision for EU industry. Ministers also agreed the draft Council conclusions (doc. 2793/18).

The UK also raised concerns at the recent announcement by the US Administration to introduce tariffs on steel and aluminium imports. The UK stressed that unilateral tariffs were not the right way to tackle global overcapacity. Other member states stressed the need for a solution that respected the role of the WTO which Commissioner Bienkowska supported in her response.

Digitalisation of the EU economy

Ministers considered how to better focus national reform efforts and funding decisions, to seize the opportunities presented by digitalisation for European industry and citizens. There was wide agreement on the need to boost digital skills, to provide clear regulatory frameworks, and to see SMEs and the public sector as potential beneficiaries as well as large businesses. Member states considered that both private sector and EU funding should be easier to access and complement existing national investment in infrastructure.

Single Market

Ministers held a policy debate on the single market to mark the anniversary of the treaty of Maastricht. A number of member states, including the UK, called for better enforcement of single market rules and an analysis of barriers to the services market to realise the single market's full potential.

Commissioner Bienkowska hoped that member states would reflect their aspirations for the single market in responding to Commission legislative proposals. The UK underlined our continuing interest in the success of the single market and support for ongoing efforts to reduce barriers, and reiterated the Prime Minister's call for an ambitious UK-EU partnership.

Other items

Commissioner Bienkowska set out the key elements of the Commission's plastics strategy and highlighted the objectives of a review of the REACH regulation. On better regulation, the presidency presented work to highlight the role of scientific evidence in the EU's regulatory decision making. Belgium presented a short note to highlight the risk of start-ups and scale-ups being captured by the rescue and restructuring guidelines in the state aid rules. Under the regular “Competitiveness Check-up” Commissioner Bienkowska gave a presentation on the link between services reforms and productivity in manufacturing. Commissioner Jourova updated Ministers on the forthcoming package of consumer protection proposals which are due in April.

[HCWS564]

Corporate Governance

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The Government are launching a consultation on improving the corporate governance framework to ensure the highest standards of behaviour from those who control companies.

The UK is already recognised as having a leading international reputation for corporate governance. After consulting last year, the Government are preparing secondary legislation to implement a range of reforms that build on and enhance the current framework in relation to executive pay, strengthening the employee and wider stakeholder voice in the boardroom, and corporate governance in large privately held businesses.

Today's consultation takes this essential work further by improving the corporate governance of firms when they are in or approaching insolvency, and seeking views on a number of areas where our existing rules and processes may need updating. This consultation seeks to respond in a balanced and proportionate way to reinforce public trust and confidence in business, so that the vast majority of responsible companies do not have their reputation besmirched by a small few.

The consultation considers:

The sale of businesses in distress: The consultation explores potential changes to ensure that directors responsible for the sale of an insolvent subsidiary of a corporate group take proper account of the interests of the subsidiary's stakeholders. The proposals seek to ensure fair outcomes when major companies get into difficulties, but to avoid putting barriers in the way of credible business rescue efforts.

Reversal of value extraction schemes: The Government want all creditors to be treated fairly in an insolvency situation and is seeking views on potential changes to how certain transactions, or a series of transactions, entered into before insolvency can be challenged and clawed back if unlawful.

Investigation into the actions of directors of dissolved companies: There are difficulties caused when companies are dissolved with outstanding debts or allegations of director misconduct, which the insolvency service does not currently have the necessary powers to investigate.

Strengthening corporate governance in pre-insolvency situations: Whether steps should be taken to improve governance, accountability and internal controls within complex company group structures; whether there are further opportunities to strengthen the role of shareholders in stewarding the companies in which they have investments, while the payment of dividends should remain for the directors to decide, having regard to their obligations and

guidance, whether the legal and technical framework within these decisions are made could be improved and made more transparent; whether the commissioning and use of professional advice by directors is done so without a proper awareness of their duties as directors; and whether and how a supply chain and other creditors can be better protected in the event of a major insolvency, while preserving interests of shareholders.

Today I will be placing copies of the consultation document in the Libraries of the House.

[HCWS561]

DIGITAL, CULTURE, MEDIA AND SPORT

Digital Economy Act 2017

The Secretary of State for Digital, Culture, Media and Sport (Matt Hancock): This statement is to inform the House that regulations were made on 15 March 2018 to bring into force specified provisions in parts 5 and 6 of the Digital Economy Act 2017 (“the Act”). The part 5 provisions, also known as the “Digital Government” provisions, provide powers enabling public authorities and other persons to share information for particular purposes, as well as introducing new powers of access to information for the UK Statistics Authority to assist it in exercising its functions.

The Digital Government provisions in part 5 of the Act allow information sharing in the areas of public service delivery, civil registration, debt, fraud, research and statistics. Between 21 September and 2 November last year, the Government carried out a public consultation and obtained the views of statutory consultees on draft codes of practice and other guidance which support these provisions, and on draft regulations which set objectives for the public service delivery provisions. The Government expect to lay the draft codes and regulations for consideration by Parliament shortly.

The research and statistics provisions (at chapters 5 and 7 of part 5) will be brought into force in Northern Ireland as well as in England, Wales and Scotland. Some of the purposes for which information may be shared under part 5 are devolved with respect to Northern Ireland.

Although it was intended that a legislative consent motion (LCM) would be sought from the Northern Ireland Assembly during the passage of the Act, the Assembly was dissolved before the motion itself could be passed. With that in mind, the Government have sought to keep open the ability to commence the provisions separately in Northern Ireland, in the hope that a restored Executive could seek legislative consent from the Assembly before the provisions were commenced.

In the light of the ongoing absence of a Northern Ireland Executive, however, a point has been reached whereby a decision on whether to commence the research and statistics provisions cannot be further deferred. The UK Government have therefore decided to proceed with UK-wide implementation on a limited basis for those provisions, taking into account representations from officials and other stakeholders in Northern Ireland. This decision has not been reached lightly. Not commencing these specific provisions UK-wide at this time would undermine the comprehensiveness and consistency of statistics about society and the economy for both the UK as a whole, and for Northern Ireland in particular. It could also affect the ability of bodies in Northern

Ireland to access essential statistical data and to make policy on the basis of relevant research. In both respects it would impact on the ability to make effective, timely and evidenced decision-making at the local and national levels. Given this, and noting the support the measures commanded from the previous Executive (with a legislative consent motion laid in the Assembly albeit not passed) and as part of a public consultation which included Northern Ireland, we assess that now is the right time to move forward with commencement.

When an Executive has been restored, we will write to Northern Ireland Ministers to confirm that they are content for the commenced provisions to remain in place. We will also consider carefully any further representations from stakeholders in Northern Ireland to commence other provisions in the Digital Economy Act 2017, while recognising the broad support that these measures have commanded previously.

[HCWS567]

HEALTH AND SOCIAL CARE

NHS Planning in 2018-19

The Parliamentary Under-Secretary of State for Health (Steve Brine): I am today updating the House on the outcome of the General Medical Services (GMS) contract negotiations with the General Practitioners Committee of the British Medical Association and NHS Employers on behalf of NHS England.

The GMS contract for 2018-19 comprises a pay uplift together with a CPI uplift of 3% to expenses totalling £102.9 million, as part of the overall investment of £256 million. The investment includes £60 million which has been allocated to cover increased indemnity costs incurred in the past financial year.

Other key parts of the contract include:

An agreement that will pave the way to general practitioners no longer issuing paper prescriptions, instead using the NHS electronic prescription service.

The roll out of the NHS e-referral service into general practice. NHS England has allocated £10 million to facilitate GPs uptake of the electronic referral service.

An agreement with the GPC to work with DHSC and NHSE to establish the extent and reasons behind locum use and cost.

We understand that NHS England will apply the provision to personal medical services and alternative provider medical services where appropriate.

Full details of the agreement can be found at: <http://www.nhsemployers.org/GMS201819>.

[HCWS565]

General Medical Services Contract Negotiations 2018-19

The Parliamentary Under-Secretary of State for Health (Steve Brine): I am today updating the House on the outcome of the general medical services (GMS) contract negotiations with the General Practitioners Committee of the British Medical Association and NHS Employers on behalf of NHS England.

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Full details of the agreement can be found at: www.nhsemployers/GMS2Q1819.

[HCWS565]

HOME DEPARTMENT

Fire Reform

The Minister for Policing and the Fire Service (Mr Nick Hurd): Improving firefighter diversity is a key priority for the Government's ambitious fire reform programme. The most recent 2017 operational data, published on 26 October, showed that only 5.2% of firefighters in England are women and 3.9% are from an ethnic minority group. This is unacceptable and needs to be significantly improved so that firefighters are representative of the communities they serve.

While in 2017 we did see movement in a positive direction in terms of new joiners to the firefighter role: 8.7% were women and 5.1 % from ethnic minorities, there is still further to go. This is why the Home Office will shortly be launching a national campaign with a focus of 'Join the Team; Become a Firefighter' to raise awareness of the role of a modern firefighter and help improve diversity.

The campaign, which is being supported by the National Fire Chiefs Council (NFCC), Local Government Association (LGA) and Inclusive Fire Service Group (IFSG) will:

- (i) target those from under-represented groups that may not have previously been interested in the role;
- (ii) provide information on the breadth of role across prevention, protection; and response; and
- (iii) produce guidance and toolkits to help those interested in the role overcome any challenges they face during the recruitment rounds. The campaign will enhance and not duplicate the work already being undertaken by fire and rescue services in England to improve diversity.

[HCWS570]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Local Government Finance

The Secretary of State for Housing, Communities and Local Government (Sajid Javid): The current 50% business rates retention scheme for local government is yielding strong results. Local authorities estimate that in 2017-18

they will keep around £1.3 billion in business rates growth, which we expect will be at least maintained into 2018-19 and 2019-20. On top of the 50% business rates retention scheme which is in place for all local authorities, in 2017-18 the Government established pilots of 100% business rates retention in five areas of England and extended business rates retention to 67% in London. The pilot programme will be expanded further in 2018-19 to cover an additional 10 areas.

My officials have worked through the necessary calculations to prepare for the extension of the piloting programme in 2018-19. In doing so, an historic error has been identified in the methodology used to calculate the sums due to pilots. An adjustment is therefore required to the methodology, which will reduce the amount due to these local authorities for participating in the pilot programme to the correct level. This adjustment does not affect the local government finance settlement nor the core spending power of the local authorities concerned. The relevant local authorities have been informed today.

Background

Under the business rates retention system, local authorities retain a percentage of the business rates they raise locally. Since 2014-15, locally-raised business rates have been lower than they would have been because Government have under-indexed the business rates multiplier in each of 2014-15, 2015-6 and 2018-19. To compensate local authorities for their loss of income, therefore, the Government have calculated the extent of the loss caused by under-indexation and paid that amount as a grant under section 31 of the Local Government Act 2003.

The compensation to be paid to local authorities is paid on account during the course of a year, based on estimates made by authorities before the start of that year. It is then adjusted once outturn figures are available, following the end of the year.

When on account compensation payments were calculated for the six 2017-18 pilot areas, the methodology used to adjust tariffs and top-ups contained an error. This resulted in 27 local authorities and the Greater London Authority being over-compensated by £36 million.

These local authorities will have been operating on the understanding that this funding has already been secured and, at this late stage in the year, a sudden reduction in their funding could potentially have an impact on the delivery of the objectives agreed as part of their devolution deals. Therefore, although the rules of "Managing Public Money" indicate that the Department should recover the overpayment, I have issued a direction requesting that the permanent secretary does not do so in this extraordinary circumstance. My correspondence with the permanent secretary will be published on the Department's website.

In respect of the payments due to 2018-19 business rates retention pilot authorities, my Department will use the corrected methodology to calculate the section 31 grant compensation due to authorities. Local authorities will shortly be notified of these amounts.

Review

In recognition of the importance of the business rates retention system to the sustainability of local government, I am also today announcing an independent review of the internal processes and procedures that underpin the

Department's oversight of business rates and related systems. This should include modelling and analytical work, how officials manage the interface with policy decision making, and resourcing and skills.

[HCWS569]

INTERNATIONAL DEVELOPMENT

Safeguarding in the Aid Sector: Update

The Secretary of State for International Development (Penny Mordaunt): Following the safeguarding issues exposed through the case of Oxfam in Haiti, I am updating the House on three key areas of work DFID has undertaken.

Statements of assurance from UK charities and follow up on cases

All UK charities that I wrote to on 12 February have replied and provided me with a clear statement of their assurance on their organisations' safeguarding environment and policies, organisational culture, transparency and their handling of allegations and incidents.

This exercise has delivered results in terms of increasing reporting of live and historic cases to the relevant authorities. As of 5 March, 26 charities funded by DFID had made serious incident reports to the Charity Commission, concerning some 80 incidents. There has also been an increased level of reporting of safeguarding concerns into DFID's "Reporting Concerns" hotline and inbox.

I cannot provide information on live investigations, but will keep the House informed on developments with partners and with regard to DFID's internal case review.

Writing to UK charities was the first stage in a broader process, which also includes requesting assurances from our top 30 suppliers, 43 multilateral organisations and other partners. Assurances received are a first step, but do not constitute a final conclusion by my Department on the quality of safeguarding. We will test this further through the measures I announced at the safeguarding summit held on 5 March and set out below.

A high-level summary of the returns from UK charities and a list of organisations we have written to will be published on gov.uk today. It can be found at:

<https://www.gov.uk/government/publications/high-level-summary-safeguarding-assurance-returns-from-uk-charities>.

Safeguarding summit follow up

On 5 March, DFID co-hosted a safeguarding summit with the Charity Commission where I challenged UK charities to drive up standards and ensure that the aid sector protects the people it serves. As a result a number of actions were agreed. These include immediate short-term measures and longer term initiatives.

Four working groups, including civil society and independent experts, have been established and are meeting this week to refine and test ideas further. They will report back on concrete actions in time for the international safeguarding conference that the UK will host this autumn. The working groups are taking forward the following areas:

Accountability to beneficiaries and survivors—prioritising those who have suffered and survived exploitation, abuse and violence, and designing systems of accountability and transparency that have beneficiaries at their centre;

How the aid sector can demonstrate a step change in shifting organisational culture to tackle power imbalances and gender inequality;

Ensuring that safeguards are integrated throughout the employment cycle, including work on the proposal for a global register/passport; and

Ensuring full accountability through rigorous reporting and complaints mechanisms, and make sure that concerns are heard and acted upon.

At the summit, I announced new, enhanced and specific safeguarding due diligence standards for all organisations that work with DFID. A pilot of these new standards starts this week and they will be rolled out shortly. No new funds will be approved to organisations unless they pass these new standards, which will be integrated into DFID's due diligence assessments, supply partner code of conduct and ongoing programme management and compliance checking processes.

Major UK charities, the Charity Commission and DFID agreed on initiatives to be taken forward to improve safeguarding standards—including immediate short-term measures, and longer term initiatives to be developed in the coming weeks and months. These include:

Exploring options for an international safeguarding centre to support organisations to implement best practice on safeguarding and maximise transparency in the sector. This work could include conducting safeguarding reviews, offering guidance and support to organisations, and a deployable team of experts on sexual exploitation and abuse who can advise organisations on the ground.

Carrying out an urgent review of referencing in the sector. At the summit, it was agreed that vetting and referencing standards are required for: UK-based staff; international staff and locally employed staff—to ensure no offender can fall through the cracks.

Planning for a systematic audit of whistleblowing practices across the sector to ensure individuals feel able to report offences, and developing and implementing mandatory standards which would make organisations accountable to beneficiaries—ensuring those receiving aid are able to identify and raise concerns.

Making annual reports more transparent, with specific information published on safeguarding including the number of cases. Also carrying out mandatory inductions on safeguarding for all staff to ensure any issues are identified and acted upon.

Establishing clear guidelines for referring incidents, allegations and offenders to relevant authorities—including the National Crime Agency.

Those in attendance at the summit agreed a joint statement which has been published on the Bond and gov.uk websites.

DFID is now building on the 5 March summit outcomes and working with a wide range of stakeholders, including other nations, to shape and deliver an ambitious agenda for the safeguarding conference to be held later this year.

Driving up standards in the UN and multilateral organisations

I have written jointly with the Foreign Secretary and with the support of other donor countries to the UN Secretary-General.

Last week, I was in New York to speak at the Commission on the Status of Women to highlight that we will only prevent sexual exploitation and abuse and achieve the sustainable development goals, if we deliver our commitments on gender equality.

I hosted a roundtable and held meetings with senior UN partners, calling for a step change across all constituent parts of the UN to ensure they put beneficiaries first, shift their organisational culture, integrate safeguards throughout the employment cycle and ensure that there are robust systems for reporting, complaints and whistleblowing. I challenged the UN to set out concrete actions to take this forward.

I will take this message to other multilateral organisations at the spring meetings next month.

A donor group has been established to capitalise on our collective leverage to deliver changes across the international aid sector at the safeguarding conference.

I am determined that the UK will continue to lead this agenda to drive up safeguarding standards across the sector and keep people safe from harm.

[HCWS568]

JUSTICE

Justice Update

The Lord Chancellor and Secretary of State for Justice (Mr David Gauke): The Government are today introducing into the House of Lords legislation through the Civil Liability Bill to make important changes to our system of compensation for personal injury.

As announced in the Queen's Speech on 21 June 2017, the Civil Liability Bill will reform the law relating to whiplash claims. We will introduce a new fixed tariff of compensation for pain, suffering and loss of amenity for whiplash claims with an injury duration of up to two years. The tariff will be set in supporting regulations. We will also introduce a ban on seeking or offering to settle whiplash claims without medical evidence.

The Civil Liability Bill will also make changes to the way in which the personal injury discount rate for England and Wales is set under the Damages Act 1996. The principal changes we are making are that: the discount rate will be set by reference to expected rates of return on a low risk diversified portfolio of investments rather than a return on very low risk investments as under the present law; in setting the rate, the Lord Chancellor will consult an independent expert panel chaired by the Government Actuary, with HM Treasury remaining a statutory consultee; and the discount rate will be reviewed promptly after the legislation comes into force and, thereafter, at least every three years.

I am also publishing today the Government's response to the Justice committee's report, "Pre-legislative scrutiny: draft personal injury discount rate clause", published on 30 November 2017.

I am also placing the delegated powers memorandum and accompanying impact assessments in the House libraries.

I notified the market of the Civil Liability Bill earlier today through the London Stock Exchange group.

[HCWS566]

TRANSPORT

Rail Update

The Secretary of State for Transport (Chris Grayling):

I have today launched an invitation for investors who want to invest in rail infrastructure to bring forward proposals for the new southern rail link to Heathrow. In addition they are being invited to propose schemes around the country that could enhance and expand the rail network. Promoters and investors now have two months to start working up proposals which are financially credible without Government support.

This Government are already making the biggest investment in the railway since the Victorian era, delivering better journeys for passengers across the network. However, I want to go further by unlocking new private sector funding to invest in railway infrastructure across the country. This will be in addition to the Government's significant commitment to invest £48 billion in railway infrastructure in the next funding period.

Governments do not have a monopoly on good ideas for the railways. I have been clear that I want the knowledge and expertise of investors and local partners to contribute to delivering new connections, more services and better journeys for passengers.

This approach has already proved effective on a number of roads schemes in the UK. By encouraging innovative ideas and new investment on our railways, we can relieve the burden on taxpayers and fare payers with schemes that match our transport needs, support our economic and housing aspirations and ensure everyone benefits from an enhanced rail network.

Heathrow is a perfect example of how this approach can make a real difference. The Department is continuing to work on a western rail link to Heathrow. The proposed southern rail link to Heathrow is an exciting opportunity to harness new and innovative ideas from the private sector and there are already a number of consortia looking to construct it. I am certain that there are other opportunities nationwide for third parties to work with the Government to improve the railway.

I have published my guidance for market-led proposals to provide clarity on what Government are looking for from these ideas and the process by which it will consider them. I have also published the "Rail Network Enhancements Pipeline".

When I published my high level output specification and statement of funds available for the railway in England and Wales for the next investment period, I made clear that the Government were developing a new process for rail enhancements—the "Rail Network Enhancements Pipeline" provides this. This is designed to ensure that future rail projects are planned and scrutinised to deliver maximum value and benefit to rail users and taxpayers.

Taken together this provides a clear framework for how we will improve the way we enhance our railway.

The changes I have outlined today lay the foundations for improving rail access to Heathrow. They also set in motion ambitious proposals on new rail schemes that could deliver significant improvements for passengers across the network and to maintain the record levels of investment this Government are delivering in our railways.

[HCWS562]

WORK AND PENSIONS

Access To Work Scheme

The Secretary of State for Work and Pensions (Ms Esther McVey): In March 2015, as part of a package of improvements to access to work, the former Minister for Disabled People, Health and Work, my right hon. Friend the Member for Forest of Dean (Mr Mark Harper), announced the introduction of an annual limit on the amount of an access to work grant of 1.5 times average salaries in order to encourage better use of public funds and to enable Access to Work to support more people—particularly traditionally under-represented groups. The cap has been in place since October 2015, but a period of transitional protection was granted to enable those who were spending above the level of the cap on introduction time to adjust to the new limits.

During this transitional period for people to adjust to the need to source their support within a limit, we have seen considerable progress. The average spend among the remaining transitionally protected customers has fallen from around £57,000 each to around £45,000 each. This suggests that it is achieving the intended incentive effects on individuals and employers to make best use of funding as well as freeing over £2 million per year, to support growing numbers of people benefiting from the scheme, alongside the extra resources provided in the spending review. I am therefore persuaded that the principle of the cap is sound, balancing the need to provide support to the largest number of people, and at a significant level for some, with the need to make the best use of public funds.

At the same time, the Government have always said that we would also use this time to monitor the impact of the cap on individuals and work with customers and other stakeholders to see if any further practical mitigations could be applied to those whose needs still remain above the cap. This includes emphasising the duties that employers have to play their part and make reasonable adjustments under the Equality Act 2010. At the same time it was agreed that we would lead a review of communication support for deaf people, which we published last year.

I am therefore pleased to announce that as a result of this engagement—particularly with the UK Council on Deafness (because the majority of capped customers are deaf), but also with others groups and individuals

that as of April 2018, the cap will not rise to £43,100 in line with 1.5 times average earnings. Instead it will rise to £57,200, double average earnings, and will be up-rated annually on that basis. This means that considerably fewer British sign language users now remain affected by the cap. I believe it is important to retain this link to average earnings so that high-value awards, which are overwhelmingly used to purchase human support, retain their purchasing power over time.

Alongside this change, existing capped customers will, where applicable, have their needs considered against this new limit when their awards are due for their annual review.

As we continually seek to improve Access to Work, which last year approved provision for 8% more people than in 2015/16—including 13% more people who were deaf or had hearing loss—we will introduce the following measures:

- extra support to customers with high-value awards via automatic workplace assessments promoting available technology and reasonable adjustments and voluntary cost-share from employers as well as signposting to advice and guidance provided by third parties;

- working with stakeholders to co-produce guidance and share best practice as well as continued monitoring of the impacts on the cap;

- discretion in exceptional cases of multiple disability, to consider award limits averaged over a longer period—for example where a customer's on-going need for a support worker may be below the cap but when coupled with a periodic need for, say, a wheelchair, would exceed the cap in that year;

- introduction of managed personal budgets to enable greater choice and control for customers in the way grants are spent; taking applications 12 weeks ahead of a job start date rather than the current six weeks to allow more time for support to be agreed and put in place;

- continuing to invest in our digital improvements such as developing the facility to submit invoices online;

- allowing more flexibility in how people can use Access to Work to support short periods of work experience where there is a likelihood of a paid job in the near future; and

- encouraging uptake of technological solutions that can both reduce costs and promote independence, we will allow risk free trials of technological solutions so that customers can revert to their old award if they wish, and also introduce a “Tech Fund” that will mean the mandatory cost-sharing contributions from employers for such items are waived where their use will save the taxpayer money.

[HCWS563]

Petitions

Tuesday 20 March 2018

PRESENTED PETITION

Petition presented to the House but not read on the Floor

Child maintenance payments

The petition of residents of East Renfrewshire,

Declares that it is currently lawful for an individual to reduce the level of child maintenance payments which they are liable to pay, by diversion of income into a personal pension; further that it is unfair that a non-resident parent with a higher income than a resident parent can reduce their liability in this way.

The petitioners therefore request that the House of Commons reviews the rules which govern child maintenance and pension payments and to ensure that rules which

allow for pension payments cannot be exploited to allow non-resident parents to reduce liability for child maintenance payments.

And the petitioners remain, etc.—[*Presented by Paul Masterton.*]

[P002124]

School budgets

The petition of residents of Craven Ward,

Declares that the cuts in spending to school budgets in Craven Ward, in the constituency of Keighley and Ilkley, will lead to further staff redundancies, increasing class sizes, reductions in the range of subjects on offer and a decline in educational standards.

The petitioners therefore request that the House of Commons urges the Government to reverse the cuts that have been made to school budgets in Craven; further to protect per pupil funding in real terms in the schools of Craven over the lifetime of this Parliament; and further to ensure no school loses out in real terms as a result of any new funding formula.

And the petitioners remain, etc.—[*Presented by John Grogan.*]

[P002120]

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